

## Arroyo Chico Update – April 11, 2007

The Corps opened bids in late December 2006 for the Arroyo Chico Projects. Only one construction company bid on the project and their bid was approximately twice the Corps estimate. The increased costs have to do with rising fuel and construction costs. The District is requesting Congress to consider these inflation costs and increase the authorized project cost.

This significant cost increase will **NOT result in the re-designing of the project.**

The Corp is currently reviewing an alternative construction procurement process to build the project as designed. The project will include the following elements:

- Larger concrete box culverts under Campbell Avenue.
- Improved channel along Arroyo Chico between Campbell Avenue and Parkway Terrace, with culverts at existing dip sections.
- An offline basin, called TUSD Basin, located within TUSD's Cherry Field between Campbell Avenue and Cherry Avenue.
- Modified confluence of Railroad Wash and Arroyo Chico.
- Three in-line detention basins, called Basins 1, 2, and 3, located along Arroyo Chico between Cherry Avenue and Park Avenue.
- Realignment of High School Wash box culvert (underground) along 3<sup>rd</sup> Avenue and 8<sup>th</sup> Street.

The Regional Flood Control District with the Corps of Engineers are doing the following:

1. Requesting Congress to increase the project budget and securing a higher budget authority.
2. Reviewing the Corps' pricing index for 2006 that accounts for inflation and equate the 1998 approved project budget to today's value. The Corps' pricing index is significantly lower than the US Bureau of Labor and the Federal Highway Administration. The Corps has authorized an independent review on construction costs for this project. If the price index can be increased to better account for inflation, the project budget will be modified to more realistically reflect current costs.
3. The single largest expense for this project is the excavation and removal (hauling) cost of the material. The District and the Corps are reviewing ways to minimize these costs, such as locating potential sites that require significant fill material, reducing haul distances, etc.

**Again, the project is not being redesigned; landscaping and other amenities add significant environmental, community and financial benefits to the project and will remain part of the project.**

The Citizen's Advisory Committee will be re-initiated after the contract is awarded by the Corps and prior to any construction activities.