



DEPARTMENT OF THE ARMY  
OFFICE OF THE ASSISTANT SECRETARY  
CIVIL WORKS  
108 ARMY PENTAGON  
WASHINGTON DC 20310-0108

SEP - 6 2012

Honorable Joseph R. Biden, Jr.  
President of the Senate  
U.S. Capital Building, Room S-212  
Washington, D.C. 20510-0012

Dear Mr. President:

In response to the Energy and Water Development Appropriations Act of 2000, PL 106-60, adopted on September 29, 1999, the Secretary of the Army recommends authorization of a plan to reduce coastal storm damages for the San Clemente Shoreline in Orange County, California. The proposal is described in the report of the Chief of Engineers dated April 15, 2012. The views of the State of California, the Department of the Interior, The National Oceanographic and Atmospheric Administration, and the Environmental Protection Agency are set forth in the enclosed communications.

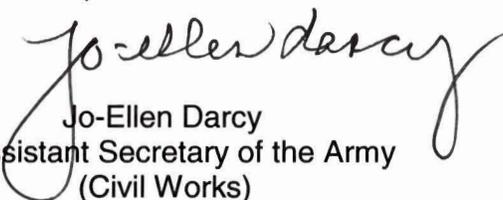
The recommended plan will reduce coastal storm damages by constructing a beach fill/berm along the San Clemente shoreline. The proposed project includes construction of a 50-foot-wide beach nourishment project along a 3,412-foot-long stretch of shoreline using 251,000 cubic yards of compatible sediment, with renourishment on the average of every 6 years over a 50-year period of Federal participation. The design berm will be constructed to an elevation of 17 feet Mean Lower Low Water (MLLW) with foreshore slope of 8H:1V (at equilibrium). Material for the beach fill will be dredged from a borrow site identified off the coast of San Diego County. The recommended plan also includes post-construction monitoring over the period of Federal participation to ensure project performance and adjust renourishment plans as needed. Monitoring of the environmental resources will be required for each construction event.

Based on October 2011 price levels, the estimated first cost of initial construction is \$11,300,000. There will be 8 renourishments scheduled over the project lifetime, with a total cost estimated at \$86,800,000. The total project cost which includes initial construction, monitoring, and periodic nourishment is estimated to be \$98,100,000. Based on a 4 percent discount rate and a 50-year period of analysis, average annual costs are estimated at \$2,180,000 while average annual coastal storm damage reduction (CSDR) and recreation benefits are estimated at \$3,160,000. Of the total annual benefits, \$1,422,000 is attributed to CSDR and \$1,738,000 is attributed to recreation. The benefit-to-cost ratio (BCR) based on total annual benefits is approximately 1.4. Total project net benefits are estimated at \$978,000. The recommended plan is the national economic development (NED) plan and is estimated to reduce average annual storm damages by 98%. The recommended plan is the environmentally preferred plan. The project is expected to have minimal impacts to environmental resources. A comprehensive monitoring and mitigation plan has been incorporated in the project in the event that impacts to habitat result.

The City of San Clemente is the non-Federal cost-sharing sponsor for all features. Cost sharing is applied in accordance with the provisions of Section 103 of the Water Resources Development Act (WRDA) of 1986, as amended by Section 215 of WRDA 1999. The Federal share of the total first cost of initial construction would be about \$7,350,000 (65 percent) and the non-Federal share would be about \$3,960,000 (35 percent). The cost of lands, easements, rights-of-way, relocations, and dredged or excavated material disposal sites (LERRD) is estimated at \$11,000, all of which is eligible for LERRD credit. Based on WRDA 1996, as amended, subject to the availability of funds and conditions of public ownership and use of the shore, the Federal and non-Federal share of the renourishment costs is 50 percent, resulting in a total renourishment cost of about \$43,400,000 each. The City of San Clemente is legally capable of fulfilling the requirements for being the non-Federal sponsor.

The Office of Management and Budget advises that there is no objection to the submission of the report to the Congress. However, OMB also advises that as a matter of Federal investment policy, flood risk management projects must have enough flood risk management and related benefits to justify its construction on its own, independent of any recreation benefits. Therefore, OMB advises that should the Congress authorize this project for construction, it would need to compete with other proposed investments for funding in future budgets. A copy of its letter is enclosed. I am providing a copy of this transmittal and the OMB letter dated August 31, 2012, to the Senate Committee on Environment and Public Works Subcommittee on Transportation and Infrastructure and the Senate Committee on Appropriations Subcommittee on Energy and Water Development. I am providing an identical letter to the Speaker of the House of Representatives.

Very truly yours,

  
Jo-Ellen Darcy  
Assistant Secretary of the Army  
(Civil Works)

Enclosures

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1. Report of the Chief of Engineers, April 15, 2012
2. OMB Clearance Letter, August 31, 2012
3. State of California letter to USACE, October 12, 2011
4. DOI letter to USACE, October 4, 2011
5. NOAA letter to USACE, September 30, 2011
6. EPA letter to USACE, September 27, 2011
7. HQUSACE response to DOI, March 21, 2012
8. HQUSACE response to NOAA, March 23, 2012
9. USACE response to EPA, March 14, 2012
10. San Clemente Shoreline, Orange County, California, Final Feasibility Report and Environmental Impact Statement, July 2011



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of Representatives  
U.S. Capitol Building, Room H-232  
Washington, D.C. 20515-0001

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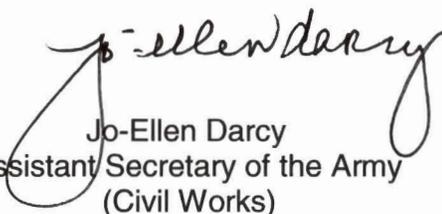
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