SECTION 101. PROJECTS AUTHORIZATIONS.
(a) PROJECTS WITH CHIEF'S REPORTS.- Except as provided in this subsection, the following projects for water resources development and conservation and other purposes are authorized to be carried out by the Secretary substantially in accordance with the plans, and subject to the conditions, describes in the respective reports designated in this subsection:

(1) AMERICAN RIVER WATERSHED, CALIFORNIA.-
(A) IN GENERAL.- The project for flood damage reduction, American and Sacramento rivers, California: Report of the Chief of Engineers, dated June 27, 1996, at a total cost of $56,900,000, with an estimated Federal cost of $42,675,000 and an estimated non-Federal cost of $14,225,000, consisting of-
(i) approximately 24 miles of slurry wall in the levees along the lower American River
(ii) approximately 12 miles of levee modifications along the east bank of Sacramento River downstream from the Natomas Cross Canal
(iii) 3 telemeter stream flow gauges upstream from the Folsom Reservoir; and
(iv) modifications to the flood warning system along the lower American River.
(B) CREDIT TOWARD NON-FEDERAL SHARE.- The non-Federal interest shall receive credit toward the non-Federal share of project costs for expenses that the non-Federal interest incurs for design or construction of any of the features authorized under this paragraph before the date on which Federal funds are made available for construction of the project. The amount of the credit shall be determined by the Secretary.
(C) INTERIM OPERATION.- Until such time as a comprehensive flood damage reduction plan for the American River watershed has been implemented, the Secretary of the interior shall continue to operate the Folsom Dam and Reservoir to the variable 400,000/670,000 acre-feet of flood control storage capacity and shall extend the agreement between the Bureau of Reclamation and the Sacramento Area Flood Control Agency with respect to the watershed.
(D) OTHER COSTS.- The non-Federal interest shall be responsible for-
(i) all operation, maintenance, repair, replacement, and rehabilitation costs associated with the improvements carried out under this paragraph; and
(ii) 25 percent of the costs incurred for the variable flood control operation of the Folsom Dam and Reservoir during the 4 year period beginning on the date of the enactment of this Act and 100 percents of such costs thereafter.

The Secretary shall study the advisability of acquiring land in the vicinity of the Yolo Bypass in the Sacramento-San Joaquin Delta, California, for the purpose of the environmental mitigation for the flood control project for Sacramento, California, and other water resources projects in the area.