



DEPARTMENT OF THE ARMY
U.S. ARMY ENGINEER DISTRICT, SACRAMENTO
CORPS OF ENGINEERS
1325 J STREET
SACRAMENTO, CALIFORNIA 95814-2922

REPLY TO
ATTENTION OF

CESPK-PM-C

SEP 05 2006

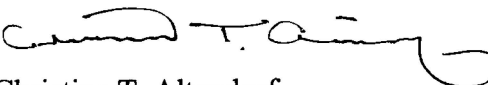
MEMORANDUM FOR Commander, CESPK-DE

me
9/15/06

SUBJECT: American River Watershed (Common Features), California Project, Project Cooperation Agreement Amendment Number 2

1. Purpose: The purpose of this memorandum is to request signature of all four copies of the attached Project Cooperation Agreement (PCA) Amendment Number 2 by the District Engineer (DE).
2. Authority: The American River Watershed (Common Features) Project was authorized by the Water Resources Development Act of 1996, as supplemented by the Water Resources Development Act of 1999 and the Energy and Water Development Appropriations Act of 2004. The project consists of constructing various flood protection improvements along both the Sacramento and American Rivers in the Sacramento Metropolitan Area. A PCA was executed between the Department of the Army and the State of California on 13 July 1998.
3. Project: The primary objective of the PCA Amendment Number 2 is to formally ratify a Schedule and Cost Change Request (SACCR) endorsed by the State on 26 May 2004. This SACCR revises the estimate total project cost from \$120.6M to \$205.0M and the project completion date to 30 October 2008. The scope of this amendment is compliant with all current law, regulations, and policy; and furthermore, the amendment only serves to formally adjust the estimated project cost and the completion date included in the original PCA.
4. Coordination: The enclosed PCA Amendment Number 2 was coordinated and approved for local signature by the enclosed email from CESPD-PD-C (Paul Bowers) dated 20 August 2006, American River Watershed (Common Features) Project, CA – Approval to execute Amend. No. 2.
5. Please feel free to contact the Project Manager, Ms. Veronica Petrovsky, at 557-7245 with any questions or concerns you may have regarding this cost-sharing agreement.

Encls


Christine T. Altendorf
Deputy for Project Management

AMENDMENT NUMBER 2
TO
PROJECT COOPERATION AGREEMENT
BETWEEN
THE DEPARTMENT OF THE ARMY
AND
THE STATE OF CALIFORNIA
FOR CONSTRUCTION OF THE
AMERICAN RIVER WATERSHED (COMMON FEATURES), CALIFORNIA PROJECT

This amendment is entered into on this 5th day of September, 2006, by and between the Department of the Army (hereinafter the "Government") and The State of California, acting by and through The Reclamation Board (hereinafter the "Non-Federal Sponsor") to amend the Contract B81560/4600000651, a Project Cooperation Agreement (PCA), between the Non-Federal Sponsor and the Government dated July 13, 1998.

RECITALS:

1. The Energy and Water Development Appropriations Act, 2004 increased the authorized project cost to a total of \$205,000,000 for the Project.
2. On May 26, 2004, the Government issued a Schedule and Cost Change Request (SACCR) for the Project and requested the Non-Federal Sponsor's approval to (a) increase the total Project cost to \$205,000,000, (b) delay the Project completion date by one year.
3. The Non-Federal Sponsor desires to approve the Government's request in accordance with the SACCR.

IT IS HEREBY AGREED to amend the PCA as follows:

1. Delete the contract termination date from October 30, 2007 shown in Amendment No. 1 Article II.2 and recognize the Project completion date of October 30, 2008 referenced in the SACCR, included as Exhibit A, Attachment 1.
2. Article II, A.3. shall read as follows:

"3. Notwithstanding paragraph A.1. of this Article, if, upon award of any contract for construction of the Project, cumulative financial obligations

for construction would exceed \$205,000,000, the Government and the Non-Federal Sponsor agree to defer award of that contract and all subsequent contracts for construction of the Project until such time as the Government and the Non-Federal Sponsor agree to proceed with further contract awards for the Project, but in no event shall the award of contracts be deferred for more than three years. Notwithstanding this general provision for deferral of contract awards, the Government, after consultation with the Non-Federal Sponsor, may award a contract or contracts after the Assistant Secretary of the Army (Civil Works) makes a written determination that the award of such contract or contracts must proceed in order to comply with law or to protect life or property from imminent and substantial harm."

3. Article IV.A. shall read as follows:

"A. The Government shall maintain current records of contributions provided by the parties and current projections of total project costs and costs due to betterments. By April 1 of each year and at least quarterly thereafter, the Government shall provide the Non-Federal Sponsor with a report setting forth all contributions provided to date and the current projections of total project costs, of total costs due to betterments, of the maximum amount of total project costs determined in accordance with Article XIX of this agreement, of the components of total project costs, of each party's share of total project costs, of the Non-Federal Sponsor's total cash contributions required in accordance with Articles II.B, II.D., and II.E. of this Agreement, of the Non-Federal proportionate share, and of the funds the Government projects to be required from the Non-Federal Sponsor for the upcoming fiscal year. On the effective date of this Agreement, total project costs are projected to be \$205,000,000, and the Non-Federal Sponsor's cash contribution required under Article II.D. of this Agreement is projected to be \$47,800,000. Such amounts are estimates subject to adjustment by the Government and are not to be construed as the total financial responsibilities of the Government and the Non-Federal Sponsor."

4. Article XIX should read as follows:

"The Non-Federal Sponsor has reviewed the provisions set forth in Section 902 of Public Law 99-662, as amended, and understands that Section 902 establishes the maximum amount of total project costs for the American River Watershed (Common Features), California Project. Notwithstanding any other provision of this Agreement, the Government shall not make a new Project

financial obligation, make a Project expenditure, or afford credit toward total project costs for the value of any contribution provided by the Non-Federal Sponsor, if such obligation, expenditure, or credit would result in total project costs exceeding this maximum amount, unless otherwise authorized by law. On May 26, 2004, this maximum amount is estimated to be \$246,000,000, as calculated in accordance with ER 1105-2-100 using October 2001 price levels and allowances for projected future inflation. The Government shall adjust this maximum amount in accordance with Section 902."

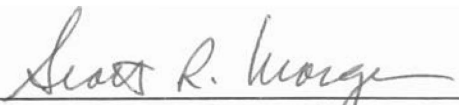
IN WITNESS THEREOF, the Parties hereto have executed this amendment as of the day and year first above written.

THE RECLAMATION BOARD OF THE
STATE OF CALIFORNIA

By 
Benjamin Carter, President

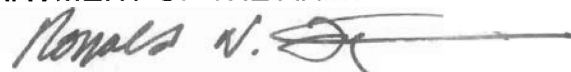
Date: 6/22/06

APPROVED AS TO LEGAL FORM
AND SUFFICIENCY:

By 
Scott Morgan, Counsel

Date: 6/23/06

DEPARTMENT OF THE ARMY

By 
Colonel Ronald N. Light, District Engineer

Date: 9/5/06

Schedule and Cost Change Request (SACCR)

Alternate Eng. Form 5040-1-R

Project: American River Watershed, CA (Common Features)

SACCR #077522-04-01

Date: May 26, 2004

From
CESPK-PM-C

To
CESPK-DD

Project Manager Mark Ellis

Phone (916) 557-6892

Signature

Mark A. Ellis

Date May 26, 2004

Section I – Request

Description of Change Request:

Change project cost estimate to reflect the current total project cost of \$205 million. The sponsor requests that this cost change be compared to the original authorized project cost estimate of \$56.9 million as authorized by WRDA 1996 (PL 104-303) for partner's use in increasing the sponsor's cost ceiling clause in the PCA (Article II A.3.) to the current project cost estimate of \$205 million. The authorized project cost was increased to \$91.9 million in WRDA 1999 authorization (PL 106-53). The Energy and Water Development Appropriations Act, 2004 (PL108-37) increased the total project cost to \$205 million. The current estimated maximum amount of total project cost under Section 902 of PL99-662 is \$246,000,000 as calculated using October 2001 price levels. The Non-Federal Sponsor's estimated cash contribution under Article II.D. of the PCA is \$47,800,000.

Justification for Change:

The following table summarizes the incremental cost changes to the project cost estimate. Cost increases are primarily attributed to unanticipated use of jet grout technology to meet the design criteria, increases in slurry wall depths, support from Architect Engineer firms, and increased in-house labor.

Common Features	WRDA 99 Cost	Incremental Change	Revised Project Cost
Slurry Wall	40,380	24,280	64,660
Jet Grout	0	55,040	55,040
Flood Warning System	400	60	460
Levee Modifications	7,940	910	8,850
Sac River East Levee	10,050	3,700	13,750
Cross Canal	9,860	1,140	11,000
Planning, Engineering, Design	9,450	25,920	35,370
Supervision and Admin.	7,750	-580	7,170
Fed Lands and Damages	40	810	850
Non Fed LERRDs	5,590	-220	5,370
Fish and Wildlife	0	1,730	1,730
Cultural Resources	440	310	750
Total	91,900	113,100	205,000

Date May 26, 2004

Section II - Impact Assessment

Organization	Description
N/A	No overall impact to any specific organizational structure. Engineering division will continue to provide the core technical resources for soils, hydraulics, and civil design. Additional district resources will continue to be provided on an as-needed basis at the request of the project manager.

Section III - Project Manager's Evaluation

Category	Impact	Resources Required
Costs (\$000)	\$113,100	The increased funds will allow full completion of all project tasks previously identified in WRDA 96 and WRDA 99.
Schedule	Minimal	Project completion date has been delayed one year to October 2008.
Manpower	None	The District is committed to provide labor resources to keep this project on schedule.

Section IV - Coordination with Partner

Partner's Position and Acknowledgement

Signature

F. D. Nallo 6/21/04 Date**Section V - PRB Action & Resolution**

CESPK-DE-P Recommendation and Signature

Signature

M. W. Connelly LTR, EN Date 22 Jun 04

District PRB Recommendation

- ☐ Approval
☐ Approval with Modifications
☐ Disapproval
☐ Returned to PM w/o Action
☐ Referred to Division

Reason