

NOTIFICATION FROM THE SECRETARY OF THE ARMY  
SUPPORTING THE SOUTH SACRAMENTO COUNTY  
STREAMS PROJECT

COMMUNICATION

FROM

THE ASSISTANT SECRETARY OF THE ARMY,  
THE DEPARTMENT OF DEFENSE

TRANSMITTING

A NOTIFICATION FROM THE SECRETARY OF THE ARMY SUP-  
PORTING THE AUTHORIZATION AND, SUBJECT TO THE SAC-  
RAMENTO AREA FLOOD CONTROL AGENCY ADOPTING AND EN-  
FORCING MEASURES WHICH WOULD PRESERVE THE PROJECT'S  
LEVEL OF FLOOD PROTECTION, PLANS TO IMPLEMENT THE  
SOUTH SACRAMENTO COUNTY STREAMS THROUGH THE NOR-  
MAL BUDGET PROCESS



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DEPARTMENT OF THE ARMY,  
OFFICE OF THE ASSISTANT SECRETARY,  
*Washington, DC, September 21, 2000.*

Hon. J. DENNIS HASTERT,  
*Speaker of the House of Representatives,*  
*Washington, DC.*

DEAR MR. SPEAKER: Section 101(a)(8) of the Water Resources Development Act (WRDA) of 1999, authorized construction of a flood damage reduction, ecosystem restoration, and recreation project for the South Sacramento County Streams, California. The Secretary of the Army supports the authorization and, subject to the Sacramento Area Flood Control Agency adopting and enforcing measures which would preserve the project's level of flood protection, plans to implement the project through the normal budget process.

The project is described in the report of the Chief of Engineers dated October 6, 1998, which includes other pertinent reports and comments. The views of the State of California and the Department of the Interior are set forth in the enclosed report. I am submitting this report in partial response to a resolution adopted by the House Committee on Public Works on May 8, 1964.

The project would provide flood protection to the Morrison Creek stream group in Sacramento County, an area located south and east of the city of Sacramento. The plan includes raising and extending the ring levee around the Sacramento Regional Wastewater Treatment Plant (SRWTP); raising the Beach Lake levee; strengthening and raising levees on Morrison, Elder, Florin, and Unionhouse Creeks and constructing floodwalls along these creeks; retrofitting 17 bridges; and removing another bridge. In all, the project would involve constructing about 1.3 miles of new levees, raising about 4.6 miles of existing levees, strengthening about 7.7 miles of existing levees, and constructing about 12.6 miles of new floodwalls. Flood damage reduction features would provide a 500-year level of protection and reduce average annual flood damages by about 83 percent.

Construction of the project will result in the loss of fish and wildlife habitats, which would be mitigated by the purchase, creation, and preservation of other comparable habitats. Several threatened or endangered species would be adversely affected, including the vernal pool fairy shrimp, giant garter snake, and Swainson's hawk. Mitigation for losses of general fish and wildlife resources would be on about 1.1 acres of land in the Bufferlands, an open area surrounding the SRWTP. Mitigation for vernal pool fairy shrimp and the giant garter snake would take place on about 7.7 acres of land at the Wildlands mitigation bank located in Placer County, about 24 miles northeast of Sacramento. Mitigation for Swainson's hawk habitat would be on about 14 acres of land in the Beach Stone Lakes area.

At the request of the project's flood control sponsor, the project includes a \$2,000,000 program to mitigate for the potential minor adverse impacts that project might have on residents of the Beach-Stone Lakes area. The program is not economically justified nor is it required from a Federal standpoint, and therefore, not eligible for Federal funding. The program would also mitigate for flood damages that would continue to occur. The Sacramento Area Flood Control Agency would fund and carry out this program.

The project also includes the restoration of about 215 acres of wildlife habitat including open water wetlands, riparian, and grassland cover on four sites in the Bufferlands near the SRWTP. This area has historically been a wetland area supporting migratory waterfowl and other animals. This ecosystem restoration would contribute to the recovery of many declining or threatened species and increase the diversity of wildlife in the region. Project outputs would be the restoration of fish and wildlife habitats, benefits that are not amenable to measurement using monetary values. Therefore, to insure that an efficient plan was developed the Army Corps of Engineers used cost effectiveness and incremental analysis techniques to evaluate alternative restoration plans. The project's ecosystem restoration features would result in an increase of approximately 159 annual habitat units in the project area, which justifies the cost of the ecosystem restoration features, and provides the habitat improvements in the most cost-effective manner. The non-Federal sponsor for the ecosystem restoration measures would be the Sacramento County Regional Sanitation District.

The project would also include the construction of recreation features consisting of approximately 4.2 miles of bicycle and pedestrian trails along the Beach Lake and Morrison Creek west bank levees. The asphalt and concrete trails would be located on the levee service road. Signage, security gates at access points, and an underpass at the Union Pacific Railroad bridge over Morrison Creek would be provided. The City of Sacramento would be the non-Federal sponsor for these recreation features.

At October 2000 price levels, the Army Corps of Engineers estimates that the first cost of the authorized project is about \$66,200,000. The cost includes about \$60,614,000 for flood damage reduction, about \$4,360,000 for ecosystem restoration, and about \$1,226,000 for recreation. Following the cost sharing provisions of WRDA 1986, as amended by Sections 202(a) and 210 of WRDA 1996, the Federal share would be about \$41,550,000, and the non-Federal share would be about \$24,650,000. The non-Federal sponsor for the flood damage reduction features would be responsible for implementing the flood damage mitigation program, the cost of which is included in the first cost of the project. In addition, the non-Federal sponsor would develop and adopt a comprehensive flood plain management plan for the project area.

The authorized project is not the national economic development (NED) plan. The NED plan is identical to the recommended plan except that it does not include the \$2,000,000, non-Federal flood damage mitigation program. The program is not economically justified nor is it required for implementation of the Federal project. Based on October 2000 price levels, the first cost of the NED plan is estimated at \$64,200,000, of which \$41,550,000 would be Fed-

eral, and \$22,650,000 would be non-Federal. In accordance with Federal policy, the sponsor will be responsible for all costs of the recommended plan that are greater than the Federal share of the cost of the NED Plan. In a letter dated September 16, 1998, the Sacramento Area Flood Control Agency stated their willingness and capability to cost share in this manner.

Implementation of the project will be subject to certain non-Federal cost sharing, financing, and other applicable items of local cooperation, which are described in the report of the Chief of Engineers. To insure that the level of flood protection is maintained over the 50-year economic life, implementation of the project will be further subject to the requirement that the non-Federal sponsor prescribe and enforce regulations, or undertake other actions, to maintain the authorized level of flood protection.

The Sacramento Area Flood Control Agency has already constructed the levee protecting the SRWTP, and has requested credit for this work in accordance with Section 104 of WRDA 1986. We provided preliminary approval of the credit in September 1996, and construction of the levee was completed in 1997. The cost of the work accomplished by the sponsor is \$7,450,000, which represents the estimate of the costs had the levee been constructed as a Federal project. However, the actual amount of the credit will be less than this amount. In accordance with Section 104 of WRDA 1986, credit is not available against the 5 percent cash contribution required by Section 103(a)(1)(A) of WRDA 1986. Credit is available against the non-Federal cost of lands, easements, rights-of-way, and relocations; and for any additional cash necessary to realize the required 35 percent minimum non-Federal contribution. Therefore, the estimated credit is about \$5,910,000, which is reflected in the cost sharing for the project.

The Chief of Engineers has found that the improvements undertaken by the sponsor for the flood damage reduction features are integral to and compatible with the proposed project, and recommends that the non-Federal sponsor receive credit for this work. The actual credit will be subject to an audit of the sponsor's actual expenditures and the final resolution of the Endangered Species Act violation that occurred during construction of the SRWTP levee. The credit will be further subject to a final resolution of the Endangered Species Act violation, and any additional costs incurred by the Sacramento Area Flood Control Agency to resolve this violation will not be eligible for credit.

The Office of Management and Budget advises that subject to non-Federal interests adopting and enforcing measures that preserve the level of flood protection, there is no objection to the submission of the report to the Congress. A copy of its letter is enclosed in the report.

Sincerely,

JOSEPH W. WESTPHAL,  
*Assistant Secretary of the Army (Civil Works).*

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