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TO: Honorable County Commissioners
Scott Arneson, County Administrator

FROM: Jess L. Greenwood, Public Works Director

RE: 16 December 2025 Board of Commissioners Meeting – REGULAR AGENDA
Federal Dollar Exchange with Wabasha County

Date: 10 December 2025

Summary

It is requested that the Board of Commissioners consider a request from Wabasha County to exchange federal dollars for local dollars from Goodhue County to simplify a project in 2028.

Background

Earlier this year staff from Wabasha County reached out to discuss the possibility of trading federal dollars that they are receiving in 2028 for Goodhue County local dollars. This exchange of funds would be possible as Goodhue County will be receiving \$4.65 million in federal dollars for a project on CSAH 11 from CSAH 27 to Pine Island. The requirements to receive these federal funds include at least a 20% match by the County which we will exceed even with an additional \$1.5 million federal dollars, as the estimated construction cost of the CSAH 11 project is \$9,675,000.00.

This requested exchange of funds would allow Wabasha County to avoid a full federal process with MnDOT State Aid, which will reduce overall reviews, administration, and expenses. Goodhue County will be stepping through the full federal process for our project, regardless.

There would be a few more steps that would need to happen before an exchange would be possible. Those include the following:

- The process begins with each county submitting a fund exchange application form to the MnDOT District State Aid Engineer (DSAE).
- After forms are received by the DSAE, the Area Transportation Partnership (ATP) will have to consider the transfer of federal dollars to Goodhue County. When considered, the ATP members may want to know that Goodhue County's project has enough capacity for eligible items (shoulder paving, stormwater management, sidewalk, trails, ADA improvements, etc.).
- Once approved by the ATP, Goodhue County and Wabasha County will need a funding exchange agreement with approval by both County Boards.

There is no guarantee, expressed or implied, that we would make it through all the necessary steps to gain approvals to exchange funds but there is a high degree of confidence that MnDOT & the ATP would be amenable to this proposal. Regardless of whether the exchange of funds is approved, Goodhue County's project on CSAH 11 would not be substantially impacted.

"To effectively promote the safety, health, and well-being of our residents"

Alternatives

- Proceed with the concept of making an exchange with Wabasha County for their expected \$1.5 million dollars of federal money in FY2028 in exchange for an equivalent amount of local dollars from Goodhue County.
- Reject the idea of making an exchange with Wabasha County.

Recommendations

It is the recommendation of staff that the Board of Commissioners proceed with the concept of Goodhue County receiving \$1.5 million dollars of federal money from Wabasha County in FY2028 and providing an equivalent amount in local funds to Wabasha County.