

Date: October 27, 2025
To: Mark Johnson, Executive Director, Lessard Sams Outdoor Heritage Council
From: Jeramy Pinkerton, Lake Superior and St. Louis River Program Supervisor
Subject: Appropriation Extension Request - ML 2021, Ch. 1, Art. 1, Sec. 2, subd 5(l)

The St. Louis River Restoration Initiative (SLRRI) team recently prepared the semi-annual progress report for our ML2021 appropriation. As indicated in the budget update, \$949,200 remains unspent in the Contracts budget and \$155,500 remains unspent in the Professional Services budget. We primarily use the Contracts budget category to fund large construction contracts associated with habitat restoration projects and Professional Services for design, survey, and contract administration and construction oversight. For our ML2021 appropriation, the bulk of these funds are earmarked for our Mud Lake habitat restoration project. Due to project delays that were unforeseen at the time of our proposal, we are requesting an extension to this appropriation to ensure it is fully spent down and achieves Accomplishment Plan objectives. As requested by Council Staff's May 24, 2023, memo, this extension request includes: 1) delineation of circumstances requiring an extension, 2) a well-defined plan toward project completion, and 3) verification that the extension amendment does not include an increase in personnel or Direct Support Services (DSS).

Circumstances Requiring an Extension

Mud Lake: Restoring aquatic habitat at Mud Lake (located within the St. Louis River) is DNR's last restoration project to complete under the Great Lakes Area of Concern Program. It is a large and complex project, requiring extensive dredging to restore wetland and deep-water habitat, installing a bridge through a historic railroad causeway to restore a hydrologic connection to the estuary, and special handling of legacy-contaminated sediments. In November 2020, DNR entered into a Partnership Agreement (PA) with the US Army Corps of Engineers (USACE) Detroit District to provide engineering and design services on the project. Services included baseline data collection, hydraulic and hydrologic modeling, cultural resource review, and preparing engineering designs and specifications.

This request is being made due to delays in the implementation of our Mud Lake Restoration Project resulting from the unforeseen Federal government shutdown and delays in Federal processes resulting from the number of individuals with our U.S. Environmental Protection Agency (USEPA) partners that took the deferred resignation option. This project is nearing the end of design process with final designs anticipated to be delivered on October 31, 2025. As part of Federal requirements, we have number of documents that need EPA completion/approval before we can move forward bidding/construction. This includes a Memorandum of Agreement (MOA) between the USEPA and Minnesota State Historic Preservation Office that needs to be completed as part of the section 106 review. Current planning suggests that this best-case scenario for this MOA to be completed in mid-January and worst-case is mid-April and is contingent on when the Federal government shutdown ends.

Plan for Project Completion

Mud Lake: We anticipate final designs for this project to be delivered on October 31, 2025. Once the Federal government re-opens, the EPA will be able to complete the MOA with the Minnesota State Historic Preservation Office. After this is completed, we can move forward with bidding and implementation of the project. Due to its size and complexity, the project is expected to take two construction seasons to complete. ML2021 funds are just one part of the project's funding profile, and they are among the oldest. Therefore, they will be earmarked to be spent during the beginning of construction. Other funds available for this large project include DNR's ML2022 and ML2023 appropriations, Great Lakes Restoration Initiative funding through USEPA, and over \$6 million in bond funds being transferred from the MPCA to DNR. These bond funds must be used on St. Louis River projects and were not needed by MPCA. Completing the project on its current timeline is a top priority for USACE, USEPA, and DNR.

Personnel and DSS evaluation

DNR is not proposing any increases to the Personnel or DSS budget categories with this extension amendment.

Closing Thoughts

The Mud Lake project has a significant budget and require funding outside of our ML2021 appropriation. Therefore, once construction begins, we will be able to spend down the ML2021 funds by our proposed appropriation extension to **June 30, 2027**. Extending the appropriation's end date will ensure that the project is completed as designed, habitat outcomes are achieved, and our significant non-OHF leverage is maximized. DNR's SLRRI program has been successfully completing restoration projects in partnership with LSOHC since 2012. While we regret having to submit this amendment request, we could not have foreseen the delays caused by the government shutdown or recent staff losses at the USEPA Great Lake National Program Office.

Figure 1. Illustration of habitat restoration features included in the 95% design plans for Mud Lake.



Figure 2. Profile view of bridge from the 95% design.

