



For Immediate Release: NR11-049
September 19, 2011

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U.S. Army Corps of Engineers Outlines \$15 million Repayment Request for Trinity River Corridor Project

FORT WORTH, Texas – On September 12, the Dallas City Council's Trinity River Corridor Project Committee was briefed on a request by the U.S. Army Corps of Engineers for repayment of \$15 million previously provided to the City of Dallas for work on the Dallas Floodway Extension project, which is a part of the ongoing Trinity River Corridor project.

The U.S. Army Corps of Engineers (Corps) regularly partners with local sponsors in delivering projects to reduce the risk from flooding, and to provide ecosystem restoration and recreation opportunities. These partnerships are cost-shared efforts, with each partner having specific financial responsibilities.

As part of the cost-sharing requirements for the Dallas Floodway Extension project, the City is responsible for certain elements of the project, such as purchasing land and relocating utilities, and for providing additional cash contributions. The Water Resources Development Act of 1996 authorized credit toward these City requirements for portions of the Rochester Park and Central Wastewater Treatment levees previously constructed by the City, since construction is generally funded by the Federal share of the project. However, instead of reducing the City's future cost-share requirements through a credit, the Corps incorrectly made cash payments to the City.

"We provided \$15 million cash to the City of Dallas for the Dallas Floodway Extension project when we weren't authorized to do so," said Col. Richard J. Muraski Jr., Commander, Fort Worth District, U.S. Army Corps of Engineers. "This was discovered during a routine annual budgetary review in FY2010. We notified the City on Sept. 10, 2010, and have been working with them since that time to minimize the impact of the repayment."

Although the \$15 million provided to the City of Dallas should not have happened, these funds cannot be viewed as a federal grant. Correcting this financial accounting issue will not change the City's total financial outlay to support this important public safety project, but will bring the project back into compliance with the authorizing language and the construction contract.

Of the \$15 million, approximately \$8 million has been spent, most of which was used to purchase real estate for the project. In the absence of the federal funds, the City would have had to obtain these funds from other sources in order to advance the project as they have been able to do. The City will now shoulder the expense for future real estate purchases as part of their contributions to the project. The City's repayment of this unauthorized cash payment does not increase or otherwise change the amount of money the City is responsible for paying for the project.

"We worked closely with the Assistant Secretary of the Army for Civil Works to propose a 5-year repayment plan," Muraski said. "This will allow us to correct this accounting issue with the least disruption to the city."

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About the Fort Worth District: The Fort Worth District, U.S. Army Corps of Engineers was established in 1950. The District is responsible for water resources development in two-thirds of Texas, and design and construction at military installations in Texas and parts of Louisiana and New Mexico. Visit the Fort Worth District Web site at: www.swf.usace.army.mil and SWF Face book at: <http://www.facebook.com/pages/Fort-Worth-District-US-Army-Corps-of-Engineers/188083711219308>