



DEPARTMENT OF THE ARMY  
OFFICE OF THE ASSISTANT SECRETARY  
CIVIL WORKS  
108 ARMY PENTAGON  
WASHINGTON DC 20310-0108

JAN 24 2013

Honorable John Boehner  
Speaker of the House  
of Representatives  
U.S. Capitol Building, Room H-232  
Washington, D.C. 20515-0001

Dear Mr. Speaker:

The Secretary of the Army recommends increasing the authorized total project cost of the Roseau River, Minnesota Flood Damage Reduction Project. The increase is necessary because the construction cost is projected to exceed the maximum project cost established by Section 902 of the Water Resources Development Act (WRDA) of 1986. The enclosed Engineering Documentation Report, dated July 2012, sets forth the cost increase and documents that the project remains economically justified, technically sound and environmentally acceptable.

Section 1001(27) of the WRDA of 2007 authorized the project at a cost of \$25,100,000, with an estimated federal cost of \$13,820,000 and non-federal cost of \$11,280,000. The authorized project consists of a 4.5 mile long diversion channel around the eastern side of the city of Roseau, 5.5 miles of levees with a height of 5 feet or less along the diversion channel, a flow restriction structure on the Roseau River, an inlet control structure, 2 storage areas east and west of the diversion channel and 2 highway bridge channel crossings. Recreation features of the project include 6.7 miles of multipurpose trails, 5.5 miles of off-road vehicle trails, 2 bird watching stations and a trailhead. The maximum cost for the authorized project, adjusted for allowable inflation in accordance with Section 902, is \$33,149,000 (October 2012 price level).

The revised estimated project first cost is \$41,864,000 (October 2012 price level). In general, the cost increase results from unanticipated site conditions and design refinements. The project cost includes \$3,523,000 for separable recreation features. The federal share of the project first cost is estimated at \$24,320,000 and the non-federal share is estimated at \$17,544,000. The majority of lands, easements, rights-of-way, relocations and excavated material disposal areas required for the project have been acquired. The city of Roseau is the non-federal cost sharing sponsor and will be responsible for the operation, maintenance, repair, replacement and rehabilitation of the project after construction, at a cost currently estimated at \$114,000 per year.



The project continues to be economically justified based on the reduction of flood damages. At the October 2012 price level, a 4.0 percent discount rate, and a 50-year period of economic analysis, the U.S. Army Corps of Engineers estimates the total equivalent average annual costs to be \$2,223,000 and total equivalent average annual benefits to be \$5,324,000. Net benefits are estimated at \$3,102,000 and the benefit cost ratio is 2.4 to 1.

With respect to environmental compliance, a Finding of No Significant Impact was signed for the project on August 29, 2006. The Corps has determined that the changes resulting from differing site conditions and design refinements have not resulted in any appreciable change in the environmental consequences as described in the August 2006 Environmental Assessment prepared for the project.

The Office of Management and Budget (OMB) advises that there is no objection to the submission of the report to Congress and concludes that the report recommendation is consistent with the policy and programs of the President. OMB also advises that should Congress increase the project authorization for construction, the project would need to compete with other proposed investments in future budgets. A copy of OMB's letter, dated January 11, 2013, is enclosed. I am providing a copy of this transmittal and the OMB letter to the Subcommittee on Water Resources and the Environment of the House Committee on Transportation and Infrastructure, and the Subcommittee on Energy and Water Development of the House Committee on Appropriations. I am providing an identical letter to the President of the Senate.

Very truly yours,



Jo-Ellen Darcy  
Assistant Secretary of the Army  
(Civil Works)

Enclosures

Enclosures

1. Report of the Director of Civil Works, September 17, 2012
2. OMB Clearance Letter, January 11, 2013
3. Engineering Documentation Report, July 2012



DEPARTMENT OF THE ARMY  
OFFICE OF THE ASSISTANT SECRETARY  
CIVIL WORKS  
108 ARMY PENTAGON  
WASHINGTON DC 20310-0108

MAY - 7 2013

Honorable John A. Boehner  
Speaker of the House  
of Representatives  
U.S. Capitol Building, Room H-232  
Washington, D.C. 20515-0001

Dear Mr. Speaker:

The Secretary of the Army recommends modifying the cost of the Wood River Levee System Reconstruction, Madison County, Illinois, project that was authorized by Section 1001(20) of the Water Resources Development Act (WRDA) of 2007. Section 1001(20) authorized reconstruction of features of the existing project, which was authorized by the Flood Control Act of 1938. The Flood Control Act of 1938 authorized a project to protect against a Mississippi River flood with a 52-foot stage on the St. Louis, Missouri gage. The river currently has less than a 0.2-percent chance of exceeding this stage in any given year, which equates to approximately a 500-year frequency interval. The recommended cost increase is necessary because the estimated project first cost exceeds the maximum project cost allowed by Section 902 of the WRDA of 1986, as amended. The enclosed report of the Director of Civil Works, Army Corps of Engineers, dated February 11, 2013, explains and supports the cost increase and includes other pertinent documents. The enclosed documents demonstrate that this flood risk management project remains economically justified and environmentally acceptable.

Section 1001(20) authorized the reconstruction or replacement of 38 gravity drains, 26 closure structures (including abandoning three railroad closure structures that are no longer used), and seven pump stations. When completed, this work would restore the existing project's ability to reduce urban flood damages in Madison County, which is across the Mississippi River from the city of St. Louis. Section 1001(20) authorized the work at a total first cost of \$17,220,000, with a Federal cost share of \$11,193,000 and a non-Federal cost share of \$6,027,000. This total first cost equates to \$19,870,000 at current (October 2012) price levels. The current maximum authorized cost, adjusted for modifications up to 20 percent and cost index changes in accordance with Section 902, as amended, is \$23,414,000.

The project cost has increased primarily because many project features were more severely deteriorated than anticipated in 2007 and have required replacement rather than the planned reconstruction. Based on an October 2012 price level, the estimated project first cost is \$25,672,000, which includes \$4,873,000 for remaining work. In accordance with Section 103(a) of the WRDA of 1986, as amended, the Federal share of the project first cost would be \$16,687,000 and the non-Federal share would be \$8,895,000. The Wood River Levee and Drainage District, the non-Federal



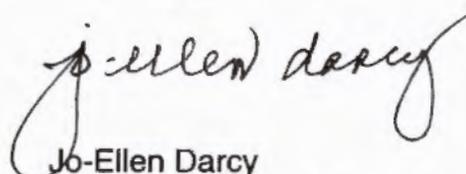
cost sharing sponsor, will be responsible for the operation, maintenance, repair, replacement, and rehabilitation (OMRR&R) of the project after construction. The cost of OMRR&R is currently estimated at \$175,000 per year.

The project continues to be economically justified based on reducing urban flood damages. At the October 2012 price level, a 3.75 percent discount rate, and a 50-year period of analysis, the estimated total equivalent average annual cost would be \$1,337,000 and total equivalent average annual benefits would be \$5,066,000, which includes all OMRR&R costs. Net benefits are estimated at \$3,729,000 and the benefit-to-cost ratio would be 3.8 to 1.

A Finding of No Significant Impact (FONSI) was signed for the authorized project on March 23, 2006 based on the Wood River Levee System, Madison County, Illinois, Final General Reevaluation Report and Environmental Assessment dated March 2006. There have been no changes to the project since the FONSI was signed that warrant additional environmental compliance actions. The authorized project does not require any compensatory mitigation. The project continues to be environmentally acceptable.

The Office of Management and Budget (OMB) advises that there is no objection to the submission of the report to Congress and concludes that the report recommendation is consistent with the policy and programs of the President. OMB also advises that should Congress increase the project authorization for construction, the project would need to compete with other proposed investments in future budgets. A copy of OMB's letter, dated May 4, 2013, is enclosed. I am providing a copy of this transmittal and the OMB letter to the Subcommittee on Water Resources and Environment of the House Committee on Transportation and Infrastructure, and the Subcommittee on Energy and Water Development of the House Committee on Appropriations. I am providing an identical letter to the President of the Senate.

Very truly yours,



Jo-Ellen Darcy  
Assistant Secretary of the Army  
(Civil Works)

Enclosures



DEPARTMENT OF THE ARMY  
OFFICE OF THE ASSISTANT SECRETARY  
CIVIL WORKS  
108 ARMY PENTAGON  
WASHINGTON DC 20310-0108

AUG -8 2013

Honorable John Boehner  
Speaker of the House  
of Representatives  
U.S. Capitol Building, Room H-232  
Washington, D.C. 20515-0001

Dear Mr. Speaker:

The Secretary of the Army recommends increasing the authorized total project cost of the Corpus Christi Ship Channel (CCSC), Texas, Deep-Draft Navigation and Ecosystem Restoration Project. The increase is necessary because the construction cost is projected to exceed the maximum project cost established by Section 902 of the Water Resources Development Act (WRDA) of 1986. The enclosed Limited Re-evaluation Report, dated December 2012, sets forth the cost increase and documents that the project remains economically justified, technically sound and environmentally acceptable.

Section 1001(40) of the Water Resources Development Act (WRDA) of 2007 originally authorized the project at a project first cost of \$188,110,000. The authorized project consists of deepening and widening of the CCSC from -45 feet to -52 feet, mean lower low water (MLLW), construction of Barge Shelves adjacent to the open bay portion of the CCSC, extension of the La Quinta Channel at a depth of 39 feet and construction of two separate ecosystem restoration features. After completion the components would generate measurable savings through reductions in shipping costs. The restoration components would protect and restore productive estuarine habitat. The maximum cost for the authorized project, adjusted for inflation in accordance with Section 902 of the WRDA of 1986, is \$283,544,726 (October 2012 price levels). The revised project first cost exceeds the Section 902 limit.

The revised project first cost is \$344,610,000 (October 2012 prices). The revised cost is the result of increases in costs for construction materials, fuel, labor, as well as design refinements. There are no changes in project location, purpose or scope. The federal share of the project first cost is estimated to be \$169,593,000 and the non-federal share is estimated at \$175,016,000. The federal government would be responsible for the operation, maintenance, repair, replacement and rehabilitation (OMRR&R) of the Barge Shelves after construction, at a cost currently estimated at \$16,000 per year and would also be responsible for the OMRR&R of the La Quinta Extension after construction, at a cost currently estimated at \$1,256,000 per year. The federal government is responsible for 100 percent of the costs of maintaining the main channel to a depth of -45 feet; the added cost of maintaining the channel to depths deeper than -45 feet is shared at the rate of 50 percent by the federal government and



50 percent by the non-federal sponsor in accordance with Section 101 of WRDA 1986. OMRR&R costs for the main channel are estimated at \$5,705,000 per year. The non-federal sponsor will be responsible for OMRR&R of the ecosystem restoration features of the project after construction, at a cost currently estimated at \$166,260 per year.

The project continues to be economically justified based principally on a reduction in shipping costs and ecosystem restoration benefits. At the October 2012 price level, a 3.75 percent discount rate, and a 50-year period of economic analysis, the estimated total equivalent annual costs for the remaining construction are \$23,693,000 and total equivalent annual benefits are \$52,685,000. Net benefits are estimated at \$28,991,000 and the benefit cost ratio is 2.2 to 1.

There have been no significant changes in the project area or sensitive resources that would result in impacts to resources not previously considered and accounted for in the 2003 Final Environmental Impact Statement. The October 1, 2007 Record of Decision remains applicable to the recommended plan.

The Office of Management and Budget (OMB) advises that there is no objection to the submission of the report to Congress and concludes that the report recommendation is consistent with the policy and programs of the President. OMB also advises that should Congress increase the project authorization for construction, the Corps would need to update and refine its analysis of the benefits and costs before proceeding with the fourth element of the project; and that this element of the project would need to compete as a separable element with other proposed investments in future budgets. A copy of OMB's letter, dated July 31, 2013 is enclosed. I am providing a copy of this transmittal and the OMB letter to the Subcommittee on Water Resources and the Environment of the House Committee on Transportation and Infrastructure, and the Subcommittee on Energy and Water Development of the House Committee on Appropriations. I am also providing an identical letter to the President of the Senate.

Very truly yours,



Jo-Ellen Darcy  
Assistant Secretary of the Army  
(Civil Works)

Enclosures

Enclosures



DEPARTMENT OF THE ARMY  
OFFICE OF THE ASSISTANT SECRETARY  
CIVIL WORKS  
108 ARMY PENTAGON  
WASHINGTON DC 20310-0108

AUG -8 2013

Honorable Joseph R. Biden, Jr.  
President of the Senate  
U.S. Capitol Building, Room S-212  
Washington, D.C. 20510-0012

Dear Mr. President:

The Secretary of the Army recommends increasing the authorized total project cost of the Corpus Christi Ship Channel (CCSC), Texas, Deep-Draft Navigation and Ecosystem Restoration Project. The increase is necessary because the construction cost is projected to exceed the maximum project cost established by Section 902 of the Water Resources Development Act (WRDA) of 1986. The enclosed Limited Re-evaluation Report, dated December 2012, sets forth the cost increase and documents that the project remains economically justified, technically sound and environmentally acceptable.

Section 1001(40) of the Water Resources Development Act (WRDA) of 2007 originally authorized the project at a project first cost of \$188,110,000. The authorized project consists of deepening and widening of the CCSC from -45 feet to -52 feet, mean lower low water (MLLW), construction of Barge Shelves adjacent to the open bay portion of the CCSC, extension of the La Quinta Channel at a depth of 39 feet and construction of two separate ecosystem restoration features. After completion the components would generate measurable savings through reductions in shipping costs. The restoration components would protect and restore productive estuarine habitat. The maximum cost for the authorized project, adjusted for inflation in accordance with Section 902 of the WRDA of 1986, is \$283,544,726 (October 2012 price levels). The revised project first cost exceeds the Section 902 limit.

The revised project first cost is \$344,610,000 (October 2012 prices). The revised cost is the result of increases in costs for construction materials, fuel, labor, as well as design refinements. There are no changes in project location, purpose or scope. The federal share of the project first cost is estimated to be \$169,593,000 and the non-federal share is estimated at \$175,016,000. The federal government would be responsible for the operation, maintenance, repair, replacement and rehabilitation (OMRR&R) of the Barge Shelves after construction, at a cost currently estimated at \$16,000 per year and would also be responsible for the OMRR&R of the La Quinta Extension after construction, at a cost currently estimated at \$1,256,000 per year. The federal government is responsible for 100 percent of the costs of maintaining the main channel to a depth of -45 feet; the added cost of maintaining the channel to depths deeper than -45 feet is shared at the rate of 50 percent by the federal government and



50 percent by the non-federal sponsor in accordance with Section 101 of WRDA 1986. OMRR&R costs for the main channel are estimated at \$5,705,000 per year. The non-federal sponsor will be responsible for OMRR&R of the ecosystem restoration features of the project after construction, at a cost currently estimated at \$166,260 per year.

The project continues to be economically justified based principally on a reduction in shipping costs and ecosystem restoration benefits. At the October 2012 price level, a 3.75 percent discount rate, and a 50-year period of economic analysis, the estimated total equivalent annual costs for the remaining construction are \$23,693,000 and total equivalent annual benefits are \$52,685,000. Net benefits are estimated at \$28,991,000 and the benefit cost ratio is 2.2 to 1.

There have been no significant changes in the project area or sensitive resources that would result in impacts to resources not previously considered and accounted for in the 2003 Final Environmental Impact Statement. The October 1, 2007 Record of Decision remains applicable to the recommended plan.

The Office of Management and Budget (OMB) advises that there is no objection to the submission of the report to Congress and concludes that the report recommendation is consistent with the policy and programs of the President. OMB also advises that should Congress increase the project authorization for construction, the Corps would need to update and refine its analysis of the benefits and costs before proceeding with the fourth element of the project; and that this element of the project would need to compete as a separable element with other proposed investments in future budgets. A copy of OMB's letter, dated July 31, 2013, is enclosed. I am providing a copy of this transmittal and the OMB letter to the Subcommittee on Transportation and Infrastructure of the Senate Committee on Environment and Public Works, and the Subcommittee on Energy and Water Development of the Senate Committee on Appropriations. I am also providing an identical letter to the Speaker of the House of Representatives.

Very truly yours,



Jo-Ellen Darcy  
Assistant Secretary of the Army  
(Civil Works)

Enclosures



DEPARTMENT OF THE ARMY  
OFFICE OF THE ASSISTANT SECRETARY  
CIVIL WORKS  
108 ARMY PENTAGON  
WASHINGTON DC 20310-0108

FEB 12 2014

Honorable John Boehner  
Speaker of the House  
of Representatives  
U.S. Capitol Building, Room H-232  
Washington, D.C. 20515-0001

Dear Mr. Speaker:

The Secretary of the Army recommends modifying the authorized total project cost of the Des Moines and Raccoon Rivers Project. The increase is necessary because the construction cost is projected to exceed the maximum allowed by Section 902 of the Water Resources Development Act (WRDA) of 1986. The enclosed Post Authorization Change Report (PACR) of the Director of Civil Works, Army Corps of Engineers (Corps), dated August 2013, explains and supports the cost increase and includes other pertinent documents. The enclosed documents demonstrate that the project remains economically justified, technically sound and environmentally acceptable.

Section 1001(27) of the Water Resources Development Act (WRDA) of 2007 authorized the project at a cost of \$10,780,000. The Energy and Water Development Appropriations Act of 2010 authorized an increased total project cost to \$16,500,000. The authorized project consists of approximately 7,500 feet of earthen levee and associated structures to provide the authorized level of flood risk reduction (FRR) to the Birdland Park area; an asphalt-surfaced recreational trail on a portion of the Birdland Park levee; approximately 5,700 feet of earthen levee; modifications to the Franklin Ave, Clark St, and Indiana Ave Pump Stations and associated structures which provide the authorized level of FRR to the Central Place area; elimination of 7 closures and improvements at 9 closure locations in the existing downtown FRR system; and provision of 18.2 acres of open water, riparian, and wetland habitat as environmental mitigation in the Chichaqua Wildlife Habitat Park. The maximum cost for the authorized project, adjusted for allowable inflation in accordance with Section 902, is \$20,836,000 (October 2013 price levels).

Based on an October 2013 price level the updated estimated project first cost is \$23,245,000, which includes sunk costs of \$20,300,000 including the already constructed features, real estate costs, recreation costs and various pre-construction engineering and design costs associated with the overall Des Moines and Raccoon Rivers project. In general, the increase in the estimated project first cost is the result of increases in material costs and project quantities, and unforeseen subsurface conditions, which required more material, labor and handling. The Corps' Cost Engineering Center of Expertise completed its review of the project cost and certified the cost on 6 June 2013. The federal share of the authorized project is estimated at \$14,990,300 and the non-federal share is estimated at \$8,254,700. The non-federal



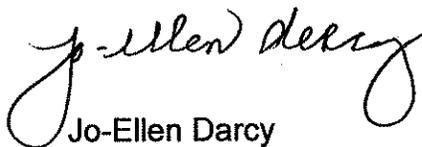
sponsor is responsible for the operation maintenance, repair, replacement and rehabilitation of the project after construction, at a cost currently estimated at \$40,000 per year.

In accordance with certified Corps economic updating procedures, the project continues to be economically justified based principally on reduction of flood damages. At the October 2013 price level, a FY 2014 discount rate of 3.5 percent, and a 50-year period of economic analysis, the Corps estimates the total annual costs to be \$1,034,000 and total equivalent annual benefits to be \$2,357,000. Net benefits are estimated at \$1,323,000 and the benefit cost ratio is 2.2 to 1.

A Finding of No Significant Impact (FONSI) was signed for the project on September 7, 2005. The Corps reviewed the PACR and the FONSI, and determined that the changes resulting from increases in material costs, increases in project quantities, and unforeseen subsurface conditions have not altered the project's original purpose, scope, or location; therefore, there is no change in environmental considerations for the project.

The Office of Management and Budget (OMB) advises that there is no objection to the submission of the report to Congress and concludes that the report recommendation is consistent with the policy and programs of the President. OMB also advises that should Congress increase the project authorization for construction, the project would need to compete with other proposed investments in future budgets. A copy of OMB's letter, dated February 3, 2014, is enclosed. I am providing a copy of this transmittal and the OMB letter to the Subcommittee on Water Resources and Environment of the House Committee on Transportation and Infrastructure, and the Subcommittee on Energy and Water Development of the House Committee on Appropriations. I am providing an identical letter to the President of the Senate.

Very truly yours,



Jo-Ellen Darcy  
Assistant Secretary of the Army  
(Civil Works)

Enclosures



DEPARTMENT OF THE ARMY  
OFFICE OF THE ASSISTANT SECRETARY  
CIVIL WORKS  
108 ARMY PENTAGON  
WASHINGTON DC 20310-0108

FEB 26 2014

Honorable John A. Boehner  
Speaker of the House  
of Representatives  
U.S. Capitol Building, Room H-232  
Washington, D.C. 20515-0001

Dear Mr. Speaker:

The Secretary of the Army recommends modifying the cost of the Poplar Island, Maryland, project that was authorized by Section 537 of the Water Resources Development Act (WRDA) of 1996, as amended, and the cost of the expansion of the same project that was authorized by Section 3087 of the WRDA of 2007. The recommended cost increases are necessary because the respective current estimated project first costs exceed the maximum project costs allowed by Section 902 of the WRDA of 1986, as amended. The enclosed report of the Director of Civil Works, Army Corps of Engineers, dated July 22, 2013, explains and supports the cost increases and includes other pertinent documents. The enclosed documents demonstrate that this aquatic ecosystem restoration project remains justified.

The authorized project and expansion consist of restoring and expanding remote island habitat to provide aquatic, wetland and terrestrial habitat for fish, shellfish, reptiles, amphibians, birds and mammals through the beneficial use of approximately 68 million cubic yards of dredged material from the approach channels of the Baltimore Harbor and Channels navigation project and the Chesapeake and Delaware (C&D) Canal navigation project. The dredged material is being used to restore 1,715 acres of remote island habitat, including 840 acres of upland habitat at an elevation of 25 feet above mean lower low water (MLLW), 735 acres of wetland habitat that will be further divided into low marsh and high marsh, approximately 138 acres of open water embayment, and 10 acres of tidal gut leading into the wetlands. This remote island habitat will eventually provide 26,300 island community units at an average cost of \$100,500 per unit.

Section 537 authorized the restoration of a 1,140-acre island in Chesapeake Bay at a total first cost of \$307,000,000. Section 318 of the WRDA of 2000 modified the authorization to provide that the non-Federal share of the cost of the project may be cash or in-kind services or materials, and to provide credit toward the non-Federal share of the cost of design and construction work carried out by the non-Federal interest before the date of execution of a project cooperation agreement for the project if the Secretary determines that the work is integral to the project. Section 3087 further modified the project to expand the island by 575 acres and raise the elevation five feet at a total first cost of \$260,000,000.



The maximum authorized costs, adjusted for modifications up to 20 percent and cost index changes in accordance with Section 902, as amended, are \$611,798,000 for the original project and \$447,173,000 for the expansion (October 2013 price levels). The total current maximum authorized cost of these two elements is \$1,058,971,000. As described in the attached reports, the revised estimated total project first cost is \$662,294,000 for the original project and \$571,617,000 for the expansion. The total revised cost of these two elements is an estimated \$1,233,911,000. The increases are attributed to three major factors: (1) 34 percent of the increase is due to dredged material transportation and placement costs; (2) 36 percent of the increase is due to site operations costs; and (3) 23 percent of the increase is due to project contingency changes. These increases are driven by extending the project's duration, increasing fuel costs, and including risk analysis in the cost engineering process.

In accordance with Section 537, the revised Federal cost share of the original project is about \$496,721,000 (75 percent) and the non-Federal share is about \$165,574,000 (25 percent). The revised Federal cost share of the expansion is about \$371,551,000 (65 percent) and the non-Federal share is about \$200,066,000 (35 percent) in accordance with Section 3087. The total revised Federal share of the project is about \$868,272,000 and the total non-Federal share is about \$365,639,000. At a 3.5 percent discount rate and a 37-year period of economic analysis, the estimated total equivalent annual cost of the original project and expansion is about \$54,063,000, including the operation, maintenance, repair, replacement, and rehabilitation (OMRR&R). The Maryland Port Administration is the non-Federal cost sharing sponsor and will be responsible for the OMRR&R of the original project and expansion after construction, currently estimated at \$3,200,000 annually.

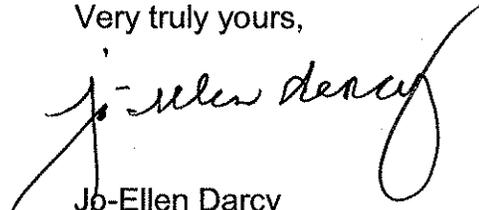
The project and expansion remain justified based on ecosystem restoration benefits. The island habitat is a unique component of the Chesapeake Bay and will directly improve the health, richness and sustainability of aquatic and wildlife species, including the American black duck, a key species named in Executive Order 13508, *Chesapeake Bay Protection and Restoration*. The project has capacity to accept dredged material until about 2029, at which time another disposal site will be needed.

A Record of Decision (ROD) was signed for the existing island project on September 4, 1998, based on the Final Integrated Feasibility Report and Environmental Impact Statement, dated February 1996, and a second ROD was signed for the expansion on October 11, 2006, based on the Final General Reevaluation Report and Supplemental Environmental Impact Statement, dated September 2005. There have been no changes to the project since the RODs were signed that warrant additional environmental compliance actions. The project does not require any compensatory mitigation. The project continues to be environmentally acceptable.

The Office of Management and Budget (OMB) advises that there is no objection to the submission of the report to Congress and concludes that the report recommendation is consistent with the policy and programs of the President. OMB also advises that should Congress increase the project authorization for construction, the

project would need to compete with other proposed investments in future budgets. A copy of OMB's letter, dated February 12, 2014, is enclosed. I am providing a copy of this transmittal and the OMB letter to the Subcommittee on Water Resources and Environment of the House Committee on Transportation and Infrastructure, and the Subcommittee on Energy and Water Development of the House Committee on Appropriations. I am providing an identical letter to the President of the Senate.

Very truly yours,

A handwritten signature in black ink, appearing to read "Jo-Ellen Darcy". The signature is fluid and cursive, with a large loop at the end of the last name.

Jo-Ellen Darcy  
Assistant Secretary of the Army  
(Civil Works)

Enclosures



DEPARTMENT OF THE ARMY  
OFFICE OF THE ASSISTANT SECRETARY  
CIVIL WORKS  
108 ARMY PENTAGON  
WASHINGTON DC 20310-0108

MAR 18 2014

Honorable John A. Boehner  
Speaker of the House  
of Representatives  
U.S. Capitol Building, Room H-232  
Washington, D.C. 20515-0001

Dear Mr. Speaker:

The Secretary of the Army recommends modifying the cost of the Illinois Shoreline Erosion, Interim III, Wilmette, Illinois, to the Illinois-Indiana State Line (Chicago Shoreline) project that was authorized by Section 101(a)(12) of the Water Resources Development Act (WRDA) of 1996, as amended. The recommended cost increases are necessary because the respective current estimated project first cost exceeds the maximum project cost allowed by Section 902 of the WRDA of 1986, as amended. The enclosed report of the Director of Civil Works, Army Corps of Engineers, dated September 10, 2013, explains and supports the cost increases and includes other pertinent documents. The enclosed documents demonstrate that this storm damage risk reduction project remains economically justified and environmentally acceptable.

Section 101(a)(12) authorized the construction of a locally preferred plan that consisted of approximately nine miles of hurricane and storm damage reduction features, including eight miles of new revetment, and reconstruction of an offshore breakwater at a total first cost of \$204,000,000, with an estimated Federal cost of \$110,000,000 and an estimated non-Federal cost of \$94,000,000. Section 318 of the WRDA of 1990 modified the authorization to provide credit or reimbursement for the Federal share of project costs for additional project work undertaken by the non-Federal interests, including certain work that occurred before the signing of the project cooperation agreement.

The maximum authorized cost, adjusted for modifications up to 20 percent and cost index changes in accordance with Section 902, as amended, is \$327,350,000 for the project (October 2013 price levels). The revised estimated total project first cost is \$540,546,000. The increases are attributed to design changes necessary to address public safety, regulatory concerns, public acceptability, and hazardous waste investigations. In accordance with Section 101(a)(12), the Federal cost share would be about \$185,441,000 (34.3 percent) and the non-Federal share would be about \$355,105,000 (65.7 percent). The City of Chicago and the Chicago Park District are the non-Federal cost sharing sponsors and will be responsible for the operation, maintenance, repair, replacement, and rehabilitation, currently estimated at \$507,000.



At a 3.5 percent discount rate, which is the new rate starting in October, 2013, and a 50-year period of economic analysis, the estimated total equivalent annual cost of the project is about \$31,543,000 and the equivalent average annual benefit is about \$229,300,000. The equivalent annual net benefits are \$197,757,000 and the benefit-to-cost ratio is 7.3-to-1.

A Finding of No Significant Impact was signed for the project on July 2, 1993, based on an Environmental Assessment (EA). Since then, there have been nine supplemental EAs for the project. These National Environmental Policy Act documents adequately address the environmental impacts of the project. The project does not require any compensatory mitigation. The project continues to be environmentally acceptable.

The Office of Management and Budget (OMB) advises that there is no objection to the submission of the report to Congress and concludes that the report recommendation is consistent with the policy and programs of the President. OMB also advises that should Congress increase the project authorization for construction, the project would need to compete with other proposed investments in future budgets. A copy of OMB's letter, dated February 28, 2014, is enclosed. I am providing a copy of this transmittal and the OMB letter to the Subcommittee on Transportation and Infrastructure of the Senate Committee on Environment and Public Works, and the Subcommittee on Energy and Water Development of the Senate Committee on Appropriations. I am providing an identical letter to the Speaker of the House of Representatives.

Very truly yours,



Jo-Ellen Darcy  
Assistant Secretary of the Army  
(Civil Works)

Enclosures

### 3 Enclosures

1. Report of the Director of Civil Works, September 19, 2013
2. OMB Clearance Letter, February 28, 2014
3. Post Authorization Change Report, August 2013



DEPARTMENT OF THE ARMY  
OFFICE OF THE ASSISTANT SECRETARY  
CIVIL WORKS  
108 ARMY PENTAGON  
WASHINGTON DC 20310-0108

MAR 20 2014

Honorable John Boehner  
Speaker of the House  
of Representatives  
U.S. Capitol Building, Room H-232  
Washington, D.C. 20515-0001

Dear Mr. Speaker:

The Secretary of the Army recommends increasing the authorized total project cost of the Western Sarpy and Clear Creek, Nebraska flood risk reduction project. The increase is necessary because the construction costs are projected to exceed the maximum total project cost established by Section 902 of the Water Resources Development Act (WRDA) of 1986, as amended. The enclosed report of the Director of Civil Works, Army Corps of Engineers, dated May 14, 2013, explains and supports the cost increases and includes other pertinent documents. The enclosed documents demonstrate that the project remains economically justified, technically sound and environmentally acceptable.

Section 101(b)(21) of WRDA 2000 contingently authorized the project at a total first cost of \$15,643,000. Section 3113 of WRDA 2007 increased the authorized project cost to \$21,664,000. The authorized project consists of improving 16 miles of pre-project non-federal levees along the Lower Platte River in Saunders and Sarpy Counties, Nebraska. The project increases and provides a uniform level of protection by improving the existing levees and filling in gaps in the levees. The completed project is expected to provide about \$1.9 million annually in flood risk reduction benefits.

The maximum authorized cost, adjusted for modifications up to 20 percent and cost index changes in accordance with Section 902, as amended, is \$29,010,000 (October 2013 price levels). Based on cost increases described in the report, the revised estimated project first cost (without inflation) is \$43,275,100. In general, the increase in estimated total project cost results from low initial estimates, design changes, and unanticipated costs from lengthened design and construction timeframes.

The federal share of the project first cost is estimated to be \$28,128,800 and the non-federal share is estimated at \$15,146,300. The majority of lands, easements, rights-of-way, relocations, and excavated material disposal areas required for the project have been obtained since initiating construction. The acquisitions required to complete the project total 140 acres. The non-federal cost sharing sponsors of the project are the Papio-Missouri River Natural Resources District, the Lower Platte North



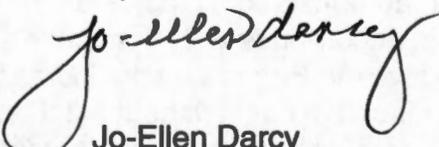
Natural Resources District, and the Lower Platte South Natural Resources District. They will be responsible for the operation, maintenance, repair, replacement, and rehabilitation of the project after construction, at a cost currently estimated at \$8,600 per year.

At a 3.5 percent discount rate, which is the new rate starting in October 2013, and a 50-year period of economic analysis, the estimated total equivalent annual cost of the project is about \$2,007,100 and the equivalent average annual benefit is about \$4,031,900. The equivalent annual net benefits are \$2,024,800 and the benefit-to-cost ratio is 2.0 to 1.

With respect to environmental compliance, a Record of Decision was signed for the project in 2003. The Corps has determined that the changes resulting from differing site conditions and design refinements have not altered the project's original purpose and scope, nor have they resulted in any appreciable change in the environmental consequences as described in the December 2003 Environmental Impact Statement prepared for the project.

The Office of Management and Budget (OMB) advises that there is no objection to the submission of the report to Congress and concludes that the report recommendation is consistent with the policy and programs of the President. The project will need to compete with other proposed investments in future Budgets. A copy of OMB's letter dated February 28, 2014, is enclosed. I am providing a copy of this transmittal and the OMB letter to the House Committee on Transportation and Infrastructure Subcommittee on Water Resources and Environment and the House Committee on Appropriations Subcommittee on Energy and Water Development. I am providing an identical letter to the President of the Senate.

Very truly yours,

A handwritten signature in cursive script that reads "Jo-Ellen Darcy". The signature is written in black ink and is positioned above the printed name and title.

Jo-Ellen Darcy  
Assistant Secretary of the Army  
(Civil Works)

Enclosures

**Enclosures**

- 1. Report of the Director of Civil Works, dated May 14, 2013**
- 2. Post Authorization Change Report, September 2013**
- 3. OMB Clearance Letter, dated February 28, 2014**



DEPARTMENT OF THE ARMY  
OFFICE OF THE ASSISTANT SECRETARY  
CIVIL WORKS  
108 ARMY PENTAGON  
WASHINGTON DC 20310-0108

APR 14 2014

Honorable John A. Boehner  
Speaker of the House  
of Representatives  
U.S. Capitol Building, Room H-232  
Washington, D.C. 20515-0001

Dear Mr. Speaker:

The Secretary of the Army recommends modifying the cost of the Cape Girardeau, Missouri, Reconstruction project that was authorized by Title I of the Energy and Water Development Appropriations Act of 2004. The recommended cost increases are necessary because the respective current estimated project first costs exceed the maximum project costs allowed by Section 902 of the Water Resources Development Act of 1986, as amended. The enclosed report of the Director of Civil Works, Army Corps of Engineers, dated November 21, 2013, explains and supports the cost increases and includes other pertinent documents. The enclosed documents demonstrate that this flood risk management project remains economically justified and environmentally acceptable.

The Cape Girardeau project was originally authorized by Section 204 of the Flood Control Act of 1950 (P.L. 81-516) at a cost of \$4,756,000 with construction a 100 percent Federal responsibility and lands, easements, and rights-of-way a non-Federal responsibility. Title I of the Energy and Water Development Appropriations Act of 2004 (P.L. 108-137) authorized reconstruction at a total cost of \$9,000,000 with cost sharing as originally authorized and subject to a Secretary determination that the reconstruction is technically sound and environmentally acceptable. On December 19, 2007, the Assistant Secretary of the Army (Civil Works) determined that the reconstruction is technically sound and environmentally acceptable based on an Engineering Documentation Report prepared by the Corps of Engineers. The project consists of an approximately 1.2-mile-long floodwall system that protects the City of Cape Girardeau against Mississippi River floods with less than a 0.2 percent chance of exceedance (500-year frequency).

The maximum authorized cost, adjusted for modifications up to 20 percent and cost index changes in accordance with Section 902, as amended, is \$14,194,000 for the project (October 2013 price levels). The revised estimated total project first cost is \$18,433,000. The increase is attributed to design changes necessary to address differing site conditions and to incorporate design refinements resulting from lessons learned on similar projects. As authorized, the Federal cost share would be about \$17,687,000 (96 percent) and the non-Federal share would be about \$746,000



(four percent). The City of Cape Girardeau is the non-Federal cost sharing sponsor and will be responsible for the operation, maintenance, repair, replacement, and rehabilitation, currently estimated at \$193,000.

Based on a 3.5 percent discount rate, which is the new rate starting in October, 2013, and a 50-year period of economic analysis, the estimated total equivalent average annual cost of the project is about \$947,000 and the equivalent average annual benefit is about \$1,863,000. The equivalent annual net benefits are \$916,000 and the benefit-to-cost ratio is 2.0-to-1.

A Finding of No Significant Impact was signed for the reconstruction project on June 16, 2005, based on an Environmental Assessment. The subsequent design changes would not alter the environmental effects of the project. The existing National Environmental Policy Act documents adequately address the environmental impacts of the project. The project does not require any compensatory mitigation and it continues to be environmentally acceptable.

The Office of Management and Budget (OMB) advises that there is no objection to the submission of the report to Congress and concludes that the report recommendation is consistent with the policy and programs of the President with the exception of the level of non-Federal cost sharing. As noted above and in the report, the reconstruction of this project is authorized with construction a 100 percent Federal responsibility and the cost to acquire land, easements, rights of way, relocations, and disposal a non-Federal responsibility. Administration policy requires 65 percent Federal and 35 percent non-Federal cost sharing for flood risk management projects, including this project. OMB advises that should Congress authorize a cost increase, the project would need to compete with other proposed investments for funding in future budgets. A copy of OMB's letter, dated April 9, 2014, is enclosed. I am providing a copy of this transmittal and the OMB letter to the Subcommittee on Water Resources and Environment of the House Committee on Transportation and Infrastructure, and the Subcommittee on Energy and Water Development of the House Committee on Appropriations. I am providing an identical letter to the President of the Senate.

Very truly yours,



Jo-Ellen Darcy  
Assistant Secretary of the Army  
(Civil Works)

Enclosures

### 3 Enclosures

- A. Report of the Director of Civil Works, November 21, 2013
- B. OMB Clearance Letter, April 9, 2014
- C. Limited Reevaluation Report, July 2013