



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

OCT 19 2007

Honorable Richard B. Cheney
President of the Senate
U.S. Capitol Building, Room S-212
United States Senate
Washington, D.C. 20510-0012

Dear Mr. President:

Section 216 of the 1970 Flood Control Act authorized the Secretary of the Army, acting through the Chief of Engineers, to review the operation of projects, the construction of which have been completed and which were constructed by the Corps of Engineers in the interest of navigation, flood control, water supply, and related purposes, when found advisable due to significantly changed physical or economic conditions, and to report thereon to Congress with recommendations on the advisability of modifying structures or their operation, and for improving the quality of the environment in the overall public interest. As a result of this authority, an interim feasibility report was prepared for the existing Argentine, East Bottoms, Fairfax-Jersey Creek, and North Kansas City Levee Units, Missouri River and Tributaries at Kansas Cities, Missouri and Kansas, Flood Damage Reduction Project. The study and resulting recommendations are described in the report of the Chief of Engineers, dated December 19, 2006, which includes other pertinent reports and documents. The views of the Federal Emergency Management Agency, the Environmental Protection Agency, the Department of Agriculture, the Department of the Interior, and the Department of Transportation are set forth in the enclosed report. The Secretary of the Army supports the authorization and plans to implement the project through the normal budget process at the appropriate time, considering national priorities and the availability of funds.

The report of the Chief of Engineers recommends modifying the existing project authority, the Flood Control Act of 1936 (Public Law 70-391), as amended, to implement three measures to reduce flood damages. These measures are the National Economic Development Plan. They include raising the height of the Argentine Levee Unit, reconstructing part of the Jersey Creek Sheetpile Wall, and improving the seepage capability of the East Bottoms Levee Unit. The report of the Chief of Engineers also recommends implementing three other measures to correct design and construction deficiencies for the Fairfax-Jersey Creek Levee Unit at the Board of Public Utilities (BPU) Floodwall, and for the North Kansas City Levee Unit at the Harlem Area and the National Starch Area. These deficiency correction measures also maximize the National Economic Development. They would be implemented under the existing project authority in order to restore the authorized degree of protection.

The recommended plan to modify the Argentine Levee Unit includes raising about 5.5 miles of levee and floodwall about 5 feet, modifying or replacing 3 pump stations to accommodate the higher levee, replacing stop-log structures, modifying drainage structures, relocating 14 utility crossings, and creating a 0.21-acre emergent wetland as mitigation. Based on October 2007 price levels, the estimated first cost of this measure is \$56,000,000. The equivalent total average annual cost, based on a discount rate of 4.875 percent and a 50-year period of analysis, is \$3,600,000, including operation, maintenance, repair, rehabilitation, and replacement (OMRR&R). The plan would increase the overall reliability of the levee against the 1-percent-chance flood event from 49 percent to 99 percent. It would reduce average annual flood damages by 81 percent and leave average annual residual damages estimated at \$4,400,000. The element would also preserve 185 acres of riparian habitat as an incidental benefit. The average annual benefits are estimated at \$19,200,000, with net benefits of \$15,600,000 and a benefit-to-cost ratio of 5.3-to-1. The Kaw Valley Drainage District would be the non-Federal sponsor for the design, construction and OMRR&R of this measure. In accordance with Section 103 of the Water Resources Development Act (WRDA) of 1986, as amended by Section 202 of the WRDA of 1996, the cost shares are 65 percent Federal and 35 percent non-Federal. The resulting estimated Federal share is \$36,400,000. The estimated non-Federal share is \$19,600,000, which is comprised of \$2,900,000 for lands, easements, rights-of-way, relocations, and dredged material disposal areas (LERRD) and \$16,700,000 cash. In addition, the Kaw Valley Drainage District would be fully responsible for relocating utilities on the site that are non-compensable at an estimated cost of \$2,000,000.

The recommended plan to modify the Jersey Creek Sheetpile Wall includes reconstructing about 868 linear feet of sheetpile wall and constructing about 590 linear feet of new sheetpile wall to reduce the risk of structural failure. The estimated first cost of this measure is \$9,400,000. The equivalent total average annual cost is \$530,000, including OMRR&R. The plan would increase the overall reliability of the levee against the 1-percent-chance flood event from 82 percent to 98 percent. It would reduce average annual flood damages by 65 percent and leave average annual residual damages estimated at \$6,200,000. The average annual benefits are estimated at \$11,400,000, with net benefits of \$10,800,000 and a benefit-to-cost ratio of 21.5-to-1. The Kaw Valley Drainage District is the non-Federal sponsor. The estimated Federal cost share is \$6,100,000 (65 percent). The estimated non-Federal cost share is \$3,300,000 (35 percent), comprised of \$160,000 for LERRD and \$3,140,000 cash.

The recommended plan to modify the East Bottoms Levee Unit includes installing about 17 pressure relief wells to reduce seepage and the risk of failure, and constructing an approximately 2,100-foot-long, 30-inch-diameter pipeline to remove the well outflow. The estimated first cost is \$1,700,000. The equivalent total average annual cost for this element is \$130,000, including OMRR&R. The plan would increase the overall reliability of the levee against the 1-percent-chance flood event from 96 percent to 99.8 percent. It would reduce average annual flood damages by 59 percent and leave average annual residual damages estimated at \$3,200,000. The average annual benefits are estimated at \$4,600,000, with net benefits of \$4,500,000 and a

benefit-to-cost ratio of 37.2-to-1. The City of Kansas City, Missouri is the non-Federal sponsor. The estimated Federal cost share is \$1,100,000 (65 percent). The estimated non-Federal cost share is \$600,000 (35 percent), which is comprised of \$10,000 for LERRD and \$590,000 cash.

The total estimated first cost for all three modifications recommended for authorization is \$67,100,000. The equivalent total average annual cost is \$4,300,000, including OMRR&R. The average annual benefits are estimated at \$35,200,000, with net benefits of \$30,900,000 and a benefit-to-cost ratio of 8.2-to-1. The estimated Federal cost share is \$43,600,000 (65 percent). The estimated non-Federal cost share is \$23,500,000 (35 percent), which is comprised of \$3,100,000 for LERRD and \$20,400,000 cash.

The recommended design deficiency measures would correct design and construction deficiencies in the Fairfax-Jersey Creek Levee Unit at the BPU Floodwall and in the North Kansas City Levee Unit in the Harlem Area and the National Starch Area. The modifications would be implemented under the existing project authority and would not require a new authorization.

The recommended plan to modify the BPU Floodwall includes strengthening about 1,446 linear feet of floodwall to reduce the risk of failure. The estimated first cost is \$8,300,000. The equivalent total average annual cost is \$480,000, including OMRR&R. The plan would increase the overall reliability of the levee against the 1-percent-chance flood event from 98 percent to 99 percent. It would reduce average annual flood damages by 8 percent and leave average annual residual damages estimated at \$4,800,000. The average annual benefits are estimated at \$1,400,000, with net benefits of \$900,000 and a benefit-to-cost ratio of 2.8-to-1. The Fairfax Drainage District is the non-Federal sponsor for the design, construction and OMRR&R of this plan. The estimated Federal cost share is \$5,400,000 (65 percent). The estimated non-Federal cost share is \$2,900,000 (35 percent), which is comprised of \$300,000 for LERRD and \$2,600,000 cash.

The recommended plan to modify the Harlem Area includes constructing about 2,600 linear feet of 18-inch-diameter pipeline with vaults to control seepage. The estimated first cost is \$1,600,000. The equivalent total average annual cost for this element is \$90,000, including OMRR&R. The plan would increase the overall reliability of the levee against the 1-percent-chance flood event from 85 percent to 93 percent. It would reduce average annual flood damages by 33 percent and leave average annual residual damages estimated at \$8,400,000. The average annual benefits are estimated at \$4,100,000, with net benefits of \$4,000,000 and a benefit-to-cost ratio of 44.4-to-1. The North Kansas City Levee District is the non-Federal sponsor. The estimated Federal cost share is \$1,000,000 (65 percent). The estimated non-Federal cost share is \$600,000 (35 percent), which is comprised of \$90,000 for LERRD and \$510,000 cash.

The recommended plan to modify the National Starch Area includes installing 20 pressure relief wells to reduce seepage and the risk of failure, and constructing a 2,000-

foot-long, 30-inch-diameter pipeline and a pump station to remove the well outflow. The estimated first cost is \$7,000,000. The equivalent total average annual cost for this element is \$430,000, including OMRR&R. The plan would increase the overall reliability of the levee against the 1-percent-chance flood event from 93 percent to 98 percent. It would reduce average annual flood damages by 25 percent and leave average annual residual damages estimated at \$5,200,000. The average annual benefits are estimated at \$3,100,000, with net benefits of \$2,700,000 and a benefit-to-cost ratio of 7.3-to-1. The North Kansas City Levee District is the non-Federal sponsor. The estimated Federal cost share is \$4,600,000 (65 percent). The estimated non-Federal cost share is \$2,400,000 (35 percent), which is comprised of \$130,000 for LERRD and \$2,270,000 cash.

The total estimated first cost for all three deficiency correction measures is \$16,900,000. The equivalent total average annual cost is \$1,000,000, including OMRR&R. The average annual benefits are estimated at \$8,600,000, with net benefits of \$7,600,000 and a benefit-to-cost ratio of 8.6-to-1. The estimated Federal cost share is \$11,000,000 (65 percent). The estimated non-Federal cost share is \$5,900,000 (35 percent), which is comprised of \$500,000 for LERRD and \$5,400,000 cash.

The Office of Management and Budget (OMB) advises that there is no objection to the submission of the report to Congress. A copy of its October 9, 2007 letter is enclosed. I am providing a copy of this transmittal and the OMB letter to the Senate Subcommittees on Energy and Water, and Transportation and Infrastructure in accordance with the requirements of the Fiscal Year 2006 Energy and Water Development Appropriations Act (P.L. 109-103).

Very truly yours,



John Paul Woodley, Jr.
Assistant Secretary of the Army
(Civil Works)

Enclosure

7 Enclosures

1. Report of the Chief of Engineers, December 19, 2006
2. Copy, State of Missouri letter to USACE, October 10, 2006
3. Copy, Department of the Interior letter to USACE, October 27, 2005
4. Copy, State of Kansas Department of Health and Environment letter to USACE, November 03, 2006
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7. Interim Feasibility Report and Environmental Impact Statement, August 2006, and Addendum, December 2006



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U.S. Capitol Building, Room H-232
Washington, D.C. 20515-0001

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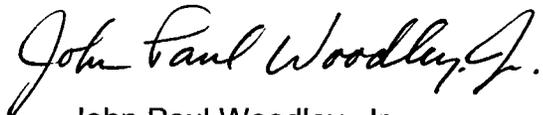
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