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

FEB 24 2010

CECW-PB

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

SUBJECT: Implementation Guidance for Section 3035 of the Water Resources Development Act of 2007 (WRDA 2007) – Santa Cruz Harbor, California

1. Section 3035 of WRDA 2007 modifies the project for navigation, Santa Cruz Harbor, California, as authorized by section 101 of the River and Harbor Act of 1958 (72 Stat. 300) and modified by section 811 of the Water Resources Development Act of 1986 (100 Stat. 4168) and section 526 of the Water Resources Development Act of 1999 (113 Stat. 346). The Secretary is directed to renegotiate the memorandum of agreement with the non-Federal interest to increase the annual payment to reflect the updated cost of operation and maintenance that is the Federal and non-Federal share as provided by law based on the project purpose, and revise the memorandum of agreement to include terms that revise such payments for inflation. Note the WRDA 2007 provision erroneously references Section 809 of WRDA 1986. Enclosure 1 contains the text of Section 3035 of WRDA 2007 and the other referenced provisions.

2. Within available Operations and Maintenance funds, the San Francisco District should prepare an economic update of the operation and maintenance costs for the Santa Cruz Harbor project to demonstrate continued Federal interest in maintaining the Port of Santa Cruz to the originally authorized depth, and to determine the appropriate Federal and non-Federal share of future operation and maintenance costs based on project purpose. The report should include a recommendation for the method and terms of payment in order to provide for future adjustments to the Federal share for inflation. The report will be submitted to HQUSACE for review and approval by the Assistant Secretary of the Army (Civil Works).

3. Upon approval by the ASA(CW) of the updated economic report, the District will negotiate an amendment to the existing agreement to reflect the updated cost of maintenance with the appropriate Federal and non-Federal cost share based on project purpose, and any changes to the terms of payment. The amendment to the agreement will be submitted to the SPD-RIT to obtain the necessary approval from the ASA(CW).

FOR THE COMMANDER:

Encl

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

AUTHORIZING LANGUAGE

SEC. 3035. SANTA CRUZ HARBOR, CALIFORNIA.

The project for navigation, Santa Cruz Harbor, California, authorized by section 101 of the River and Harbor Act of 1958 (72 Stat. 300) and modified by section 809 of the Water Resources Development Act of 1986 (100 Stat. 4168) and section 526 of the Water Resources Development Act of 1999 (113 Stat. 346), is modified to direct the Secretary—

(1) to renegotiate the memorandum of agreement with the non-Federal interest to increase the annual payment to reflect the updated cost of operation and maintenance that is the Federal and non-Federal share as provided by law based on the project purpose; and

(2) to revise the memorandum of agreement to include terms that revise such payments for inflation.

WRDA 1999 Provision

SEC. 526. SANTA CRUZ HARBOR, CALIFORNIA.
The Secretary may—
(1) modify the cooperative agreement with the Santa Cruz Port District, California, to reflect unanticipated additional dredging effort; and (2) extend the agreement for 10 years.

WRDA 1986 Provision

SEC. 811. SANTA CRUZ HARBOR, SANTA CRUZ, CALIFORNIA.
(a) Subject to section 903(a) of this Act, the navigation project for Santa Cruz Harbor, Santa Cruz, California, authorized in section 101 of the River and Harbor Act of 1958 (Public Law 85-500) is modified to authorize the Secretary to seal the east jetty of such harbor to prevent sand from passing through, at a total cost of $4,000,000, with an estimated first Federal cost of $3,000,000 and an estimated first non-Federal cost of $1,000,000.
(b) The Secretary shall conduct a feasibility study of the long-term solutions to the shoaling problems in Santa Cruz Harbor and shall report the results of such study, along with recommendations, to the Congress upon completion of such study. There is authorized to be appropriated $600,000 for fiscal years beginning after September 30, 1986, to carry out such study.

Enclosure