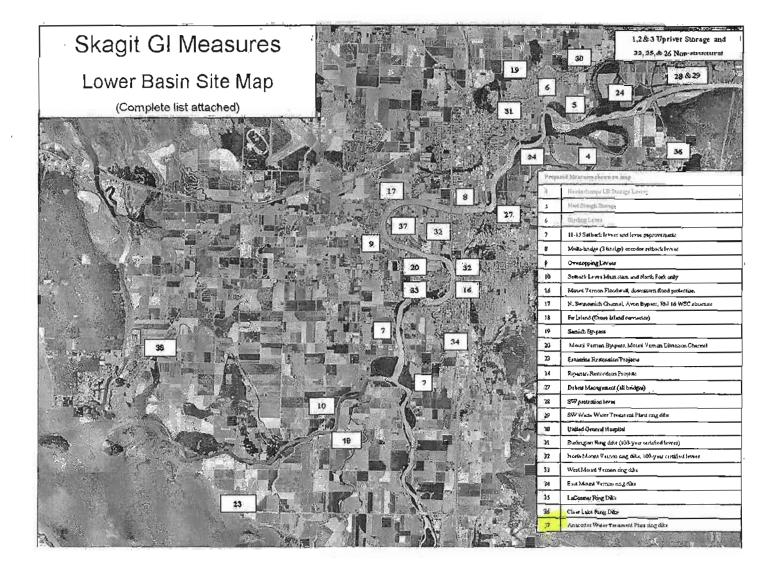
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## THINGS TO BE DONE

After all, it might have been far worse. No irretrievable damage has been done. The Using to be done now is to clean up, begin the work of repair, and proceed as though nothing had happened. Skagit county has a glorious future and not even extraordinary misfortune can set it back for any length of time. The weak-kneed brothers will move out; those made of sterner stuff will stay and reap the rewards of grit and energy. It is no time for calamity howlers, and they should not be tolerated. Let them go their way; their places will be filled by better men.

No expense should be spared to put the roads and bridges in as good and better condition than they were in, before the freshet. If necessary, the taxpayers should not hesitate to bond the county for any needed sum, and no man who has the interests of his county at heart will balk at such a move. It is no time for hysteries or petty politicscalm judgment, definiteness of purpose and indefatigable and well directed energy must now be combined. (The above editorial appeared in the Dec. 4, 1909 issue of "The Herald-Recorder," Skagit county's official paper published at Hamilton, the week of the "big flood." H. J. Pratlic, owner and editor-in-chief, was Hamilton mayor, and handled an insurance business, "representing the C. E. Bingham line of reliable insurance" as it said in one of the two advertisements he carried in his paper. Mrs. Bessie Luton furnished the Courier-Times with this old paper.)



# County Plan A

## **Raise Property Taxes**

100 yr. flood

## Skagit County

**Conceptual Flood Control Measures with Conceptual Cost Estimates** 

	Conceptual Measures	Construction Costs		Assessed Value	Total Project Cost	Local Match 25% of Total	any f
• 1	Sedro Woolley Water Treatment Plant	\$ 1,278,259	15	95,800	\$ 1,374,059	\$ 343,515	
2	Clear Lake Levee Alignment	5,979,341		1,709,700	7,689,041	1,922,260	
3	SR-9 to BNSF Right Bank Levee Alignment	17,011,871		9,023,500	26,035,371	6.508,843	1.00
4	Multi-Bridge Corridor Right Bank Alignment	18,888,198		23,774,500	21,362,698	5,340,675	and.
5	Multi-Bridge Corridor Left Bank Alignment	7,205,415	1	29,895,500	37,100,915	9,275,229	
6	Anacortes Water Treatment Plant	1,490,693	1		1,480,693	370, 173	
7	Riverbend Cut-off Levee Alignment	8,365,572		8,334,900	16,708,472	4,175,118	
8a	Diversion segment 1 – Riverbend	5,491,382		5,283,500	10,774,882	2.693.721	
8b	Diversion segment 2 - Mount Vernon	8,365,572	-	5,903,300	14,268,872	3.567,218	
8c	Diversion segment 3 – Fir Island	11,443,241		2,985,700	14,428,941	3,607,235	S. Contraction
	Diversion Measure sub-total	\$ 25,300,196	\$	14,172,500	\$ 39,472,696	\$ 9,868,174	
8	Mount Vemon Right Bank Levee Alignment	1,904,844	-	15,597,500	17,502,344	4,375,588	
10	Mount Vemon Left Bank Levee Alignment	3,401,682		10,766,700	14,168,382	3.542,095	
11	Lower Right Bank Levee Alignment	6,416,406		9,040,400	15,456,806	3,864,202	
	Lower Left Bank Levee Alignment	12,351,256		9,259,300	21,610,556	5,402,639	
13	Emergency Control Structure (no land)	13,197,868		29,504,400	42,702,268	10,675,567	1
_	LaConner Ring Dike	1,000,000			1,000,000	And the second sec	
	Totals	\$ 122,781,598	\$	161,174,700	\$ 263,656,298	\$ 65.914,075	
-	15 years - 25% of Total Project \$ 4,394,272					92,219,704	-
	15 years - Land Acquisition \$ 10,744,980						



By Dan Schreiber The Chronicle

Lewis County officials on Thursday released the results of a public government priority survey designed to gather feedback from residents about what they think the role of their local government should be.

The survey results said priorities included, in order from highest to lowest - public safety, health services, law and justice, economic development, quality of life, public services and governmental services.

The results show that the vast majority of residents -- 81 percent -- do not want a property tax increase to pay for additional services. A sales tax increase was rejected by 58 percent of respondents, but 69 percent of those surveyed would like to see an increase in user fees.

The data also show 41 percent of people rated the county's community as having an average overall appearance, 29 percent rated it as good and 23 percent rated it as fair to poor.

As for a wage that allows residents to pay for the cost of housing, food, utilities, transportation and health care, 54 percent recommended a rate of \$15 to \$19.99 per hour and 41 percent recommended \$10 to \$14.99 per hour. Only 4 percent suggested a wage below \$10 per hour would cover costs.

More than 80 percent of citizens surveyed do not think enough living wage jobs are available in the county. About 6 percent said enough living wage jobs are available and 14 percent said they don't know.

The county's potential charging of impact fees for new development's Not Sure. 12.2%, 13 burden on existing infrastructure was approved by 63 percent of respondents and 17 percent of those surveyed opposed or strongly opposed the fees.

The survey group consisted of 63 percent females and 37 percent males. A total of 54 percent of respondents were from the Twin Cities and others were spread about the rest of the county. The vast majority, 85 percent, of respondents own property in the county. Just over 50 percent of the respondents have lived in the county for more than 15 years.

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Dan Schreiber covers county government and environmental issues for The Chronicle. He may be reached at 807-8239 or dschreiber@chronline.com.

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#### Paying the Bills

A survey sent out to 20 percent of Lewis County residents in April asked a number of questions about governmental services. About 490 people responded. Among the questions they answered was, "Additional services would require additional money from our citizens. How do you think this money should be collected?"

Property Tax, Sales Tax, User Fees

Yes: 7.1%, 29.2%, 69.2%

No: 80.7%, 57.8%, 16.4%

Not Sure: 12.2%, 13.0%, 14.4%

SLY 2007

100 yr. flood

# County Plan A

Stay the course

Corp currently has over 73 billion dollars worth of authorized projects that have not been started.

➢ With its construction funding limited to roughly \$2 billion a year, it will take the Corps more than 40 years to construct just its current backlog of projects. (Source: News Release, Senator Feingold/McCain May 14, 2007 -- Washington, D.C.)

	Sk	agit Flood	Control St	udy Cost	s - <mark>1997</mark> tl	norough De	ecember 31	, 2007	
Fiscal	Total Cost	Local				State		Federal	
Year		County**	Burlington	Mount Vernon	Sedro- Woolley	DOE FCAAP	WSDOT	FHA	Corps*
1997	\$535,012.83	\$143,512.83				\$262,500.00			\$129,000.00
1998	\$442,279.00	\$48,279.00				\$0.00			\$394,000.00
1999	\$477,360.37	\$227,360.37				\$110,000.00			\$1 <b>40,00</b> 0.00
2000	\$315,084.54	\$43,487.19				\$151,597.35			\$120,000.00
2001	\$1,009,656.59	\$434,386.69				\$203,269.90			\$372,000.00
2002	\$775,728.27	\$121,269.19				\$167,459.08			\$487,000.00
2003	\$1,478,338.11	\$841,664.44	\$50,000.00			\$134,673.67			\$452,000.00
2004	\$2.880,180.83	\$617,180.83				\$170,000.00	\$800,000.00	\$799,000.00	\$494,000.00
2005	\$1,413,587.61	\$833,178.86	\$25,000.00	\$25,000.00	\$25,000.00	\$48,626.39	\$106,782.36		\$350,000.00
2006	\$585,442.52	\$73,589.82			\$25,000.00	\$104,464.64	\$104,217.64		\$278,170.42
2007	\$341,358.05	\$81,453.53				\$39,166.71			\$220,737.81
2008*	\$92,175.35	-							\$92,175.35
Totals	\$10,346,204.07	\$3,465,362.75	\$75,000.00	\$25,000.00	\$50,000.00	\$1,391,757.74	\$1,011,000.00	\$799,000.00	\$3,529,083.58

#### Larry Kunzler

From: Larry Kunzler

Sent: Sunday, November 09, 2008 3:07 PM

To: Larry Kunzler

Subject: Congress and the Corps of Engineers

A MUST READ FOR ANYONE THINKING THE CORPS OF ENGINEERS BY THEMSELVES ARE EVER GOING TO BUILD ANYTHING IN SKAGIT COUNTY (or a whole lot of other places as well).



## **Congress and the Corps**



Show Caption Jacqueline Endsley/Advocate

### **Stories**

Corps history projects, politics

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WASHINGTON -- The U.S. Army Corps of Engineers faced a backlog of 1,600 undone projects at a cost of
\$58 billion last year when Congress took up the massive water bill that tells the agency what to build.

When House and Senate members were finished, they had saddled the Corps with 900 new or modified projects for their districts, adding about \$21 billion worth of work.

That left the Corps with \$79 billion in projects to do. But when it comes to funding, Congress passes an annual bill with only \$2 billion or so set aside for new Corps ventures.

"It would take 40 years just to meet the current backlog," said David Conrad, senior water resource specialist for the National Wildlife Federation. "The Corps is trying to change, but there is so much political baggage that it is extremely hard for the agency to move."

Citing "pork barrel" projects, President Bush vetoed the water legislation, which included replacing a canal lock in New Orleans and building the Morganza-to-the-Gulf levee system in south Louisiana.

But Congress — which battles fiercely over most legislation — came together to override his veto.

Bush became the latest in a long line of presidents, dating to Franklin Delano Roosevelt, who were unable to tame the thirst of members of Congress for water projects in their districts.

"All roads lead to the Corps, and the road to the Corps leads to those who fund them — the president and Congress," said former Louisiana Gov. Kathleen Blanco.

Blanco dealt extensively with the Corps after levee failures during Hurricane Katrina left most of New Orleans under water in 2005. She says constantly adding new Corps projects hampers its ability to maintain older ones, such as the floodwalls that gave way in Katrina.

"It's like buying a couch," she said. "You save up the money to buy a new couch, and your washing machine breaks. You've got to put the money into the maintenance of the washing machine, but it's more fun to buy the couch to show off to your friends."

Many longtime Corps observers point to problems that undermine its performance: The Corps has limited say on new projects, faces intense lobbying from Congress, has an authorization system that leaves work undone for decades, and suffers high leadership turnover.

No state in the union relies more on the Corps than Louisiana. In the first four years of the Bush administration, before Katrina, the state received over \$1.6 billion in Corps funding, far exceeding any other state. In the three years after Katrina, Louisiana has received almost \$14 billion, mostly to bolster New Orleans-area levees.

"We live and die by what the Corps of Engineers does or doesn't do, literally," said John Breaux, a Democrat who represented Louisiana in the U.S. Senate for 18 years. "The Corps are us."

#### The benefit-cost game

When analysts talk about Corps projects, the conversation usually turns to the way the agency approves its ventures; the "benefit-cost ratio."

The ratio was established under Roosevelt to reduce wasteful spending. Any project funded by the Corps must provide \$1 in economic benefit for every \$1 of taxpayer spending.

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Last year, former LSU Chancellor Sean O'Keefe led a study of the Corps for the National Academy of Public Administrators. One of the panel's findings was that the Corps has relied too heavily on the ratio.

Congress members lobby the Corps hard to get their projects approved, O'Keefe said.

"They say, 'The project estimate is 90 cents on the dollar, that's good enough for me," he said. "We've created a process that lends itself to that kind of thinking."

After a \$194 million deepening project for the Port of Iberia failed a Corps benefit-cost analysis., U.S. Sen. Mary Landrieu, a Louisiana Democrat, successfully inserted language into a 2005 emergency Iraq spending bill to change the way the Corps analyzes such projects.

Landrieu argued that shipments of fabrication structures from the Port of Iberia and Morgan City for oil and gas platforms in the Gulf of Mexico should not be considered the same as general cargo. The volume of contracts attracted by deepening the channel and the project's value to energy exploration should also be included, she said.

Herman "Bubba" Gesser — who worked for Landrieu on water projects at the time — said the directive wasn't meant to pressure the Corps.

"I think she was just asking, 'Hey, can you take another look at this?"" Gesser said.

As the ranking Republican on the House water resources subcommittee, Richard Baker — who recently resigned from Congress — secured \$187 million for projects in his Baton Rouge-based district. He considers that one of the biggest accomplishments of his 21-year career.

Baker said he was not shy about pushing the Corps to move on his projects, including the Comite River Diversion Canal, which is designed to reduce flooding.

"I jumped up and down and reached anyone I could find," Baker said.

Breaux said congressional pressure is routine when the Corps calculates benefit-cost ratios.

"The projects are very political because everyone is fighting for a limited amount of money," he said.

Pete Luisa, chief of civil works development for the Corps, said that while lawmakers do push to get their projects analyzed, once a decision is made, the agency doesn't feel pressure from them.

One Louisiana project caught up in the benefit-cost debate is the Industrial Canal lock replacement in New Orleans. Congress has authorized \$770 million to build a larger lock for navigation.

But critics point to Corps figures that show the lock's traffic is far less than once predicted. The Corps initially estimated 26 million tons of shipped goods would pass through it. Recent Corps data shows the actual tonnage is 16 million.

"If you looked at it like a highway, why would you add a lane while traffic is declining?" asked Steve Ellis, an analyst with Taxpayers for Common Sense. "It makes no economic sense."

But representatives of the navigation industry say the replacement is critical to providing east-west access to the Mississippi River and a link to the Gulf Intracoastal Waterway, one of the busiest in nation.

"It's long, long overdue," said John Doyle, vice president of the national Waterways Council. "It is the major

choke point on the Gulf Intracoastal Waterway."

The project is tied up in federal court, where environmental and neighborhood groups sued the Corps. A recent Corps report to the judge says the project's cost has ballooned to \$1.3 billion and might exceed the benefits calculated when Congress first authorized the project 10 years ago.

Corps critics and defenders alike seem to agree that, especially before Katrina, the benefit-cost criteria were focused too heavily on economic development.

"The value of human life was not part of the cost-benefit equations," said John Barry, a New Orleans author and member of the Southeast Louisiana Flood Protection East Levee Board. "Safety wasn't their number one priority."

The Corps' Luisa said the agency now considers impact on human life more heavily in its calculations.

Several people say relying less on the benefit-cost ratio is critical to the Corps' future.

O'Keefe recommended that the Corps weed out projects that no longer meet the agency's benefit-cost standard or have failed to attract congressional spending. The review could be done by a board like the Base Closure Commission, which regularly reviews military installations, he said.

"Currently there are no priorities in selecting where to make investments," he said.

Construction for new projects is on hold because of the lack of funding, Luisa said. And only projects with a 1.5-to-1 benefit-cost ratio are receiving new construction dollars.

#### Budget tug-of-war

The Corps is funded through the annual Energy and Water Appropriations bill. But while a secretary of energy sits on the president's cabinet, no such position exists for water resources.

Like other federal agencies, the Corps submits its budget for review by the White House Office of Management and Budget (OMB), which negotiates with the Secretary of the Army to determine what the administration is willing to support.

Some critics say that means the nation's water resources spending is set by budget hawks.

Last year, when Congress approved its first massive water bill in eight years, the tension between the administration and lawmakers left the Corps in the middle of a tug-of-war, O'Keefe and others say.

"That's chaos," O'Keefe said. "That's the worst way to do it."

Breaux said the Corps has little power to challenge the administration or Congress.

"The military toes the line," he said. "They're loyal soldiers. Whatever the administration tells them, they salute and say 'Yes sir,' and that's it."

But Robert Dawson, a former OMB associate director and a former Corps civil works director, contends the push and pull between Congress and the administration ensures the best projects are done. The administration must weigh Corps priorities against other responsibilities, such as war, health care and education, he said.

"There probably is no limit on what can be spent on the Corps, but the Corps budget is limited," said Dawson,

now a Washington lobbyist. "You could always do more."

The debate over Corps priorities can be eliminated if the president backs his Army secretary when Congress squawks about projects, O'Keefe said.

"It would take the president literally 10 minutes to issue instructions and empower the secretary to go to the Hill and negotiate a compromise on how to select project priorities," he said.

Unfunded projects

Another roadblock to completing projects is the difference between Congress "authorizing," or approving, a project and actually appropriating the money needed to do it.

All Corps projects under the water bill must be authorized by Congress. But that step doesn't mean work will begin. Congress must also approve spending for a project, which can mean decade-long delays.

## The lag time between a project's first studies and final completion averages 13 years.

"They have so many huge projects in the Corps that people know are never going to get done," Breaux said.

The Morganza-to-the-Gulf storm-protection project was in the water bill approved by Congress last year. Authorization was given to build 72 miles of levees and floodwalls for \$886 million to protect 120,000 people in Terrebonne and Lafourche parishes. **Plans for the system were first proposed 15 years ago.** 

Louisiana's congressional delegation hailed the authorization as a victory. But within weeks, figures surfaced showing the cost of the project authorization had grown to about \$1.5 billion.

Daniel Walker, president of the Morganza Action Coalition, calls the news "amazingly frustrating."

"For eight years we've been before Congress to get authorization," Walker said. "And the irony of it all is that the Corps provided the figures to Congress."

A federal rule states that any project for which costs change by more 20 percent must be restudied. Walker said that could take 2‰ years for the Morganza project.

"It effectively put the project on hold," Walker said. "The Corps is a massive bureaucracy that seems to be unanswerable to anybody."

U.S. Sen. David Vitter, a Louisiana Republican, accuses the Corps of intentionally dragging its feet on the project.

"Right after Katrina, things changed and there was a sense of urgency," Vitter said. "It was the middle of a crisis and decisions were being made. Now that sense of urgency is gone and we're back to the same old Corps speed."

#### **Rotation blues**

The Corps as a rule moves its regional and district administrators at least every three years. The Corps has eight regional offices and 38 districts for its civil works program.

Ellis and other Corps critics say the staff changes undermine the continuity of projects. By the time directors learn their districts or regions, they are moved, he said.

At the top of the Corps, four lieutenant colonels have led the agency under Bush. And the next president is expected to name a new one.

"Nobody gets a good evaluation by doing what the last guy did," Ellis said. "If the top of the organization changes, the organization changes."

Leadership changes have greatly affected New Orleans, Breaux said.

"You need more time and experience," he said. "It's the most complicated district in the Corps."

Before retiring from the Corps in February, Brig. Gen. Robert Crear commanded the regional office that has jurisdiction over Louisiana and the entire Mississippi River. Crear was reassigned 16 times over his 33-year career.

Crear backs the reassignment policy, saying it guards against burnout and provides a set of new eyes on district or regional operations.

"The reason I like it is because you always have a fresh perspective," he said. "You're not stale."

He also says the technical staff in the offices remains the same, providing continuity.

#### **Opportunity for change**

After the 1993 Mississippi River flood ravaged the Midwest, Corps Brig. Gen. Gerald Galloway was summoned to the Clinton White House.

Now a professor of civil and environmental engineering at the University of Maryland, Galloway was asked how to protect against such floods.

One of his suggestions was conducting a survey of the nation's levee system. Though the federal government designs, builds and inspects levees, management and maintenance traditionally falls to local levee boards, as was the case in New Orleans.

In 1993, Galloway reported that hundreds of miles of Mississippi River levees were below grade. Now, 15 years later, the inventory remains incomplete, he said. A proposed Senate bill would give the Interior Department the assignment.

"We don't know where our levees are," he said. "How good they are? We don't know."

The Mississippi is hugged by a thousand miles of levces winding through six states. Many local levee boards, such as those managing levces overtopped or damaged in recent Midwest floods, lack money for proper maintenance.

Ellis, of the wildlife federation, complains that the relationship between local levee boards and the Corps is broken.

"Maintenance for levees is local," Ellis said. "The Corps builds it and walks away."

But Galloway argues the Corps is unfairly targeted when disaster strikes. The Corps owns 10 percent of the

nation's levees.

"Congress doesn't want to pay for local levees, and neither do the local governments," he said. "After a disaster, you have to pick on someone, and the Corps seems always to be a good target, even if it's unfair. A lot of people talk about Corps reform when in reality they ought to be talking about federal, state and local reform."

Many observers agree that a tough president willing to take on Congress over new water projects is needed. Others say the only way to address Corps matters is to put pressure on Congress, which approves its funding and projects.

"We have to embarrass them to death," Galloway said.

Dawson says public pressure isn't likely because water projects are not a sexy issue like health care, education or Social Security.

"The only thing that brings it to the forefront is the catastrophic event," said Crear. "And the public eventually forgets."

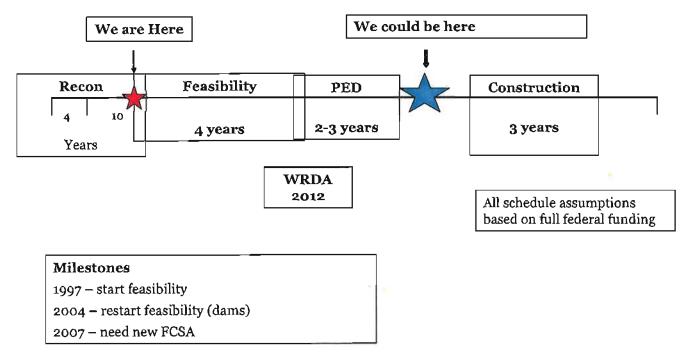
The Corps is updating its "Principles and Guidelines" for the first time in 25 years, and a new administration is coming.

The memory of Katrina could be an impetus to make Congress and the president provide the support needed to shore up the agency, O'Keefe said.

"The opportunities to focus on these things have never been better," O'Keefe said.

DatE: 2/22/05017

## Skagit River Project Schedule



## **Project Costs**

## Costs To-Date:

- Federal \$3,300,000
- Non-Federal Cash \$1,100,000
  - In-kind <u>\$2,200,000</u>
- Total \$6,600,000

## Estimated Cost to Complete:

- \$1,500,000-2,000,000
- Non-Federal

- Federal

Total - \$ 3-4,000,000

\$1,500,000-2,000,000

12

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## GI Study Needs

- Complete Scoping of feasibility study tasks – know where we are going, funding requirements, get resources in line
- Complete without project reports establish base conditions for comparisons
- Evaluate measures/screen and compare
- Get Headquarters buy in on measures
- Conduct Alternative evaluation and screen
- Select preferred plan

# The Way Ahead

- Execute interim FCSA March 2007
- Complete feasibility scoping July 2007
- Execute final FCSA July 2007
- Continue technical studies August 2007
- Complete feasibility June 2012
- Initiate Construction 2014 (WRDA required)

### Larry Kunzler

From:Larry Kunzler (floodway@wavecable.com)Sent:Sunday, September 28, 2008 4:28 AMTo:Larry KunzlerSubject:FW: flood protection proposal guestioned

From: Larry Kunzler [mailto:Larry@hbsslaw.com] Sent: Thursday, September 25, 2008 4:34 AM To: Larry Kunzler Subject: flood protection proposal questioned

This article should be given to every member of the Skagit County FCZD advisory committee and subcommittees.

Che Alerenty News Silicon Valley

# New Pajaro River flood protection proposal questioned

Donna Jones - Sentinel Staff Writer Article Launched:09/25/2008 02:13:52 AM PDT

WATSONVILLE -- The U.S. Army Corps of Engineers is proposing a radically new Pajaro River flood protection plan that would concentrate on urban areas and leave most farmland outside the defensive walls.

The plan would cost nearly two-thirds less than a previously proposed project.

But the proposal, which the corps considers the most cost-effective, is just beginning to make its rounds in the community and so far its generating more questions than support.

They gave us a map, but there wasnt a whole lot of detail, said Eugene Tsugi, a Pajaro rose grower whos been involved for years in the effort to upgrade the nearly 60-year-old levee. Its hard to know what to think.

A call to the corps was not returned Wednesday.

Steve Palmisano, manager of Watsonvilles water division, said the plan calls for rebuilding the Santa Cruz County side of the levee from Highway 1 to Salsipuedes Creek and then along the creek to the higher ground near Atkinson Lane. On the Monterey County side, the levee would be rebuilt from Highway 1 to about three miles east of Pajaro and an arm would be constructed from the river to the hills south of town.

The previous plan would have rebuilt a 12-mile stretch of levee from the river mouth at Pajaro Dunes to Murphy Crossing and upgraded flood walls along Salsipuedes and Corralitos creeks.

Instead of the \$344 million estimated for the previous proposal up from \$217 million estimated four years ago the smaller project is estimated to cost \$131 million, Palmisano said.

The good news, Palmisano said, is that now that the corps has named its most economically feasible project, an environmental review can move forward that will study both options, as well as several other alternatives. The study could be available to the community as early as next spring.

The city isnt taking a position on the options yet, though county supervisors approved the larger project in 2004 so an environmental study could proceed.

The bottom line for us in particular is 100-year protection for urban residents and businesses, Palmisano said. Beyond that were willing to support agriculture protection but thats out of our jurisdiction. The only thing well push back on is something the general community doesnt support.

Supervisor Tony Campos said he wanted to know more about how the smaller project would impact farmers, whether theyd be able to get flood insurance and how long flooding might keep their land out of production, especially due to concerns about E. coli bacteria.

His counterpart in Monterey County, Supervisor Lou Calcagno, has all the information he needs. Putting a ring around Pajaro would create a reservoir that would need to be pumped every time it rained and devastate some of the worlds best farmland during floods, he said.

Im not too enthused, Calcagno said. Im upset were even wasting time. We know what we have to do.

The project is five years behind schedule, mostly due to delays in federal funding allocations for preliminary Corps work. planning started after a levee break in March 1995 devastated Pajaro and 3,000 acres of farmland, causing \$200 million in damages.

Contact Donna Jones at 763-4505 or diones@santacruzsentinel.com.

#### Pajaro River flood protection

#### New proposal

WHAT: Levees would be rebuilt along north side of Pajaro River and portions of Salsipuedes and Corralitos creeks, from Highway 1 to Atkinson Lane, and on the south side of the river from Highway 1 to about three miles east of Pajaro. Cost is estimated at \$131 million.

UPSIDE: Urban areas would be protected and cost is substantially cheaper than previous proposals. DOWNSIDE: Farmland would be subject to potentially devastating floods.

Old proposal

WHAT: A 12-mile stretch of levee along Pajaro River would be rebuilt along with reconstruction of flood walls along Salsipuedes and Corralitos creeks at cost of \$344 million.

UPSIDE: 100-year flood protection for urban and agricultural areas.

DOWNSIDE: Cost, as well as concerns about farmland lost as levees are widened. Also opposed by environmentalists who want the river to return to a more natural state. SOURCE: City of Watsonville ----- Original Message -----From: Larry Kunzler To: Larry Kunzler Sent: Monday, October 27, 2008 10:47 AM Subject: Corps of Engineers Quote of the Century

Corps of Engineers Quote of the Century:

The \$750 million project that began in 1995 and was to be finished in 2004 has morphed into a delayed effort that will not be finished until at least 2022 at a cost of \$1.5 billion, said Stephen R. Fritz of the Corps of Engineers and the project's manager. And, <u>the work could be prolonged even further and cost even more</u>, Fritz said.



### Mon River dam project likely to balloon to \$1.5B

By Mike Cronin TRIBUNE-REVIEW Sunday, October 26, 2008

An Army Corps of Engineers project to rebuild locks and dams on the lower Monongahela River might cost twice as much and take three times longer to complete than initially estimated, officials concede.

The \$750 million project that began in 1995 and was to be finished in 2004 has morphed into a delayed effort that will not be finished until at least 2022 at a cost of \$1.5 billion, said Stephen R. Fritz of the Corps of Engineers and the project's manager. And, the work could be prolonged even further and cost even more, Fritz said.

"I've been frustrated with the lack of progress," said Stephen Little, president and CEO of Kentuckybased Crounse Corp., which every year hauls 35 million tons of cargo -- mostly coal -- on Pittsburgh-area rivers. "My concern is that the federal government has not fully and efficiently spent money on the projects."

A major portion of Western Pennsylvania's economy depends on its rivers. But the Corps identifies many of the aging locks and dams as "critically near failure" or "highly unreliable."

A July report by the Corps acknowledged inefficient management of the lower Mon projects that pushed up costs.

"We have taken too long and spent too much money on a couple of projects," said Gary Loew, the Corps of Engineers' chief of programs in Washington, D.C.

Repairs to the dams and locks are paid from the federal Inland Waterways Trust Fund and congressional appropriations to the Army Corps of Engineers. The money in the fund comes from a 20-cent-per-gallon tax on diesel paid by the commercial towing industry, including barge operators.

As of last week, the fund contained about \$28 million for all projects nationwide, said Mark Mugler, who manages the funding of Corps projects.

The Corps cannot access trust-fund money unless enough exists to match congressional appropriations for lock-and-dam repairs, said Col. Mike Crall, the agency's Pittsburgh District commander and head

engineer.

To keep the district's locks and dams operating, workers have had to perform maintenance "Band-Aids" on an as-needed basis for decades, said Corps spokesman Jeff Hawk.

For example, the 101-year-old Elizabeth dam is "unsafe and critically near failure" and its locks are "highly unreliable," while the 76-year-old operating lock at Charleroi is also "highly unreliable," Hawk said.

The Corps completed one-third of the lower Mon project when it replaced the Braddock dam in 2004. It still needs to replace the locks at Charleroi and remove the entire Elizabeth navigation facility, Fritz said.

Part of the blame for the delays and ballooning costs goes to Congress, Little and other waterways business executives believe.

"(Congress) allocate(s) funds on a year-to-year basis," Little said. "No one knows how much money is going to be appropriated. That's like building a house and not knowing how much money is going to be there the following year."

After receiving an average of \$61 million each year during the past three years, the Pittsburgh District will receive between \$19.1 million and \$40.8 million for fiscal year 2009, depending on what Congress ultimately appropriates.

Talks between the Washington-based Waterways Council Inc., a nonprofit inland waterways trade group, and the Corps to improve efficiency have continued for months, Loew said.

"We're currently having discussions with the waterways industry to work on changing business practices," he said.

One idea is to increase the diesel tax to replenish the trust fund, said Rep. Mike Doyle, D-Forest Hills.

"But there is a concern that could hurt in this economy," Doyle said. "Another proposal is to waive the federal matching requirement and directly fund projects. But in this (economic) climate, I'm not optimistic we could do that in the short term."

Waterways business executives oppose any tax increase.

"Why would people continue to pay taxes on diesel fuel with this much waste and inefficiency?" asked Barry Palmer, president and CEO of the Waterways Council.

Doyle points out the diesel tax is no different than what drivers contribute to the Highway Trust Fund when they pay a 19-cent federal fuel tax.

"Waterways users have to remember that they're not the only ones paying," Doyle said. "They're getting a 50-percent subsidy that every taxpayer is paying for (through annual appropriations)."

Still, the Charleroi and Elizabeth stations must be fixed.

The locks and dams in the Pittsburgh area provide \$10 billion in wages and jobs for about 200,000 people and more than \$3 billion in local, state and federal tax money, according to Port of Pittsburgh Commission data. A major failure could create gridlock that slows delivery of roughly \$9.1 billion in goods that travel along Pittsburgh's rivers each year.

A lock wall or dam collapse at one of the 23 locks and dams in the district, which stretches from western New York into West Virginia, becomes more likely every year and is "potentially catastrophic," said James McCarville, executive director of the Port of Pittsburgh Commission.

Officials from publicly traded companies with operations along the river would not say how much money they could lose if a navigational structure failed.

But Doug Colafella, a spokesman for Allegheny Energy -- which has three coal-fired power plants along the lower Mon -- said the company would have to pay truckers to transport the coal it needs to generate electricity.

With a delay in coal delivery "you could have a price increase in electricity," said Ray Dotter, spokesman for PJM Interconnection in Valley Forge, which manages the power supply system in the region.

Allegheny Energy has a contingency plan for coal delivery-by-road if a lock-and-dam failure prevented barge transport, Colafella said. It would take 40 truckloads of coal to equal the 1,000 tons one barge can carry, Colafella said.

"But we'd have to do it," he said. "We'd be running 640 trucks a day -- a virtual caravan of trucks every day for those three power stations."

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13 YEARS....10 MILLION DOLLARS....and we get 24 comments on the Corps presentation last August. Other then the hydrology reports we have received no written reports.

## **DOWNSIDE TO CORPS GI PROCESS**

- > No guarantees of financing (the pot of gold) at the end of the process to construct anything.
- > No guarantees of adequate congressional financing to continue the process.
- > Cost overruns and cost escalating is almost guaranteed.
- Corps has been studying the Skagit for over 100 years (1890 was first report). What could they possibly want to study that they haven't already studied?
- > The argument could clearly be made that all we are doing is funneling money into the federal bureaucracy to pay their salaries.

## **DOWNSIDE TO ABANDONING THE CORPS PROCESS**

- > No chance of federal funding for any of the projects.
- > Without federal oversight, you increase the chance of litigation.
- Local municipalities would build projects that would harm others upstream and downstream of their projects with no repercussions.
- > Projects would encourage further residential and commercial development of the floodplain.
- > Local municipalities would use consultants of questionable nature to justify their projects.