DEPARTMENT OF THE ARMY
U.S. Army Corps of Engineers
WASHINGTON, D.C. 20314-1000

REPLY TO
ATTENTION OF:

CECW-PG

22 JUN 2001

MEMORANDUM FOR COMMANDER, South Pacific Division

SUBJECT: Implementation Guidance for Section 305 of the Water Resources Development Act of 2000 (WRDA 2000) - Sacramento Deep Water Ship Channel, California

1. Section 305 of WRDA 2000 amends Section 202(a) of WRDA 86 (P. L. 99-662) authorizing the Sacramento Deep Water Ship Channel, California project. Section 305 of WRDA 2000 states that the Secretary of the Army may credit toward the non-Federal sponsor's share of the cost of the project the value of dredged material from the project that is purchased by public agencies or nonprofit entities for environmental restoration or other beneficial uses if the Secretary determines that the use of such dredged material is technically sound, environmentally acceptable, and economically justified. A copy of section 305 is enclosed for your information.

2. In order for the non-Federal sponsor for the Sacramento Deep Water Ship Channel to receive the credit associated with section 305, a decision document will need to be submitted for Washington level review and approval. The credit must be against the non-Federal sponsor's share of future construction costs. Since the Sacramento District, in cooperation with the project sponsor, will be preparing a General Reevaluation Report (GRR) to complete the project, the GRR must include a section titled Crediting Documentation to allow HQUSACE to transmit it to the Assistant Secretary of the Army for Civil Works, ASA (CW) for approval. This section shall address Section 305 of WRDA 2000 and include documentation identifying the amount of material and value that may be purchased by public agencies or nonprofit entities for environmental restoration or other beneficial uses; demonstrate that the use of such dredged material is technically sound, has environmental benefits and is economically justified, e.g., benefits equals costs saved; and have an estimate of the amount of credit the non-Federal sponsor may be eligible to receive. The value of the dredged material purchased will be based on the amount of any revenue received for the dredged material by the Department of the Army after the date of enactment of this Act (11 Dec 00).

3. Upon approval of the GRR (decision document), an amendment to the Local Cooperation Agreement (LCA) is required to afford the credit. The amendment should state that the amount of credit will be based on an audit of the amount of dredged material purchased and all revenues received for the dredged material by the U. S. Treasury.

SUBJECT: Implementation Guidance for Section 305 of the Water Resources Development Act of 2000 (WRDA 2000) - Sacramento Deep Water Ship Channel, California

4. The credit may start to be afforded during the first year after the LCA amendment is executed or after the revenues accrue, whichever occurs later. Credit will be based on allocability and allowability of revenues.

FOR THE COMMANDER:

James F. Johnson

Encl

JAMES F. JOHNSON
Chief, Planning and Policy Division
Directorate of Civil Works

SEC. 305. SACRAMENTO DEEP WATER SHIP CHANNEL, CALIFORNIA.

The project for navigation, Sacramento Deep Water Ship Channel, California, authorized by section 202(a) of the Water Resources Development Act of 1986 (100 Stat. 4092), is modified to authorize the Secretary to credit toward the non-Federal share of the cost of the project the value of dredged material from the project that is purchased by public agencies or nonprofit entities for environmental restoration or other beneficial uses if the Secretary determines that the use of such dredged material is technically sound, environmentally acceptable, and economically justified.

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