DEPARTMENT OF THE ARMY
U.S. ARMY CORPS OF ENGINEERS
441 G STREET, NW
WASHINGTON, DC 20314-1000

REPLY TO
ATTENTION OF

CECW-PB

AUG 2 2011

MEMORANDUM FOR COMMANDER, South Pacific Division (CESPD-DE)

SUBJECT: Implementation Guidance for Section 3022 of the Water Resources Development Act of 2007 (WRDA 2007) – Llagas Creek, California

1. Section 3022(a) of WRDA 2007 modifies the Llagas Creek project originally authorized by section 501(a) of the (WRDA 1999 (113 Stat. 333) to direct the Secretary to carry out the project at a total cost of $105,000,000, with an estimated Federal cost of $65,000,000 and an estimated non-Federal cost of $40,000,000. Section 501(a) authorized completion of the project undertaken by the Natural Resources Conservation Service (NRCS), Department of Agriculture, under section 5 of the Watershed Protection and Flood Prevention Act, 16 U.S.C. 1005, substantially in accordance with the NRCS watershed plan for Llagas Creek, and in accordance with the requirements of local cooperation as specified in section 4 of that Act, 16 U.S.C. 1004, at an estimated total cost of $45,000,000. In addition, Section 3022(b) of WRDA 2007 provides that the Secretary, in evaluating and implementing the project, shall allow the non-Federal interest to participate in the financing of the project in accordance with Section 903(c) of the WRDA 1986 (100 Stat. 4184) if the detailed project report evaluation indicates that applying such section is necessary to implement the project. A copy of Section 3022 of WRDA 2007 and Section 501 of WRDA 1999 is enclosed.

2. If funds are appropriated specifically for such work, the San Francisco District shall prepare a Limited Reevaluation Report (LRR) in accordance with ER 1105-2-100. The LRR will serve as the decision document and shall provide an analysis of the project, including its environmental acceptability, technical feasibility, and the level of flood damage reduction, and shall document the National Economic Development (NED) benefits. The LRR shall also document any project features that do not produce NED benefits greater than costs, in accordance with Section 903(c) of WRDA 1986. In the event the project does not produce NED benefits greater than costs, Federal participation in the cost of the project will be limited to the Federal share of the project costs that are equal to the estimated value of the NED benefits of the project. The non-Federal interest will be required to pay an amount sufficient to make the remaining costs of the project equal to the estimated value of the NED benefits of the project. That portion of the cost of the remaining work that is equal to the estimated value of the NED benefits of the project will be shared in accordance with 16 U.S.C. 1004. That portion of the cost of the remaining work that is equal to the amount sufficient to make the remaining costs of the project equal to the estimated value of the NED benefits of the project will be contributed 100 percent by the non-Federal sponsor. The LRR must be submitted to HQUSACE for review and submission to the ASA (CW).

SUBJECT: Implementation Guidance for Section 3022 of the Water Resources Development Act of 2007 (WRDA 2007) – Llagas Creek, California

3. Upon approval of the LRR by the ASA(CW) and if funds are appropriated specifically for such purpose, the San Francisco District may begin negotiation of a Project Partnership Agreement (PPA) with the non-Federal sponsor for completion of the project. The PPA should be forwarded to HQUSACE for review and submission to the ASA(CW) for approval.

4. Subject to approval of the LRR, execution of the PPA, and appropriation of funds for such purpose, the District may complete the final design effort and construct the remaining reaches of the Llagas Creek Flood Protection project that can be accomplished within such funding. For the purpose of calculating the 902 limit, the District shall assume that the new total project cost of $105,000,000 is based on an October 2007 price level.

FOR THE COMMANDER:

Encl

STEVEN L. STOCKTON, P.E.
Director of Civil Works

AUTHORIZING LANGUAGE, WRDA 2007

SEC. 3022. LLAGAS CREEK, CALIFORNIA.

(a) IN GENERAL.—The project for flood damage reduction, Llagas Creek, California, authorized by section 501(a) of the Water Resources Development Act of 1999 (113 Stat. 333), is modified to direct the Secretary to carry out the project at a total cost of $105,000,000, with an estimated Federal cost of $65,000,000 and an estimated non-Federal cost of $40,000,000.

(b) SPECIAL RULE.—In evaluating and implementing the project, the Secretary shall allow the non-Federal interest to participate in the financing of the project in accordance with section 903(c) of the Water Resources Development Act of 1986 (100 Stat. 4184) if the detailed project report evaluation indicates that applying such section is necessary to implement the project.

AUTHORIZING LANGUAGE, WRDA 1999

SEC. 501. CORPS ASSUMPTION OF NRCS PROJECTS.

(a) LLAGAS CREEK, CALIFORNIA.—The Secretary may complete the remaining reaches of the Natural Resources Conservation Service flood control project at Llagas Creek, California, undertaken pursuant to section 5 of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1005), substantially in accordance with the Natural Resources Conservation Service watershed plan for Llagas Creek, Department of Agriculture, and in accordance with the requirements of local cooperation as specified in section 4 of that Act (16 U.S.C. 1004), at a total cost of $45,000,000, with an estimated Federal cost of $21,800,000 and an estimated non-Federal cost of $23,200,000.

Enclosure