5750 Almaden Expressway, San Jose, CA 95118-3614 | (408) 265-2600 | www.valleywater.org

Santa Clara Valley Water District

December 3, 2014

By E-Mail: Lisa.D.Kiefel@usace.army.mil

U.S. Army Corps of Engineers
Attention: CECW–CE (Lisa Kiefel)
441 G Street NW
Washington, DC 20314–1000

Subject: Submittal for Llagas Creek Flood Protection Project in Conformance With Section 7001 of the Water Resources Reform and Development Act of 2014

Dear Ms. Kiefel:

The two attached proposals from the Santa Clara Valley Water District (District) for the Llagas Creek Flood Protection Project (Project) are submitted in conformance with the requirements of Section 7001 of the Water Resources Reform and Development Act of 2014 as specified in the Federal Register Article 2014-18495, published August 5, 2014.

The District is the primary water resources management agency for Santa Clara County in California. Our duties include: providing flood protection and environmental stewardship for the county's more than 800 miles of creeks and streams; and ensuring a clean, healthy, and reliable water supply for the approximately two million residents of Santa Clara County.

In addition to the two attached proposals, by this letter, the District is expressing its continuing support for this Project as the local sponsor, a role the District has had since the Project was transferred to the U.S. Army Corps of Engineers (Corps) by Congressional authorization in 1999. Prior to the Project transfer to the Corps, the District was the local sponsor for the completed first phase of the Project designed and constructed by the Natural Resources Conservation Service.

If you have any further questions on these two proposals or need any further information, please call me at (408) 630-2084, or by e-mail at NCamacho@valleywater.org.

Sincerely,

Norma Camacho
Chief Operating Officer
Watersheds

Attachments (two)
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ATTACHMENT ONE

The information below is submitted by the Santa Clara Valley Water District (District) in compliance with the Water Resources Reform and Development Act of 2014 Section 7001, and as noted in the Federal Register on August 5, 2014, Document Number FR 2014-18495.

Title – Llagas Creek Flood Protection Project Authorization Change Request 1

1. Provide the name of all non-Federal interests planning to act as the sponsor, including any non-Federal interest that has contributed or is expected to contribute toward the non-Federal share of the proposed feasibility study or modification.

   Santa Clara Valley Water District (current local sponsor)
   5750 Almaden Expressway
   San Jose, CA 95118

   The City of Morgan Hill (contributing interest)
   17575 Peak Avenue
   Morgan Hill, CA 95037

2. State if this proposal is for a feasibility study or a modification to an authorized USACE project or feasibility study and, if a modification, specify the authorized project or study.

   This proposal is for a modification to an authorized project.

   The Llagas Creek Flood Protection Project (Project) has had three Congressional Authorizations:

   Watershed Protection and Flood Prevention Act of 1969, Public Law 83-566:

   Project was initiated under this authorization for design and construction by the Natural Resources Conservation Service.

   Water Resources Development Act of 1999, Public Law 106-53:

   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.

ATTACHMENT ONE

Llagas Creek Flood Protection Project Authorization Change Request 1

Water Resources Development Act of 2007, Public Law 110-114:

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.

3. State the project purpose of the proposed study or modification.

Delete the entire paragraph from WRDA 2007 labeled "(b) SPECIAL RULE." This paragraph has required a Limited Revaluation Report (LRR) to be completed by the U.S. Army Corps of Engineers (Corps) to re-evaluate the Project costs and benefits by the Corps.

The paragraph in question is in conflict with the WRDA 1999 authorization that directed the Corps to complete construction of the Project substantially in accordance with the Natural Resources Conservation Service Llagas Creek Watershed Plan. No Project economic evaluations were mentioned in the 1999 authorization.

4. Provide an estimate, to the extent practicable, of the total cost of the proposed study or modification.

This proposal would result in estimated savings of $1.3 million and a year of time for the work effort to produce an LRR (estimate by Corps).

5. Describe, to the extent practicable, the anticipated monetary and nonmonetary benefits of the proposal including benefits to the protection of human life and property; improvement to transportation; the national economy; the environment; or the national security interests of the United States.

The Llagas Creek Flood Protection Project will provide flood protection for 1,100 homes, 500 businesses, and over 1,300 acres of agricultural land in southern Santa Clara County. The estimated 1% flood damage to be averted is $63 million. It will also protect and improve water quality in the watershed, and preserve and enhance the creek's habitat, aquatic and terrestrial wildlife.

6. Describe if local support exists for the proposal.

   Local support is provided by the District and the City of Morgan Hill. Both agencies have strongly supported the Project since the 1960's, and have financed the Project to complete the environmental impact statement and design, while the Corps waits for congressional approval of contributed funds to perform the LRR.

7. State if the non-Federal interest has the financial ability to provide for the required cost share.

   Both the District and the City of Morgan Hill have already contributed funds to the Project planning and design. The voters of Santa Clara County have supported this Project by passing two parcel taxes to partially fund the Project. In 1999, the Clean, Safe Creeks Parcel Tax was passed, providing $17.3 million for the Project. In 2012, the Safe, Clean Water Parcel Tax was passed, which will provide an estimated $39.1 million for the Project. In addition, the City of Morgan Hill has provided $3 million in contributions to the study efforts to date. The State of California also supports the Project by reimbursing the District for real estate costs. The non-Federal interests will provide the required cost share.

8. Submit a letter or statement of support from each associated non-Federal interest.

   As stated in the cover letter to this submittal, the District is the local sponsor of the Project and plans to stay in that role. The City of Morgan Hill is the jurisdiction the Project will protect and is supportive of the Project. Both the District and the City of Morgan Hill have contributed funding to the Project demonstrating their support.

ATTACHMENT TWO

The information below is submitted by the Santa Clara Valley Water District (District) in compliance with the Water Resources Reform and Development Act of 2014 Section 7001, and as noted in the Federal Register on August 5, 2014, Document Number FR 2014-18495.

Title – Llagas Creek Flood Protection Project Authorization Change Request 2

1. Provide the name of all non-Federal interests planning to act as the sponsor, including any non-Federal interest that has contributed or is expected to contribute toward the non-Federal share of the proposed feasibility study or modification.

   Santa Clara Valley Water District (current local sponsor)
   5750 Almaden Expressway
   San Jose, CA 95118

   The City of Morgan Hill (contributing interest)
   17575 Peak Avenue
   Morgan Hill, CA 95037

2. State if this proposal is for a feasibility study or a modification to an authorized USACE project or feasibility study and, if a modification, specify the authorized project or study.

   This proposal is for a modification to an authorized project.

   The Llagas Creek Flood Protection Project (Project) has had three Congressional Authorizations:

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   (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.

ATTACHMENT TWO

Llagas Creek Flood Protection Project Authorization Change Request 2

Water Resources Development Act of 2007, Public Law 110-114:

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.

3. State the project purpose of the proposed study or modification.

Change the Project authorization to allow the local sponsor to complete construction of the Project with the U.S. Army Corps of Engineers (Corps) acting as a non-financial or managerial partner only (silent partner).

The District and the City of Morgan Hill have contributed funds to complete Project planning and to perform design. Design is currently at 95% level and will be completed by January 2015. All design was done to Corps Standards. The Project is split into two phases for construction. The cost of construction will be borne by the local sponsor. With the Corps as a "silent" partner, the Project will remain a Federal project and valuable California State funds can be obtained to help complete Phase 2 construction.

4. Provide an estimate, to the extent practicable, of the total cost of the proposed study or modification.

This proposal would reduce the cost of the Project to the Corps to only the funding necessary for Corps personnel to attend Project status meetings. The frequency of these meetings would be dependent on what the local Corps District and Division offices determine they need to be current with the Project design and construction.

5. Describe, to the extent practicable, the anticipated monetary and nonmonetary benefits of the proposal including benefits to the protection of human life and property; improvement to transportation; the national economy; the environment; or the national security interests of the United States.

The Llagas Creek Flood Protection Project will provide flood protection for 1,100 homes, 500 businesses, and over 1,300 acres of agricultural land in southern Santa Clara County. The estimated 1% flood damage to be averted is $63 million. It will also protect

and improve water quality in the watershed, and preserve and enhance the creek's habitat, aquatic and terrestrial wildlife.

6. Describe if local support exists for the proposal.

   Local support is provided by the District and the City of Morgan Hill. As described above, strong local support has existed since the 1960's. The local communities wanted the Project to be completed, and approved tax measures to support the Project.

7. State if the non-Federal interest has the financial ability to provide for the required cost share.

   Both the District and the City of Morgan Hill have already contributed funds to the Project. The voters of Santa Clara County have supported this Project by passing two parcel taxes to partially fund the Project. In 1999, the Clean, Safe Creeks Parcel Tax was passed, providing $17.3 million for the Project. In 2012, the Safe, Clean Water Parcel Tax was passed, which will provide an estimated $39.1 million for the Project. In addition, the City of Morgan Hill has provided about $3 million in contributions to the study efforts to date.

8. Submit a letter or statement of support from each associated non-Federal interest.

   As stated in the cover letter to this submittal, the District is the local sponsor of the Project and plans to stay in that role. The City of Morgan Hill is the jurisdiction the Project will protect and is supportive of the Project. Both the District and the City of Morgan Hill have contributed funding to the Project demonstrating their support.