



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

CECW-SPD

APR 27 2017

MEMORANDUM FOR COMMANDER SOUTH PACIFIC DIVISION

SUBJECT: Implementation Guidance for Section 1402(b) of the Water Resources Development Act (WRDA) 2016, Special Rules, Los Angeles River

1. Section 1401(7)(2) of WRDA 2016 authorizes the Los Angeles River, CA, ecosystem restoration and recreation project to be carried out by the Secretary substantially in accordance with the plans, and subject to the conditions, described in the Report of the Chief of Engineers, dated 18 December 2015. Section 1402(b) of WRDA 2016 provides the special rule that the Secretary shall carry out the project, including the recommended cost share described in the Chief's Report, notwithstanding Section 2008(c) of the Water Resources Development Act of 2007 (Public Law 110-114) (33 U.S.C. 2340(c)). Section 1402(b) is enclosed.
2. The authorized project is a deviation from the National Ecosystem Restoration (NER) Plan and is the Locally Preferred Plan (LPP) for ecosystem restoration with a corresponding recreation plan, as described in the Chief's Report. The Chief's Report recommended a 50 percent cost sharing of total LPP costs, modified as follows. For the ecosystem restoration portion of the project, the non-federal sponsor is required to provide all lands, easements, rights-of-way, relocations, and disposal sites (LERRD), with credit limited to 35 percent of LPP ecosystem restoration costs, and in addition to provide the contribution of funds necessary to bring its creditable share of total LPP ecosystem restoration costs to 50 percent. For the recreation portion of the project, the non-federal sponsor is required to contribute 50 percent of total recreation costs. The procedure contained in this paragraph should be followed for all calculations of project cost sharing as costs change. Cost estimates as of the present fiscal year are provided in Paragraph 4 of this implementation guidance for reference purposes.
3. The need for a special rule enacted into law is that, as indicated in Paragraph 14 of the Chief's Report, in the absence of express statutory language Section 2008(c) of WRDA 2007 would have required cost sharing of the ecosystem restoration plan in accordance with Section 103 of WRDA 1986, as amended (33 U.S.C. 2213), rather than in accordance with the recommendations of the Chief's Report. Section 2008(c) of WRDA 2007 states that authorized federal and non-federal cost estimates for water resources projects are "for informational purposes only and shall not be interpreted as affecting the cost-sharing responsibilities established by law." Section 1402(b) of

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WRDA 2016 provides the express statutory language required to apply the cost sharing recommended in the Chief's Report.

4. The estimated total first cost for the authorized project for ecosystem restoration and recreation, based on October 2016 price levels, is \$1,420,307,000. The recreation features have an estimated first cost of \$18,678,000, with the federal and non-federal shares estimated at \$9,339,000 and \$9,339,000, respectively. The first cost for the ecosystem restoration portion of the project is currently estimated to be \$1,401,629,000, which includes \$574,319,000 for design and construction of ecosystem restoration features and \$827,310,000 for LERRD. Equal cost sharing of the ecosystem restoration portion of the project between the government and the non-federal sponsor would total approximately \$700,815,000 each. The non-federal credit for LERRD is limited to 35 percent of the project ecosystem restoration cost, an estimated \$490,570,000. The non-federal sponsor is required to provide funding for the balance of the non-federal share above this amount, currently estimated to be \$210,244,000, to bring its creditable share to 50 percent (approximately \$700,815,000). This results in an estimated non-federal share of project costs of \$1,037,555,000 (\$827,310,000 for LERRD plus a \$210,244,000 cash contribution), and an estimated federal share of project costs of \$364,075,000 for the ecosystem restoration portion of the authorized project. The federal share of the total project cost of \$1,420,307,000, including both ecosystem restoration and recreation, is estimated at \$373,413,500, and the non-federal share is estimated at \$1,046,893,500.

5. Questions regarding this implementation guidance should be directed to Ada Benavides, Senior Policy Advisor, Planning and Policy Division, at (202) 761-0415, Ada.Benavides@usace.army.mil.

Encl



JAMES C. DALTON, P.E.
Director of Civil Works

SEC. 1402. SPECIAL RULES.

(b) Los Angeles River. —The Secretary shall carry out the project for ecosystems restoration and recreation, Los Angeles River, California, authorized by section 1401(7) of this Act substantially in accordance with terms and conditions described in the Report of the Chief of Engineers, dated December 18, 2015, including, notwithstanding section 2008(c) of the Water Resources Development Act of 2007 (Public Law 110-114; Stat. 1074), the recommended cost share.