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FOR IMMEDIATE RELEASE

October 29, 1974

Office of the White House Press Secretary

THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

I have approved H.R. 15736, the Reclamation Development Act of 1974.

This bill contains many desirable and needed reclamation program authorizations. For example, it will transfer the town of Page, Arizona -- currently owned by the Federal Government -- to non-Federal interests, thereby permitting it to function as a viable community with most residential and commercial property in private ownership. The bill will also provide for inclusion of additional hydroelectric power facilities in an existing major Colorado project.

On the other hand, H.R. 15736 contains some features which represent undesirable departures from established Federal water resource policies. In particular, several authorizations would impose on the Federal Government costs that properly should be borne by State and local interests. In addition, there are unresolved questions regarding the environmental impacts of several projects.

On balance, I have concluded that the desirable features of H.R. 15736 outweigh the undesirable ones. However, I have directed the executive agencies concerned, as part of the post-authorization review process, to carefully examine those program authorizations which depart from established policies or involve unresolved environmental problems.

On the basis of this review, I will determine whether corrective legislation is necessary, or whether funding for questionable projects should be requested.

At the same time, in order to achieve a reduction in Federal spending, I urge the Congress to approve my request for recession and deferral of funds already approved by Congress for certain reclamation projects to make certain we stay within the \$300 billion budget for fiscal 1975.

AUTHORIZING, ENLARGING, AND REPAIRING VARIOUS
FEDERAL RECLAMATION PROJECTS AND PROGRAMS,
AND FOR OTHER PURPOSES

JULY 18, 1974.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

MR. HALEY, from the Committee on Interior and Insular Affairs,
submitted the following

REPORT

[To accompany H.R. 15736]

The Committee on Interior and Insular Affairs, to whom was referred the bill (H.R. 15736) to authorize, enlarge, and repair various Federal reclamation projects and programs, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

Page 21, line 15, add the following sentence:

“All funds authorized to be appropriated by this title shall be nonreimbursable.

Page 24, line 20, strike the word “Act.” and insert in lieu thereof: “title.”

Page 24, line 22, strike the word “Act” and insert in lieu thereof: “title”.

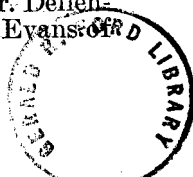
Page 33, line 8, strike the words “shall not” and insert in lieu thereof: “nor ‘actual spill’ shall”.

Page 33, line 14, after the word “from” insert: “the reservoir resulting from”.

Page 34, line 12, strike out “\$170,000,000” and insert in lieu thereof: “\$170,000,000”.

Page 34, line 15, strike the words “That for” and insert in lieu thereof: “For”.

H.R. 15736 was introduced by Mr. Johnson of California (for himself, Mr. Hosmer, Mr. Lujan, Mr. Steiger of Arizona, Mr. Kazen, Mr. Don H. Clausen, Mr. Roncalio of Wyoming, Mr. Runnels, Mr. Dellenback, Mr. Steed, Mr. Ullman, Mr. McKay, Mr. Abdnor, Mr. Evans,



Colorado, Mr. Fisher, Mr. Young of Texas, Mr. Gonzalez, Mr. de la Garza, Mr. Andrews of North Dakota, Mr. Leggett, Mr. Lagomarsino, and Mr. Denholm).

Related legislation also considered by the Committee included H.R. 1194 introduced by Mr. Steiger of Arizona; H.R. 9936 introduced by Mr. McKay, Mr. Johnson of California, Mr. Roncalio of Wyoming, and Mr. Evans of Colorado; H.R. 1406 introduced by Mr. Kazen; H. R. 11177 introduced by Mr. Kazen, Mr. Gonzalez and Mr. Fisher; H.R. 8192 introduced by Mr. Steed; H.R. 1922 introduced by Mr. Teague of California; H.R. 13507 introduced by Mr. Lagomarsino; H.R. 2185 introduced by Mr. Ullman; H.R. 11758 introduced by Mr. Don H. Clausen; H.R. 14634 introduced by Mr. McKay and Mr. Johnson of California; H.R. 10410 introduced by Mr. Abdnor and Mr. Denholm; H.R. 13589 introduced by Mr. Roncalio of Wyoming; H.R. 1677 introduced by Mr. Runnels; H.R. 14755 introduced by Mr. Dellenback; H.R. 14879 introduced by Mr. de la Garza, Mr. Young of Texas and Mr. Kazen; H.R. 13816 introduced by Mr. Evans of Colorado; H.R. 13954 introduced by Mr. Steiger of Arizona, Mr. Johnson of California and Mr. Udall; H.R. 10077 introduced by Mr. Andrews of North Dakota; and H.R. 13890 introduced by Mr. Leggett.

ORGANIZATION OF LEGISLATION

H.R. 15736 is entitled "The Reclamation Development Act of 1974". It is an omnibus measure and includes, in a single bill, most legislation affecting the Federal Reclamation program that will be considered by the Committee on Interior and Insular Affairs during the Second Session of the Ninety-Third Congress.

The bill is comprised of multiple Titles, each broadly representative of one or more individually introduced measures—as listed in the immediately preceding section of this report.

Each Title of H.R. 15736 was the subject of individually called public hearings before the Subcommittee on Water and Power Resources in which Executive Branch and public witnesses offered detailed testimony. Thereafter, the subject matter of each Title was discussed, considered and amended as deemed appropriate by the Subcommittee prior to inclusion in this measure in the form herewith recommended.

Inasmuch as the several Titles cover a diversity of issues each will be separately discussed hereinafter with the only consolidated treatment of the legislation appearing in the sections of this report which deal with Committee Recommendations, Summary of Costs and Changes in Existing Law.

TITLE I—INCORPORATION OF PAGE, ARIZONA

PURPOSE OF TITLE

The purpose of this Title is to facilitate and enable the incorporation of the Townsite of Page, Arizona, as a municipality under the laws of the State of Arizona; to authorize certain improvements to municipal facilities; to assure a continuing supply of municipal and industrial water; to recompense the Navajo Tribe of Indians for

waiver of its interests in such water supply; and to otherwise extinguish the Federal interest and control over the lands, facilities and management of the Townsite and its inhabitants.

BACKGROUND OF LEGISLATION

The Reclamation Townsite of Page, Arizona, was established in 1958 on public lands as a facility of the Glen Canyon Unit of the Upper Colorado River Storage Project. Its basic purpose was to furnish essential accommodations and community services for Federal and contractor personnel engaged in the construction, operation, and maintenance of Glen Canyon Dam and Powerplant.

Since 1958 the town has been administered by the Bureau of Reclamation, Department of the Interior. Among the services provided by the Bureau of Reclamation are police, hospital, fire protection, sewage disposal, water supply and distribution, maintenance of streets and roads, airport and cemetery. Although municipal service charges are assessed against the residents, costs of operation and maintenance have exceeded revenues by an average of more than \$300,000 annually in recent years.

Practically all residential property developed for use by workers at Glen Canyon Dam has been sold and is now privately owned. The same is true of the commercial facilities in the Townsite. More than \$4.5 million has been returned to the Treasury through the disposal of these assets.

The Townsite now comprises a total of 16.7 square miles of land as described in the bill and contains privately owned property with an assessed evaluation of about \$5.5 million. The estimated fair-market-value of undeveloped land within the Townsite is about \$2.0 million dollars.

NEED AND JUSTIFICATION

From the time of its establishment it has been the aim of all concerned that the Townsite of Page become a self-governing community at such time as it attained sufficient growth and economic stability. This time has arrived. Currently there are approximately 9,000 inhabitants of the Townsite and immediately adjacent areas. Lake Powell has become an attractive recreational facility that draws hundreds of thousands of visitors annually to enjoy boating, angling and sight-seeing. The community has a stable base from which to go forward but does not have the resources to proceed effectively without an initial financial stimulus. There is also an incentive from the Federal standpoint to withdraw from the day-to-day management of this municipality. The Department of the Interior is not uniquely suited to be a municipal administering agency. Moreover, the revenues accruing to the government for municipal services are not adequate to offset costs. Accordingly, the operating deficits must be offset from the Upper Colorado River Basin account which was established for other purposes.

Proponents of incorporation believe, and the Interior and Insular Affairs Committee agrees, that after successful incorporation additional funds will flow to the new City from State and Federal sources in sufficient magnitude to make it fiscally viable. Of course, the continuing drain on the Basin Account would be terminated.

SECTION-BY-SECTION DISCUSSION OF TITLE

Section 101.—This section states the purposes of the Title as permitting Federal withdrawal from the operation of the town and as facilitating incorporation under the laws of Arizona.

Section 102.—This section contains definition of terms as used in the legislation and includes the legal description of the lands included within the Townsite.

Section 103.—This section is a statement of Secretarial authority and directions for actions to be taken at the time of incorporation. Specifically, the Secretary will transfer, to the city, all lands not required for continuing Federal activities within the Townsite; transfer to the school district the lands and improvements now being used for educational purposes; transfer to the municipality the right and interest in lands which may be covered by reversionary clauses in previous deeds or conveyances; transfer to the city, subject to limited reservations, all on-going municipal functions; transfer to the city, subject to limited exceptions, all municipal facilities; assign, without cost, to the city contracts for furnishing water outside the city limits, contracts with private utilities for furnishing and distributing power within the municipality if the city so elects; and contracts for operation of the Page Hospital. The section further specifically provides that balances in the Hospital operating fund, as well as accounts receivable by the Hospital, shall be transferred to the City.

Section 104.—This section deals with water supply for the City of Page. The section reserves for the Glen Canyon Unit of the Colorado River Storage Project the amount of 3,000 acre-feet annually—of which 260 acre-feet will be utilized by Reclamation facilities of the remaining 2,740 acre-feet will be earmarked for use by the City. This reservation of water and assignment to the municipality must be consistent with Navajo Tribal Council Resolution numbered CJN-50-69, dated June 3, 1969.

The practical effect of that Resolution is to waive any rights to the aforesaid 3,000 acre-feet of water annually by the Navajo Tribe, subject to certain conditions set forth in the Resolution. Most of the conditions impose duties on the Secretary and others in areas not related to this legislation, i.e., training and employment of Tribal Members on other programs. The conditions of the Resolution relevant to this legislation are:

(1) that certain lands of the Glen Canyon Unit be transferred to the Navajo Reservation, to be held in Trust and

(2) by reference to a previous Resolution, CD-108-68, that the Secretary take necessary action to assure that the Navajo Tribe receive entitlement to the first 34,100 acre-feet of water hereinafter imported into the Colorado River Basin if and when such importation subsequently occurs.

This section also contemplates a contract between the City and the Secretary covering payment for, and delivery of, water from Lake Powell at the rate established for water service from Federal

reservoirs in the Colorado River Basin. The Committee understands that this rate, which covers storage service only, is established at \$7.00 per acre-foot and hereby expresses the view that this is a reasonable rate for the service being provided. The section also mandates that the aforesaid contract contain provisions as follows:

(1) the reservation of water for the City of Page is subject to the apportionments to the State of Arizona by the Upper Colorado River Compact;

(2) title to the pumping plant and delivery facility will remain in the United States;

(3) operation of the retained facilities will be at the expense of the Federal Government for the first five years following incorporation and thereafter at a declining rate for the next five years;

(4) thereafter the City will bear all the operating expenses; and

(5) the city will at all times bear the expense of filtration, treatment, and distribution.

Section 105.—This section authorizes programs and measures for accomplishment by the Secretary. These measures are to be accomplished as soon as practicable after municipal incorporation and include:

(1) the taking of a census of the population;

(2) maintenance on water lines and storage reservoirs;

(3) application of seal-coating on paved streets;

(4) installation of sprinkler system in cemetery;

(5) installation of paving, curb and gutter, and sidewalks at specified locations; and

(6) construction of an access road to the site of an environmentally acceptable solid waste disposal area. It is contemplated that the responsibilities imposed on the Secretary may be accomplished either by government forces, government contract or, by transfer of funds to the City.

Section 106.—This section authorizes a single lump-sum payment by the Secretary to the City in the amount of \$500,000 to support and finance the costs of municipal operation pending the establishment of tax rolls, assessments and the collection of municipal taxes. The Interior and Insular Affairs Committee believes it is necessary to assist the new city in this manner, lest there be an immediate breakdown in services to the people of the community.

This section also authorizes a single payment of \$50,000 for financing capital improvements to the Community Hospital.

Section 107.—This section authorizes the Secretary to assign a limited number of Federal employees, now residing in Page, to assist the City Government in accomplishing the transition to municipal status. The legislation limits the number of people so assigned at any one time to 10—and limits the duration of the program for six months following incorporation.

Section 108.—This section prohibits any additional use of the Upper Colorado Basin Fund in carrying out the purposes of the Title except, as specifically authorized by the Title.

This section specifically authorizes the Secretary to transfer funds appropriated from the aforesaid Basin Fund to the City for the purchase of the electric distribution system from its private owners. This transfer is conditioned on the City's decision to exercise its option (in the contract between the United States and Arizona Public Service Company being assigned to the City by this Act) to acquire the system. The transfer is further conditioned on the City's willingness to repay the amount transferred within 20 years at a rate of interest specified by the legislation. Funds so repaid, together with interest thereon, by the City are to be re-deposited in the Treasury to the credit of the Upper Colorado River Basin Fund.

Section 109.—This section contains the legal description of the lands which the Secretary is authorized and directed to transfer to the Navajo Indian Tribe, to be held in Trust by the Secretary as a part of the Navajo Indian Reservation. This legislation meets one of the conditions established by the Tribe for agreeing to the reservation of a municipal water supply for the City from Lake Powell.

Section 110.—This section directs the Secretary to facilitate the effectuation of the Navajo Tribal Council Resolutions, discussed above, subject to certain provisions of existing law. As set forth in Section 104, above, Resolution CD-108-68 requires the Secretary to take action to assure that the Navajo Tribe receive entitlement to the first 34,100 acre-feet of water imported into the Colorado River Basin. The Secretary is conducting studies of potential importation or augmentation schemes under the authority of Section 202 of the Colorado River Basin Project Act (82 Stat. 885). That legislation specifically provides that the initial increments of imported water shall be utilized in satisfaction of the United States obligation under the Mexican Water Treaty of 1944. Accordingly, the purpose of Section 110 is to call attention to the inability of the Secretary, under the law, to effectuate that condition of the Tribal Resolution having to do with imported water and to relieve him of the obligation to do so.

Section 111.—This section authorizes the Secretary to promulgate rules and regulations as appropriate for carrying out the provisions of the Title.

Section 112.—This section designates the Upper Colorado River Basin Fund as the source of funds for carrying out the Title and limits expenditures from the fund to \$4,000,000.

Section 113.—This section provides that the authorization shall terminate five years after enactment if incorporation has not occurred by that date.

Section 114.—This section provides a short title for the Title.

COSTS OF TITLE I

The Committee estimate of costs attributable to this Title consists of the following:

Expenditures from Upper Colorado River Basin fund:	
Community Hospital operating fund.....	\$50,000
Cost of pumping water.....	177,000
Census of population.....	3,000
Street and water system repairs.....	290,000
Street improvements, curb and gutter.....	325,000
Municipal functions assistance payment.....	500,000
Hospital improvements fund.....	50,000
Access road to landfill.....	150,000
Electrical distribution system loan.....	2,000,000
Employee assistance during transition.....	90,000
Subtotal.....	3,635,000
Indexing due to inflation.....	363,500
Total expenditures.....	3,998,500
Appropriations authorization.....	4,000,000
Book value of transferred property (June 30, 1973):	
Page Hospital land and improvements.....	448,843
Morgue.....	2,047
Permanent housing.....	10,750
Police, garage and fire station.....	212,673
Access road.....	46,938
Police radio system.....	398
Animal shelter.....	6,199
Laboratory building.....	56,435
Municipal building.....	97,441
Water system.....	2,860,215
Sewer system.....	628,380
Airstrip.....	626,601
General improvements.....	1,179,968
Subtotal improvements.....	6,176,888
Estimated value of improved land.....	141,000
Estimated value of unimproved land.....	2,000,000
Estimate total value transferred land and improvements.....	8,317,888
Committee estimate of total Federal cost (rounded).....	12,318,000

DEPARTMENTAL REPORTS

The Report of the Department of the Interior on related bills H.R. 1194 and H.R. 9936 is dated March 15, 1974. It appears at the end of this report.

TITLE II—CIBOLO PROJECT, TEXAS

PURPOSE OF TITLE

The purpose of this Title is to authorize the Secretary of the Interior to construct, operate, and maintain the Cibolo Project, Texas. The Project will be a program of the Bureau of Reclamation and will be subject to the provisions of the Federal Reclamation Act (32 Stat. 388) and Acts amendatory thereof and supplementary thereto.

PROJECT SETTING AND OBJECTIVES

The Project consists of a multiple purpose dam and reservoir on Cibolo Creek, a tributary of the San Antonio River in Wilson County, Texas. The site of the dam is approximately 30 miles southeast of the City of San Antonio. The major purpose of the project is to furnish a municipal and industrial water supply to meet the increasing demands of San Antonio and the Cities of Karnes City and Kenedy. The reservoir will also afford a high degree of flood control in the downstream river valley and provide abundant fish and wildlife and recreational benefits.

San Antonio is the largest municipality in the United States that is wholly dependent on groundwater; while Kenedy and Karnes City have serious water quality problems at the present time. It is quite important that San Antonio find an immediate substitute water supply to relieve the pumping pressure on the aquifers that now support the community. Cibolo Dam and Reservoir would constitute such a replacement source.

PHYSICAL DESCRIPTION OF THE PROJECT

Cibolo Dam will create a reservoir having a controlled capacity of 402,500 acre-feet consisting of 21,400 acre-feet for sediment deposition; 178,600 acre-feet for municipal and industrial water supply; and 202,500 acre-feet for flood control. At the top of the conservation pool, the water surface area of the reservoir will be 10,000 acres. At maximum flood pool the water surface will cover 16,260 acres.

The reservoir will produce a firm annual yield of municipal and industrial water of 25,000 acre-feet. 19,000 acre-feet will be utilized for the most part by the San Antonio Water Board as a supply for its market area, while 6,000 acre-feet per year will ultimately be utilized by Karnes City and Kenedy as loads develop in that community.

The dam will be a rolled earthfill structure, approximately 20,000 feet in length, with a crest width of 30 feet. The embankment will rise 110 feet above the streambed to an elevation of 428 m.s.l. The outlet works will discharge to the river and will consist of a single-gate-controlled conduit through the embankment at its point of maximum height.

The spillway will be in the left abutment and will be controlled by 9 radial-gates 50' x 25.6'.

This legislation authorizes no distribution facilities. Local interests will, at their own expense, provide the facilities for diverting the water from the reservoir or the stream below the dam and its delivery to points of use.

The project plan also provides for the construction of adequate recreation facilities for use by the visiting public and the acquisition of 700 acres of land as replacement wildlife habitat in the upper end of the reservoir area. The plan also provides for the acquisition of 6.5 acres of land below the dam as a fishing area.

ECONOMIC AND FINANCIAL FACTORS

The estimated cost of the Cibolo Project is \$50,242,000 based on July 1973 price levels. This sum includes \$1,083,000 for deferred recreation facilities that will not be installed until visitor pressure requires their installation. This cost, when allocated by the separable costs-remaining benefit method of cost allocation utilizing a discount rate of 5½ percent as required by the bill, results in the following tentative allocation:

Municipal and industrial water supply.....	\$26,082,000
Flood control.....	13,650,000
Recreation.....	7,308,000
Fish and wildlife.....	2,119,000
Archeological salvage.....	50,000
Subtotal.....	49,159,000
Deferred recreation.....	1,083,000
Total.....	50,242,000

Of the amounts set forth in the foregoing tabulation the entire sum allocated to flood control and archeological salvage will be nonreimbursable in accordance with Federal policy governing such activities. Of the total sum allocated to recreation and fish and wildlife, \$872,000 will be reimbursable with interest at the rate determined by the provisions of the Title and the remainder will be nonreimbursable as provided by the cost-sharing principles of the Federal Water Project Recreation Act (Public Law 89-72).

The costs allocable to municipal and industrial water by law and precedent would be reimbursable with interest. In this case, however, the legislation provides that the San Antonio River Authority, a political subdivision of the State of Texas, shall advance such sum toward the construction of the project, and the appropriation of Federal funds is conditioned upon the completion of a contract with the Secretary providing for such advances.

The benefit cost ratio for the Cibolo Project is 1.3 at 6⅞ percent discount rate. The Committee on Interior and Insular Affairs does not recognize 6⅞ percent as the appropriate discount rate for determining economic justification and cites it in this report as being the only testimony available to the Committee. It is, of course, clear that the benefit-cost ratio would be improved if recomputed at the rate now mandated by statute.

ENVIRONMENTAL FACTORS

The Committee on Interior and Insular Affairs was furnished an Environmental Impact Statement prepared pursuant to the National Environmental Policy Act. That statement discloses that there will be minimal disruption to natural values and some displacement of population from the reservoir area. The statement also establishes that there are substantial environmental benefits accruing in the form of increased fish and wildlife benefits, recreational benefits and reduction of the overdraft on the Edwards aquifer which, unless overdrawn, supports the scenic and useful flowing streams of southwest Texas.

HIGHLIGHTS OF TITLE II

Section 201.—Provides basic authorization for the Cibolo Project, sets forth the purposes of the project and establishes that it consists of a single dam and reservoir.

Section 202.—prescribes the formula for determining the interest rate to be charged for the return of reimbursable costs. The formula is that first set forth in the Water Supply Act of 1958. The costs subject to repayment with interest are limited to one-half the separable costs of recreation and fish and wildlife. The other normally interest-bearing purpose is municipal and industrial water supply, the cost of which will be advanced by the San Antonio River Authority.

Section 203.—authorizes a contract between the Secretary and an appropriate entity for the return of reimbursable costs; authorizes transfer of complete works to the contractor for operation and maintenance; and provides that, upon completion of the project, the contractor shall have a permanent right to the use of the reservoir.

Section 204.—authorizes appropriation equivalent to the total cost of the project exclusive of the municipal and industrial water allocation; provides for local interests to advance funds equivalent to the municipal and industrial water supply allocation; and directs that the discount rate for use in cost allocation studies will be derived by the formula set forth in Senate Document No. 97, 87th Congress.

LOCAL INTEREST AND SUPPORT

The Subcommittee on Water and Power Resources conducted public hearings in San Antonio, Texas, in June of 1973 and inspected the vicinity of the project. All levels of State and local government appeared in favor of the program as did many private citizens. One witness opposed the development of this facility as being not needed if a no-growth philosophy would be implemented by the local community.

COSTS

The Committee estimate of costs associated with enactment of this Title is \$24,160,000—the amount authorized to be appropriated.

DEPARTMENTAL REPORTS

The report of the Department of the Interior on related bills H.R. 1406 and H.R. 11177 is dated March 6, 1974. It appears at the end of this report.

TITLE III—MOUNTAIN PARK PROJECT, OKLAHOMA

PURPOSE OF THE LEGISLATION

The purpose of Title III of H.R. 15736 is to increase the amount authorized to be appropriated for the Mountain Park Project, Oklahoma, to enable completion of the authorized project and to authorize a change in the project plan through which municipal and industrial water supply service will be extended to the City of Frederick, Oklahoma.

BACKGROUND FOR LEGISLATION

The Mountain Park Project was authorized for construction, operation, and maintenance by the Secretary of the Interior by Public Law 503, 90th Congress (82.Stat.853). The plan of development at the time of authorization consisted of Mountain Park Reservoir, Bretch Division Dam and Canal, and an adequate system for delivery of project water to Altus and Snyder, Oklahoma. The legislation authorized appropriations in the amount of \$19,987,000 at January, 1965 price levels, with customary language to enable upward adjustments due to changes in construction cost indices.

Mountain Park Dam is under construction and is scheduled for completion in January 1975.

During the investigation and formulation of the plans for Mountain Park Project prior to authorization, it was intended that the City of Frederick, Oklahoma, participate in the program. Shortly before passage of the authorizing legislation, Frederick withdrew from the program and the Frederick aqueduct was deleted from the authorized project.

NEED FOR THE LEGISLATION

When the City of Frederick withdrew from the Mountain Park Project it did so in the expectation that a water supply adequate to meet its growing needs could be obtained from a combination of expanded groundwater development and from the surface flows of Deep Red Creek, regulated by a reservoir of the Soil Conservation Service, Department of Agriculture. The surface water development is going forward but in 1972 the Oklahoma Supreme Court restricted the development and production of additional groundwater by the City. It thus became essential that the City reconsider its position with respect to the Mountain Park Project. Title III will enable the city to participate in the project and assure an adequate supply of water for a considerable time into the future.

As Mountain Park Project nears completion, it is essential that the adequacy of the original appropriations authority be reviewed. Current studies indicate that the originally authorized appropriations, when indexed as permitted by the authorizing Act, will be insufficient to complete the project by approximately three percent.

Title III will grant authority for the additional required appropriations as discussed more fully below.

EXPLANATION OF THE LEGISLATION

Section 301.—authorizes the expansion of service from the Mountain Park Project to include among the participating cities the City of Frederick. This is accomplished by amending Public Law 90-503 (82 Stat. 853).

Section 302.—authorizes the appropriations necessary to implement the authorization provided by Section 302. Implementation will be accomplished by constructing a pipeline approximately 13 miles in length with which to interconnect the Mountain Park Project aqueduct system with the municipal system of the City of Frederick. The required pipeline and appurtenant facilities is estimated to cost \$4,734,000 at January 1974 price levels.

This section also authorizes appropriations of an additional sum of \$1,323,000 now estimated to be required to complete the originally authorized features of the Mountain Park Project. The sum of the foregoing is \$6,057,000 as set forth in the Title.

PUBLIC INTEREST AND SUPPORT

At the hearings on legislation related to Title III, witnesses appeared on behalf of the City of Frederick, the ultimate beneficiary and repayment entity for the added facilities. The City supports the legislation and agrees to assume the obligation for repayment in accordance with the provisions of the Act authorizing the Mountain Park Project. Representatives of the Mountain Park Conservancy District also support the legislation and attest to the availability of an assured water supply for the City of Frederick without compromising the supply for Altus and Snyder, the original participating cities.

COSTS

The Committee estimate of cost associated with Title III is the amount authorized to be appropriated, the sum of \$6,057,000.

DEPARTMENTAL REPORT

Report of the Department of the Interior on legislation related to Title III is dated April 22, 1974, and appears at the end of this report.

CHANGES IN EXISTING LAW

Changes in existing law effected by Title III appear at the end of this report.

TITLE IV—CASITAS RESERVOIR OPEN SPACE, CALIFORNIA

PURPOSE OF THE LEGISLATION

The purpose of Title IV is to authorize acquisition of certain watershed lands by the Secretary of the Interior to protect the quality of the waters stored for municipal and industrial use in Lake Casitas, a Federal Reclamation reservoir in Ventura County, California; and to preserve the recreational potential, fish and wildlife habitat, and general environment in a rapidly developing area of southern California.

BACKGROUND OF LEGISLATION

Lake Casitas is the impoundment formed by the construction of Casitas Dam on Coyote Creek in the Ventura River basin, Ventura County, California. The project was authorized for construction, operation and maintenance by the Act of March 1, 1956 (70 Stat. 32) and construction was completed in 1958.

The reservoir has a water surface of approximately 2,700 acres and is surrounded by a land area of about 1,800 acres which was acquired at project expense. The land and water areas are administered by the

Casitas Municipal Water District under an agreement with the Secretary of the Interior. The reservoir supplies municipal water to the City of Ventura and adjacent areas within the boundaries of the Water District. Recreational use of the land and water areas is quite intensive; there being over 1,500,000 visitor-days of such use during the calendar year 1972, the last full year for which statistics are available.

NEED FOR LEGISLATION

Pressure for development and use as recreational and full-time home sites of the lands in the Lake Casitas Watershed is intense and is growing. While it has been possible, through careful regulation and management practices, to prevent degradation of the quality of the stored waters it is becoming increasingly difficult to preserve water quality. The lake has a serious potentiality for eutrophication in that excessive amounts of phosphorous are present in the water. The introduction of significant amounts of nitrogen pollution could precipitate algae growth, loss of oxygen content and the attendant undesirable effects on fish life and recreational use.

The Lake Casitas development is located on the periphery of the Southern California megalopolis. It is a short drive from a vast concentration of population with limited outdoor recreation opportunities. The privately owned lands in the watershed are adjacent to the Lake Casitas Recreation area on one side and the Los Padres National Forest on another. Acquisition of these lands and their designation as publicly-owned open space would assure their retention as open space for the use and enjoyment of millions of people for years to come.

EXPLANATION OF LEGISLATION

Section 401.—identifies and locates the lands to be acquired and conveys basic authority to the Secretary to acquire such lands in the amount of approximately 3,100 acres.

Section 402.—permits the Secretary to accept donations and authorizes either purchase or exchange at his discretion. The legislation requires that any lands in the area now owned by the State or political subdivision thereof be donated to the Federal government.

This section also establishes conditions under which occupants of single family residences may elect to continue temporary use of their facilities for either 25 years or for the remaining life of the owner and spouse.

The section also requires that fair market value be paid to owners and establishes procedures for termination of occupancy permits for uses incompatible with the objectives of the legislation.

Section 403.—authorizes the Secretary to contract with a non-Federal public body for administration of the open-space area.

Section 404.—authorizes appropriations in the amount of \$10,000,000 with which to acquire the lands authorized to be purchased by this Title. Customary language to enable indexing due to inflation is also provided. It is the Committee's intention that this amount will also cover the cost of appraisal and other indirect costs of the land acquisition.

COMMITTEE AMENDMENTS

The Committee adopted one amendment to Title IV to provide that the costs of the program authorized by the Title be nonreimbursable. Repayment of the reimbursable costs of the Venture River project is through water charges to the users of the reservoir yield. The benefits of the environmental protection afforded by the creation of the open space preserve will accrue to the public at large. The Committee therefore believes that it is appropriate for the public at large to bear the burden of the expense of acquiring the lands rather than these costs being assessed to the water users from the reservoir.

COSTS

The Committee estimate of costs associated with the enactment of Title IV is \$10,000,000—the amount authorized to be appropriated.

DEPARTMENTAL REPORT

The report of the Department of Interior on bills related to Title IV is dated April 19, 1974, and appears at the end of this report.

TITLE V—KLAMATH PROJECT RIGHT-OF-WAY, OREGON

PURPOSE OF THE LEGISLATION

The purpose of this Title is to convey into private ownership certain rights-of-way acquired for the construction of an irrigation lateral on the Klamath Project, Oregon. The facility for which the lands were acquired was never constructed and there are no plans that it will ever be so constructed. The Federal government has no alternative use of the real estate.

BACKGROUND OF LEGISLATION

The Klamath Project, Oregon, was originally authorized for construction in 1905 and construction was initiated in 1906. Shortly thereafter a plan was evolved to serve certain lands lying to the south and southeast of Klamath Falls, Oregon. Right-of-way was acquired, through purchase and donation, for the construction of a canal and drainage ditch to serve this area. Subsequently, plans were changed and the canal was never constructed. The area in question, along the right-of-way, eventually became urbanized and developed for commercial and residential uses. In total, the lands acquired amount to about 5.4 acres, occupying a strip some two miles in length and varying in width from 17 feet to 30 feet.

With the passage of time awareness of the right-of-way having been acquired by the United States was lost and only in 1970, when certain street improvement work was undertaken by the City of Klamath Falls, did the fact of Federal ownership come to light. So much of the right-of-way that was required for public street purposes was then quit-claimed to the County of Klamath Falls. Approximately 3.0 acres remains in federal ownership and has been encroached upon by approximately 20 separate holdings.

EXPLANATION AND NEED FOR LEGISLATION

The bill authorizes the Secretary of the Interior to convey portions of the right-of-way to owners of contiguous tracts and lots for the consideration of \$100 plus the cost of conveyance. The conveyance would be initiated upon application and the person making application would be obliged to furnish proof of ownership of the adjoining land and to furnish an adequate legal description of the exterior boundaries of the parcel to be conveyed.

The primary need for this legislation is to clear the Title to the properties abutting on the public street—in order that public improvement assessments may be levied against the properties and to clear up the land holdings of the United States.

COSTS

The committee estimate is that no federal cost will be incurred in the implementation of Title V inasmuch as the donees under the conveyances are required to pay all costs of conveyance. In fact, there will be revenues amounting to possibly \$2,000 accruing to the United States if all eligible landowners apply for conveyances.

DEPARTMENTAL REPORT

The report of the Department of the Interior on bills related to Title V is dated June 22, 1973, and appears at the end of this report.

TITLE VI—SOLANO PROJECT RECREATIONAL FACILITIES, CALIFORNIA

PURPOSE OF THE LEGISLATION

The purpose of Title VI is to authorize a program of public recreation facilities at Lake Berryessa, a Bureau of Reclamation reservoir in Napa County, California; to provide for an overall plan of the uses of all Federal lands surrounding the reservoir; and to correct certain abuses of land uses now occurring at the project.

BACKGROUND OF LEGISLATION

The Solano Project, of which Lake Berryessa is a principal element, was authorized in 1948 for the purposes of flood control, irrigation and municipal and industrial water supply. Monticello Dam, impounding Lake Berryessa, was completed in 1957. The project is little more than an hour's drive from the Oakland-San Francisco metropolitan area. Recreation was not an authorized project purpose; no costs have been allocated to that purpose and no federal funds have been expended for recreational facilities.

Nevertheless, public use of the area for recreation started immediately as the impoundment was filling and has continued to expand to a current level of more than one million visitor-days annually. Lacking authority for federal development and management of recreation facilities—and unable to interest the State of California in undertaking such activities—the Department of the Interior entered into

an operating agreement with Napa County, California, whereby that entity would develop and manage the area for recreation use.

Apparently, because of the fact that most visitors to the reservoir were not residents of the County, a plan for land utilization was adopted involving the granting of long-term leases to seven concessioners under terms allowing the concessioners to develop and manage the seven principal resort areas around the reservoir. For the most part, the areas have been developed for subsequent lease to private individuals for use as mobile home sites on an extended basis. Although there has been several million dollars of private capital invested at Lake Berryessa, there has been only limited development of short-term (day-use) facilities for use by the general public.

Such facilities as access roads, parking facilities, picnic areas, sanitation facilities, garbage collection, bath houses and other related short term facilities are very limited—if not totally lacking.

Some of the privately developed concession areas are of high quality and are well maintained while others are not of an acceptable standard for a federal facility.

NEED FOR LEGISLATION

There is an evident and urgent need for legislation to authorize adequate recreational facilities at this project and to develop a master plan for use of the area. The County of Napa has advised the Department of the Interior that it intends to terminate its operating agreement with the United States on June 30, 1975. When this occurs there will be no operating agent for the land and water areas of the project and no specific legislative authority to do the things that are necessary to be done at the reservoir.

HIGHLIGHTS OF TITLE VI

Section 601.—authorizes the Secretary of the Interior to construct, operate and maintain the public outdoor recreation facilities required to protect the health of the visiting public and to protect the federal property and its recreational value. The Committee understands that realization of the ultimate recreational potential of this facility would require as much as ten times the investment contemplated by this Title and expects that the funds authorized herein will be used for those needs that are the most urgent. High priority uses include access roads and parking facilities, picnicking and sanitary facilities, bank fishing access and public docking facilities.

This section also provides for detailed review of existing facilities to determine their compatibility with sound recreational land planning and their contribution to needed public service. The Committee understands that existing concessioner contracts will become the administrative responsibility of the Bureau of Reclamation when Napa County withdraws from its operating agreement. Accordingly, Section 601 authorizes and directs the Secretary to implement corrective procedures as necessary and consistent with the terms of existing contracts. The Committee expects the Secretary to decline to renew concessioner contracts when they terminate if the standard of operation of the concessioner is not compatible with sound recreational land use.

On the other hand, it is not the Committee's intention that the authority of this Title be used for the purpose of imposing unreasonable conditions on the holders of existing concession contracts or of eliminating the role of the private sector in Lake Berryessa recreational activity.

Section 602.—provides that the Secretary shall make rules and regulations for carrying out the provisions of this Title. It is expected that these regulations shall contain, among other things, a statement of the standards which existing concessioners are expected to meet in order to preserve their leases and it is further intended by the Committee that such regulations be given wide distribution, including legal publication, prior to their final promulgation.

This section also authorizes the Secretary to enter into a management agreement with an appropriate entity but does not make such an agreement a pre-condition to development of the authorized recreation facilities as is frequently the case in recreation programs of the Bureau of Reclamation.

Section 603.—authorizes the sum of \$3,000,000 at April 1974 price levels for construction and additional sums as required for administration of the existing development, operation and maintenance of new works. Customary indexing to accommodate changing price levels is also provided.

Section 604.—provides that all funds authorized by this Title shall be nonreimbursable. The Committee notes that this provision departs from existing policy with respect to new projects where 50-50 cost-sharing is the norm. This departure is believed to be warranted in the case of Lake Berryessa as there is no realistic expectation of securing a management contract until certain existing conditions are corrected and the Bureau of Reclamation appears to be the only entity available to accomplish this objective.

COMMITTEE AMENDMENTS

The Committee adopted two technical amendments to Title VI to correct inaccurate cross references.

COSTS

The Committee estimate of cost associated with enactment of Title VI is \$3,000,000, the amount authorized to be appropriated by the Title.

DEPARTMENTAL REPORTS

The report of the Department of the Interior on the related bill H.R. 11758 is dated May 8, 1974. It appears at the end of this report.

TITLE VII—MISCELLANEOUS DRAINAGE CONSTRUCTION, UTAH

PURPOSE OF THE TITLE

The purpose of Title VII is to authorize the Secretary of the Interior to negotiate amendatory repayment contracts with the Uintah County Water Conservancy District and the Emery Water Conservancy District to remove a limitation on the amount which can be expended for drainage construction under the existing contracts;

thereby enabling the Secretary to complete an adequate irrigation drainage system with funds authorized to be appropriated by existing legislation.

BACKGROUND OF LEGISLATION

The Vernal Unit, Central Utah Project, and the Emery County Project, Utah, were authorized by the Act of April 11, 1956, as participating projects of the Upper Colorado River Storage Project. These are multiple purpose water resource development programs involving irrigation as a substantial project function. Construction was initiated on the Vernal Unit in 1959 and on the Emery County Project in 1962. Irrigation water delivery was initiated on the projects in 1963 and 1966, respectively.

Each of these programs is covered by a repayment contract with the administering conservancy district. The repayment contracts set forth the amount required to be returned to the United States by the water users and also establish the amount which the Secretary may expend for the construction of project drainage facilities. These amounts were based on the prevailing estimates of the cost of drainage construction at the time the contracts were negotiated in 1958 and 1962, respectively, with the Uintah and Emery Districts. The amounts as thus set forth in the contracts were \$675,000 and \$990,000 respectively.

Because of an increase in the amount of land requiring intensive drainage service and escalating cost indexes for construction, it has not been possible to complete an adequate system of drains in either case within the limitations on expenditures set forth in the contracts. Accordingly, drainage construction has been suspended until corrective action is authorized. Title VII provides authority for such action.

JUSTIFICATION FOR LEGISLATION

The principal need of the Vernal Unit and the Emery County Project is authority for the Secretary of the Interior to negotiate amendatory contracts on terms less favorable to the United States than the terms of the existing contracts. The proposed contracts are deemed to be less favorable to the United States for the reason that they will enable adequate spending for drainage construction.

Unless additional required drainage construction is provided, it is estimated that about 2,450 acres of land in the Vernal Unit (about 20 percent of the project) will undergo loss or limitation of productivity. The comparable figures on the Emery County Project are about 1,600 acres, representing almost 10 percent of the project. Loss of productivity on these lands will seriously compromise the capability of the conservancy districts to meet their repayment obligations to the United States.

HIGHLIGHTS OF TITLE VII

Section 701.—authorizes construction of additional drainage for the Vernal Unit, Central Utah Project, and the Emery County Project, Utah, by authorizing amendatory contracts lifting the limits on the amount the Secretary is authorized to expend for drainage construction. The amendatory contract may further provide that the

cost of such works shall be repaid from the Colorado River Storage Project Basin Fund if the Secretary determines that all or part of the cost is beyond the ability of the water users to repay. Funds with which to construct the additional drains were authorized to be appropriated by the Act of August 10, 1972, Public Law 92-370 (86 Stat. 525).

COSTS

The Committee estimate of cost associated with the enactment of Title VII is \$1,325,000 for the Vernal Unit and \$1,210,000 for the Emery County Project making a total of \$2,535,000. No appropriations are specifically authorized by the Title.

DEPARTMENTAL REPORTS

The report of the Department of the Interior on H.R. 14634, a bill relating to Title VII, is dated June 14, 1974. It appears at the end of this report.

TITLE VIII—BELLE FOURCHE DAM REHABILITATION, SOUTH DAKOTA

PURPOSE OF THE LEGISLATION

The purpose of Title VIII is to authorize the Secretary of the Interior to rehabilitate Belle Fourche Dam, Belle Fourche Project, South Dakota, by designing and constructing a structurally and hydraulically adequate spillway and by replacing the deteriorated embankment protection on the upstream slope of the structure.

BACKGROUND OF LEGISLATION

The Belle Fourche Project, of which Belle Fourche Dam and Reservoir is a feature, was authorized in 1904 and was completed in 1914. The project is operated by the Belle Fourche Irrigation District under a repayment contract with the Secretary of the Interior which matures in 2027. Belle Fourche Dam is an earthfill structure on Owl Creek, a tributary of the Belle Fourche River. In addition, to the minor runoff from Owl Creek, water is diverted to the reservoir from the Belle Fourche River. The reservoir capacity is 185,000 acre-feet.

The Irrigation District is lacking in financial means to make the needed repairs to the dam and spillway and the Committee on Interior and Insular Affairs feels that the Irrigation District should not be held financially accountable for inadequacies in the original design of the structure.

HIGHLIGHTS OF TITLE VIII

Section 801.—conveys basic authority for the Secretary of the Interior to rehabilitate the spillway and the embankment protection for the upstream slope of Belle Fourche Dam.

Section 802.—declares that the authorized work is for safety of the structure as distinct from increasing storage capacity or for changing the allocation of costs of the original purpose.

Section 803.—authorizes an amendatory repayment contract between the Secretary of the Interior and the Belle Fourche Irrigation District; limits reimbursable obligation of the District for rehabilitative

work to the estimated savings in maintenance; and declares all other costs authorized by the Title to be nonreimbursable.

Section 804.—authorizes appropriations in the amount of \$3,620,000 at April 1974 price levels with allowances for inflation. The Committee understands that these amounts apply to the spillway in the amount of \$2,648,000 and to the embankment protection in the amount of \$972,000.

COSTS

The Committee estimate of costs associated with enactment of Title VIII is \$3,620,000, the amount authorized to be appropriated.

DEPARTMENTAL REPORTS

The report of the Department of the Interior on the related bill, H.R. 10410, is dated May 8, 1974. It appears at the end of this report.

Updated studies using modern meteorological and hydrological techniques indicate that the original spillway is seriously under-designed to accommodate floods which may occur on Owl Creek. Also, with the passage of time structural deficiencies have developed in the spillway and it has been determined to be unsafe for operation. Accordingly, storage limitations have been placed on the reservoir lest the operation of the spillway result in embankment failure with attendant loss of life and property. In recent years the storage level in the impoundment has not been allowed to exceed 160,000 acre-feet; thus limiting the water supply for the Irrigation District.

In addition to the problems with the spillway, there has been considerable difficulty in maintaining adequate embankment protection on the upstream slope of the dam. Wave action causes periodic damage to the slope protection and involves excessive maintenance to prevent damage to, or loss of, the embankment structure.

JUSTIFICATION FOR LEGISLATION

The principal need at Belle Fourche Dam is an adequate spillway and permanent embankment protection on the upstream slope. The combination of these two measures will enable the reservoir to be operated to its design capacity without fear of failure and will assure the Belle Fourches Irrigation District a more adequate water supply than is possible under the restrictions now imposed on reservoir levels.

Unless the indicated repairs are made, the Irrigation District is faced with a limited water supply or with the undesirable prospect of operating the reservoir in such a way as to raise the chances of embankment failure. The loss of life and property could be enormous if this reservoir should fail. Several inhabited communities and rural residences would be either completely or partially inundated.

TITLE IX—GLENDO UNIT ROAD RECONSTRUCTION, WYOMING

PURPOSE OF THE LEGISLATION

The purpose of Title IX is to authorize the Secretary of the Interior to relocate, reconstruct and rehabilitate a public road in the vicinity of Glendo Reservoir in Wyoming. The road was initially relocated in

connection with the construction of Glendo Dam and has become unsafe and unserviceable due to improper location and faulty design.

BACKGROUND AND JUSTIFICATION OF THE LEGISLATION

Glendo Unit is an element of the Pick-Sloan Missouri Basin development and was constructed in the mid-1950's. It consists of Glendo Dam, Reservoir and Powerplant on the North Platte River in Platte County, Wyoming. The construction of the dam involved reconstruction and relocation of the public road net in the vicinity of the project to provide a river crossing in lieu of a bridge initially located about three miles upstream from the damsite. The embankment of Glendo Dam now is used for crossing the river with appropriate approach roads having been provided as a part of the project construction.

Through a contractual arrangement with the Bureau of Reclamation, the road was transferred to Platte County, Wyoming, for operation and maintenance, in 1958. Subsequently, jurisdiction over the road was assumed by the Wyoming Recreation Commission which manages certain contiguous land areas for recreational purposes.

On numerous occasions the left abutment approach section of the road has been damaged by land slides and rockfalls. At least once, the Bureau of Reclamation repaired the roads at project expense with funds specifically sanctioned by the Comptroller General.

In 1973 additional slides occurred and damaged the road seriously. At present traffic is limited to one lane and conditions are unsafe for the traveling public. The road is used by residents, tourists and recreationists; and as a school bus route and rural mail route. The Comptroller General has ruled that the Secretary lacks legislative authority to incur any further expense in connection with this matter. Title IX provides the authority to make permanent and lasting repairs to this road.

HIGHLIGHTS OF TITLE IX

Section 901.—conveys basic authority for the Secretary of the Interior to relocate, repair and rehabilitate the road so as to provide a safe, durable two-lane road for public use. This will be accomplished by rehabilitating approximately 1,000 feet of the road through the slide area.

Section 902.—authorizes appropriations in the amount of \$284,000 at January 1974 price levels with allowances for indexing due to inflation or deflation. Costs incurred for this work will be allocated in the same manner and to the same extent that the original costs of Glendo Unit were allocated. Reimbursability will be governed by the principles governing repayment of the previously incurred costs of the Glendo Unit.

COSTS

The Committee estimate of costs incurred as a consequence of Title IX is \$284,000, the amount authorized to be appropriated.

DEPARTMENTAL REPORTS

The report of the Department of the Interior on the related bill, H.R. 13589, is dated May 8, 1974. It appears at the end of this report.

TITLE X—NUECES RIVER PROJECT, TEXAS

PURPOSE OF THE LEGISLATION

The purpose of the Title is to authorize the Secretary of the Interior to construct, operate and maintain the Nueces River project, Texas. The project will be a program of the Bureau of Reclamation and will be subject to the provisions of the Federal Reclamation Act (32 Stat. 388) and acts amendatory thereof and supplementary thereto.

PROJECT SETTING AND OBJECTIVES

The project consists of a multiple purpose dam and reservoir at the Choke Canyon site on the Frio River, a tributary of the Nueces River in Live Oak and McMullen Counties, Texas. The major purpose of the project is to furnish a municipal and industrial water supply to the Coastal Bend region of Texas which encompasses the City of Corpus Christi and numerous adjacent smaller communities. The reservoir will provide local flood control benefits, primarily to the City of Three Rivers, Texas. Fish and wildlife development and outdoor recreation opportunities will also be provided by the project.

Corpus Christi faces shortages of municipal and industrial water supply with which to support regional economic growth by 1980. The only plausible source for meeting clearly foreseeable needs is through regulation of the runoff of the Nueces River system. Choke Canyon Dam and Reservoir, if constructed and operated conjunctively with the existing Lake Corpus Christi would furnish the required water supply.

DESCRIPTION OF THE PROJECT

Choke Canyon Reservoir will have a controlled capacity of 700,000 acre-feet consisting of 22,700 acre-feet for sediment detention and 677,300 acre-feet for conservation storage for municipal and industrial water supply. The dam will be 116 feet above streambed and will have a crest length of about 18,500 feet. The reservoir at full pool will cover 26,000 acres and will extend upstream on the Frio River a distance of about 34 miles.

Sport fishing and outdoor recreation opportunities will be enhanced by the acquisition of 2,360 acres of land for these purposes.

No municipal water supply aqueducts will be provided by the project. Water will be released to the stream system and diverted for use through the facilities that have already been provided by local water agencies.

ECONOMIC AND FINANCIAL FACTORS

The total estimated cost of the Nueces River Project is \$64,330,000 based on price levels prevailing in January 1974. This sum includes \$4,596,000 for deferred, or second stage, recreation facilities that will not be installed until visitor use warrants their development. This is estimated to occur within 10 years following completion of construction of the dam. The cost of the project is allocated, tentatively, as follows:

Municipal and industrial water supply	\$35,959,000
Recreation	26,347,000
Fish and wildlife	2,024,000
Total	64,330,000

Repayment of the costs allocated to recreation and fish and wildlife will be in accordance with the principles of the Federal Water Project Recreation Act, Public Law 89-72. A non-Federal public body, either the City of Corpus Christi or the Nueces River Authority, will assume responsibility for operation and maintenance of the fish and wildlife and recreation features of the project and repay at an appropriate rate of interest the sum of \$6,181,000 of the allocated construction costs, plus \$272,500 in reimbursable interest during construction within forty years. The remaining construction costs allocated to fish and wildlife and recreation, in the amount of \$22,190,000, will be nonreimbursable.

The construction costs allocated to municipal and industrial water supply will be repaid by the City of Corpus Christi under the principles of the Water Supply Act of 1958. The entire cost allocated to this purpose, plus interest during construction in the estimated amount of \$2,909,000, will be repaid with interest at the rate prescribed by this legislation. The Committee understands that the entire firm yield of Choke Canyon Reservoir will not be initially required and that interest on a pro rata share of the investment may be waived for not to exceed ten years as contemplated by the Water Supply Act.

The appropriation of construction funds for the Nueces River Project is conditioned on a contract between the Secretary of the Interior and a local entity (the City of Corpus Christi, Texas) through which an advance of at least \$15,000,000 will be made to the Secretary to assist in financing construction of Choke Canyon Reservoir. The Committee intends that such advanced funds may be utilized for final design, land acquisition and the start of construction on the project pending appropriation of federal funds with which to complete the construction. The amounts so advanced will be credited to the repayment obligation of the municipal and industrial water supply contracting entity and will, accordingly, reduce the interest-bearing obligation of that entity.

ENVIRONMENTAL FACTORS

Construction and operation of the Nueces River Project will result in a reduction in the long term annual inflow of fresh water to the estuary with an accompanying influence on estuarial salinity levels. While salinity levels are of concern to the quality of the fish and shell fish habitat there is no evidence available to the Committee to indicate that the project will cause damage to these species. There will be some projected minor losses of fish and wildlife values from innudation of streams and major increases in reservoir values.

HIGHLIGHTS OF TITLE X

Section 1001.—provides basic legislative authority for the project, establishes its purposes and defines its principal components.

Section 1002.—requires that costs allocated to municipal and industrial water supply be repaid in forty years and provides optional authority to invoke the interest waiver provisions of the Water Supply Act of 1958 if the factual circumstances warrant its use. The section also sets forth the formula for computing the interest rate for return of all municipal costs of the project. The formula thus established is that first set forth in the aforesaid Water Supply Act of 1958.

Section 1003.—requires a repayment contract with a qualified entity, or entities, as a condition to the start of construction and sets forth major contract provisions and requirements. The contract shall require the contracting entity to assume operation and maintenance of the project upon completion of construction and authorizes credits to annual repayment installments for operation and maintenance costs incurred on behalf of nonreimbursable project purposes. The section also conveys a permanent right to the use of the project for municipal water supply service when the repayment has been accomplished.

Section 1004.—provides that development and repayment of fish and wildlife and recreation purposes shall follow the principles of the Federal Water Project Recreation Act.

Section 1005.—authorizes appropriations in the amount of \$50,000,000 at January 1974 price levels plus changes as a result of inflation or deflation. These appropriations are conditioned on a non-Federal cash advance of at least \$15,000,000 to apply toward construction of the project. The section also provides that the non-Federal entity advancing the money can terminate the contract and recapture unexpended funds, and/or assets purchased with the funds, at any time prior to initial appropriation of Federal funds.

LOCAL INTERESTS AND SUPPORT

The Subcommittee on Water and Power Resources conducted field hearings in Three Rivers, Texas, on the legislation to authorize the Nueces River Project. Approximately 30 witnesses appeared from all levels of government and from all sectors of the community. A uniformly high level of support was voiced for the program and no opposition witnesses appeared at the field hearing or at the subsequent hearings in Washington, D.C.

COSTS

The Committee estimate of costs resulting from enactment of Title X is \$50,000,000, the amount authorized to be appropriated.

DEPARTMENTAL REPORTS

The report of the Department of the Interior on H.R. 13789 and H.R. 5845, bills related to Title X, is dated June 21, 1974. It appears at the end of this report.

TITLE XI—ELEPHANT BUTTE RECREATION POOL, NEW MEXICO

PURPOSE OF THE LEGISLATION

The purpose of Title XI is to authorize the Secretary of the Interior to operate the San Juan-Chama Project, New Mexico, in such manner as to enable the establishment and maintenance of a minimum recreation pool in Elephant Butte Reservoir, Rio Grande Project, for a period of 10 years, with water temporarily surplus to the needs of the San Juan-Chama contractors.

BACKGROUND FOR THE LEGISLATION

Elephant Butte Reservoir is a 2,194,000 acre-feet impoundment on Rio Grande in southern New Mexico. It was authorized in 1905, completed in 1916, and furnishes irrigation water for about 175,000 acres of land in southern New Mexico and adjoining counties in Texas. Flows of Rio Grande are limited and so erratic that the reservoir rarely fills. In fact, it has spilled only one time in its existence. More often than not, irrigation demands reduce the reservoir level to the point that the remaining pool is totally unsatisfactory for outdoor recreation and is incapable of supporting fish life.

The San Juan-Chama Project is a participating project of the Upper Colorado River Storage Project which, among other things, diverts water from the San Juan River basin, a tributary of the Colorado River, to Rio Chama, a tributary of the Rio Grande. Major elements of the San Juan-Chama project are completed and are in service. Heron Reservoir on Rio Chama is one such element and is now impounding water temporarily surplus to the needs of the San Juan-Chama water users.

The opportunity is thus afforded for releases to be made from storage in Heron Reservoir from whence the water can flow by gravity to Elephant Butte Reservoir to enhance the recreational use of that facility.

HIGHLIGHTS OF TITLE XI

Section 1101.—provides for establishment and maintenance of a minimum recreation pool in Elephant Butte Reservoir with water released from Heron Reservoir of San Juan-Chama Project. The Secretary's authority is conditioned on there being 100,000 acre-feet in storage in Heron and is limited to a period of 10 years, or a lesser term if the water supply is needed for authorized use on the San Juan-Chama Project.

The amount of water is limited to 50,000 acre-feet for establishment of the pool and to an average annual amount of 6,000 acre-feet for offsetting evaporation at Elephant Butte. The amounts so limited are to be measured at Elephant Butte Reservoir—thus providing that additional amounts may be released from Heron as required to offset stream channel losses between the two reservoirs. The section further subordinates the releases for purposes of the minimum pool to San Juan-Chama Project contract obligations and the needs for filling and maintaining the authorized minimum pool in Cochiti Reservoir.

Section 1101 further requires that releases may not be made until the Rio Grande Compact Commission agrees, by Resolution, to certain definitions and principles of operation. The Committee understands that the required Resolution has been adopted by the Compact Commission.

Lastly, Section 1101 requires that one-half of any incremental cost incurred by the Secretary, in the implementation of this legislation, shall be borne by a local entity. The Committee understands that such costs will be limited to any added cost of operating Heron Dam and which is expected to be negligible.

Section 1102.—is a disclaimer of intent to increase authorized appropriations for the Colorado River Storage Project or the Rio Grande Project.

Section 1103.—is a disclaimer of intent to alter, amend, repeal, modify or be in conflict with the provisions of the Rio Grande Compact.

COMMITTEE AMENDMENTS

The Committee on Interior and Insular Affairs adopted two amendments to Section 1101 of Title XI. These amendments were for the purpose of correcting clerical errors and effected no substantive change in the legislation.

COSTS

The Committee estimates that the costs resulting from enactment of Title XI will be less than \$100 per year for ten years.

DEPARTMENTAL REPORT

The report of the Department of the Interior on H.R. 1677, the bill related to Title XI, is dated June 17, 1974. It appears at the end of this report.

TITLE XII—FRYINGPAN-ARKANSAS PROJECT, COLORADO

PURPOSE OF THE LEGISLATION

The purpose of Title XII is to authorize sufficient additional appropriations to complete the Fryingpan-Arkansas Project, Colorado, and to give specific legislative approval to a second 100,000 kilowatt generating unit in the Mt. Elbert Pumped Storage Powerplant now under construction.

BACKGROUND OF THE LEGISLATION

The Fryingpan-Arkansas Project, Colorado, was authorized in 1962 and has been under construction continuously since that time. The authorized plan involves the collection of water from the headwaters of the Fryingpan River, a tributary of the Colorado River; their conveyance and diversion by tunnel through the Continental Divide to the headwaters of the Arkansas River; commingling with regulated Arkansas River runoff for the generation of hydroelectric power, municipal and industrial water supply, irrigation, fish and wildlife, and recreation. The legislation authorized appropriations in the amount of \$170,000,000 at June 1961 price levels, plus additional sums as required by increases in applicable engineering cost indexes. Indexing the original authorization, as permitted by law, increases the authorization, as permitted by law, increases the authorized appropriations to \$342,000,000 at January 1974 price levels. The original legislation also authorizes additional appropriations without limit as required for implementing plans for recreation and fish and wildlife development.

Construction has been completed or initiated on most of the major elements of the Fryingpan-Arkansas Project—the major exception

being the municipal and industrial water supply aqueducts for marketing water in the Fountain Valley area and in the Arkansas River Valley.

Mount Elbert Pumped Storage Powerplant is a 100 megawatt facility which is under construction. It was designed from the outset to permit the installation of a second pump-generator unit at such time as power market considerations warranted such a development. The second generating unit is not considered to be an authorized feature of the project. Title XII provides such authorization.

JUSTIFICATION AND NEED FOR LEGISLATION

The growth in power demands in the market area for Fryingpan-Arkansas power indicates that there will be a need for 950 megawatts of peaking power in the State of Colorado alone by 1980. Generating capacity used strictly for this purpose is limited at this time to 444 megawatts, thus indicating a potential shortage in peaking capability of about 500 megawatts by 1980. The authorized unit at Mount Elbert will reduce this shortage to about 400 megawatts. There are no other major peaking plants planned in the State at this time except the second unit at Mount Elbert. Its authorization and installation will further reduce the shortage but will not eliminate it. Information available to the Committee on Interior and Insular Affairs indicates that the production from this facility will be fully marketable, probably to preference customers, by the time it can be brought on the line.

The other major unfinished elements of the Fryingpan-Arkansas Project are the municipal and industrial water supply aqueducts. In accordance with the terms of the original legislation, these facilities are not to be constructed unless the Secretary of the Interior finds that local interests are unable to finance their construction. The Secretary of the Interior made such a finding in 1969. The Committee understands that the Secretary expects to review this finding before undertaking the aqueducts. If he confirms the 1969 findings, appropriations authority will be required to enable federal construction of the aqueducts. If it subsequently appears that local interests should finance these lines, \$62,000,000 of the appropriations authorized by Title XII would not be required. The Committee on Interior and Insular Affairs believes that this authority should be granted but hereby expresses the view that the authorization should be expressly reserved for constructing the Fountain Valley and Arkansas Valley Aqueducts and should not be utilized for other features of the project.

ECONOMIC AND FINANCIAL FACTORS

Revenues from the sale of hydroelectric power and municipal and industrial water supply have always been regarded as essential to the financial feasibility of the Fryingpan-Arkansas Project although they are supplementary to irrigation water sales and ad valorem proceeds. At the level of appropriations authorized by Title XII, the Fryingpan-Arkansas Project remains a financially viable project which can return the reimbursable costs as prescribed by law. The project also remains fully justified, as indicated by the benefit-cost ratio of 1.43.

HIGHLIGHTS OF TITLE XII

Section 1201.—authorizes appropriations in the amount of \$432,000,000 at January 1974 price levels. This is accomplished by amending the Act of August 16, 1962, which authorized appropriations in the amount of \$170,000,000 at June 1961 price levels. The Committee determined that the original amount, if indexed to January 1974 price levels, results in an authorization of \$342,000,000. Accordingly, Section 1201, provides new appropriations authority of \$90,000,000.

Section 1202.—specifically provides legislative authority for the installation of the second 100 megawatt unit in the Mount Elbert Pumped Storage Generating Plant.

COMMITTEE AMENDMENT

The Committee on Interior and Insular Affairs adopted two amendments to Title XII. One amendment corrects an error in punctuation and the other is to correct a grammatical error.

COSTS

The Committee estimate of costs involved in the enactment of Title XII is \$90,000,000, the actual sum by which appropriations are authorized to be increased.

DEPARTMENTAL REPORTS

The report of the Department of the Interior on H.R. 13816, the related bill, is dated June 25, 1974. It appears at the end of this report.

CHANGES IN EXISTING LAW

Changes in existing law, as a result of enactment of Title XII, are presented at the end of this report.

TITLE XIII—SAVAGE RAPIDS FISHWAY, OREGON

PURPOSE OF THE LEGISLATION

The purpose of Title XIII is to authorize the Secretary of the Interior to construct an adequate fish passage facility at the non-Federally owned Savage Rapids Dam on the Rogue River in Oregon.

BACKGROUND FOR THE LEGISLATION

Savage Rapids Dam is a non-Federally constructed and operated structure on the Rogue River in southern Oregon. It was constructed by the Grants Pass Irrigation District in 1921 and serves to divert irrigation water to approximately 9,000 acres of irrigated land. The Rogue River is an important fishery stream, both as a spawning habitat for salmon and as a high-quality sport fishing resource for steelhead trout. Savage Rapids Dam has a history of adversely affecting fish migration and causing loss of both adult fish and fingerlings. Some

work has been performed on behalf of improved fish passage facilities, by the Federal government, but the systems do not function effectively.

In connection with the construction of major upstream dams for flood control the Federal government, through the Corps of Engineers, is finishing a major fish hatchery facility which will substantially increase the fish population of the Rogue River and make passage problems at Savage Rapids Dam more critical than has heretofore been the case.

NEED FOR THE LEGISLATION

The major problem at Savage Rapids Dam is the loss of substantial numbers of fish due to improper design and functioning of the existing passage facilities and the fish screens which prevent the fish from entering the irrigation pumps. Through improvements in the fish passage facilities it will be possible to reduce losses of adult fish by 40 percent, fingerlings by 45 percent and smolt by 90 percent. When the upstream fish hatchery becomes fully operative the loss reductions will amount to many thousands of fish annually.

HIGHLIGHTS OF TITLE XIII

Section 1301.—conveys basic authority for construction of the fishway; identifies scope of construction by reference to a technical report; and requires that operation and maintenance be performed by owners of the dam under procedures established by the State of Oregon.

Section 1302.—authorizes appropriations in the amount of \$851,000 at April 1974 price levels with indexing authority for inflation or deflation.

Section 1303.—provides for the construction cost to be nonreimbursable.

COSTS

The Committee estimate of costs involved in the enactment of Title XIII is \$851,000, the amount authorized to be appropriated.

DEPARTMENTAL REPORT

The report of the Department of the Interior on H.R. 14755, the bill related to Title XIII, is dated July 16, 1974. It appears at the end of this report.

TITLE XIV—FEASIBILITY STUDY AUTHORITIES

PURPOSE OF THE LEGISLATION

The purpose of Title XIV is to authorize the Secretary of the Interior to conduct feasibility investigations under Reclamation law of three potential water resource development projects. A feasibility investigation is defined as work leading to the preparation of a report intended to be used as the basis for authorization of a project for construction. Specific legislative authorization of such investigations

is required by the Federal Water Project Recreation Act (79 Stat. 213).

BACKGROUND OF THE LEGISLATION

Prior to 1966 the Secretary of the Interior, acting through the Bureau of Reclamation, had general authority to conduct feasibility investigations of potential Reclamation projects and appropriations were obtained for this purpose without further legislative action. With passage of the Federal Water Project Recreation Act, it became necessary to obtain specific statutory authority prior to the request for study funds. Title XIV is the sixth in an ongoing series of measures to accomplish this purpose. Beginning with the 92nd Congress, the Committee on Interior and Insular Affairs has followed the policy of considering study authority legislation in each session of Congress. This practice allows a desirable degree of flexibility in the management of the Bureau of Reclamation planning program.

DISCUSSION OF TITLE

The potential projects recommended for study by Title XIV have been the subject of sufficient reconnaissance level study to indicate their probable justification when investigated to feasibility standards. The tentative scope and purpose of each potential project is as follows:

WATER MANAGEMENT PLAN—SOLANO COUNTY, CALIFORNIA

This study will result in a total water management plan for Solano County. It will involve analysis and definition of water needs to meeting changing patterns of land use and water requirements for all water resource purposes. All sources of potential water supply, including reclamation of waste water will be considered to meet growing municipal and industrial requirements and to preserve wetlands and other wildlife habitat such as the Suisun Marsh—an important element of the migratory waterfowl flyway in California.

MUNICIPAL WATER SUPPLY DELIVERY SYSTEM, YUMA, ARIZONA

This study will investigate a plan for delivering Yuma's contracted water supply from the Colorado River to the City. Salinity intrusion and channel losses make the Colorado River channel unusable as a conveyance for delivering the water to Yuma. Alternative measures that have been studied preliminarily are the use of the Yuma Main Canal on a cooperative basis with the irrigators and the construction of a connecting aqueduct from the All-American Canal to the City.

APPLE CREEK PROJECT, NORTH DAKOTA

This study will examine the potential for irrigation of an area lying southerly from the McCluskey Canal of the Garrison Diversion unit in Burleigh, Emmons and Kidder Counties, North Dakota. There are several hundred thousand acres of land that can be served with relift pumping of varying amounts. The return flows from this development would return to the Missouri River system for subsequent reuse in the United States.

COSTS

The Committee estimate of costs involved in the enactment of Title XIV is \$1,100,000. The Title authorizes no specific appropriations as the Secretary has standing authority to request funds for investigations of potential Federal Reclamation projects.

DEPARTMENTAL REPORTS

Departmental Reports on related bills, H.R. 13890, H.R. 13954, and H.R. 10077 are dated June 28, June 27 and June 28, 1974, respectively. They appear at the end of this report.

RECAPITULATION OF COSTS

The costs involved in the enactment of H.R. 15736 are summarized in the tabulation entitled "Summary of Authorizations and Costs—H.R. 15736".

COMMITTEE RECOMMENDATIONS

The Committee on Interior and Insular Affairs, on the basis of a unanimous voice vote, recommends the enactment of H.R. 15736.

SUMMARY OF AUTHORIZATIONS AND COSTS, H.R. 15736

Title No.	Description of title	Appropriations authority	Other costs	Total
I	Incorporation of Page, Ariz.	\$4,000,000	\$8,318,000	\$12,318,000
II	Cibola project, Texas	24,160,000		24,160,000
III	Mountain Park project, Oklahoma	6,057,000		6,057,000
IV	Casitas Reservoir open space, California	10,000,000		10,000,000
V	Klamath project right-of-way, Oregon			
VI	Solano project recreational facilities, California	3,000,000		3,000,000
VII	Miscellaneous drainage construction, Utah	(?)	2,535,000	2,535,000
VIII	Belle Fourche Dam rehabilitation, South Dakota	3,620,000		3,620,000
IX	Glendo Road relocation, Wyoming	284,000		284,000
X	Nueces River project, Texas	50,000,000		50,000,000
XI	Elephant Butte recreation pool, New Mexico			
XII	Fryingpan-Arkansas project, Colorado	90,000,000		90,000,000
XIII	Savage Rapids Fishway, Oregon	851,000		851,000
XIV	Feasibility study authorities	(?)	1,100,000	1,100,000
Total		191,972,000	11,953,000	203,925,000

¹ Represents value of property authorized to be transferred to city of Page, Ariz.
² Appropriations authorized by other legislation.

U.S. DEPARTMENT OF THE INTERIOR,
 OFFICE OF THE SECRETARY,
 Washington, D.C., March 15, 1974.

Hon. JAMES A. HALEY,
 Chairman, Committee on Interior and Insular Affairs,
 House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This responds to your request for the views of this Department on H.R. 1194 and H.R. 9936, both bills "To facilitate the incorporation of the reclamation townsite of Page, Arizona, Glen Canyon unit, Colorado River storage project, as a municipality under the laws of the State of Arizona, and for other purposes."

We recommend enactment of the attached substitute bill in lieu of either H.R. 1194 or H.R. 9936.

I. BACKGROUND

The Reclamation Townsite of Page, Arizona, was established in late 1958 as a facility of the Glen Canyon Unit of the Colorado River Storage Project. Its basic purpose was to provide essential accommodations and community facilities for workers engaged in the construction, operation, and maintenance of Glen Canyon Dam and Powerplant.

From the very outset, it has been anticipated that the Federal Government would withdraw from the administration of that community as soon as it had attained adequate growth and stability to support status as an incorporated municipality under Arizona law. Page has now reached the point in its development where it can properly assume and maintain the administrative and financial self-sufficiency of a viable independent community. All of the bills under consideration in this report have been designed to effect an orderly transition from Federal administration to self-governed municipal status.

II. H.R. 1194 AND H.R. 9936

Because the two bills are lengthy, complex, and rather similar, we shall concentrate on the provisions of H.R. 1194 in this section of the report, noting major differences between it and H.R. 9936 where they occur. H.R. 1194 would direct the Secretary of the Interior, upon the incorporation of Page, Arizona, to transfer without cost to that municipality all Federal lands within its boundaries which are not needed for Federal purposes. As other Federal lands and real and personal property in Page were no longer needed they, too, would be transferred to the municipality. (H.R. 9936 lacks a section which would transfer Federal property when no longer needed.) All municipal functions and facilities currently under control of the United States would likewise be transferred. (H.R. 9936 would specifically transfer certain lands to the appropriate school district; H.R. 1194 has no such provision.) The bill would reserve for the Glen Canyon unit, Colorado River storage project, the consumptive use of 6,000 acre-feet of water per year from Lake Powell, of which 5,740 acre-feet would be assigned to Page. The bill states that this reservation is consistent with Navajo Tribal Council resolution CJN-50-69, dated June 3, 1969. (H.R. 9936 would reserve 3,000 acre-feet per year to the Glen Canyon Unit from Lake Powell and would assign 2,740 acre-feet to Page itself.)

The 2,740 acre-feet assignment of water would be subject to the municipality's entering into a contract satisfactory to the Secretary covering payment for and delivery of such water pursuant to the Colorado River Storage Project Act of June 11, 1956 (70 Stat. 105). Among other things, such a contract would provide that the assignment of water to the municipality would be subject to apportionments of water to the State of Arizona in article III of the Colorado River Compact and article III (a)(1) of the Upper Colorado River Basin Compact. After incorporation of the community, the Secretary would be authorized to complete several tasks, including taking a census of its population and paving certain of its streets. Upon incorporation the Secretary would be authorized to make one lump-sum payment of

\$500,000 to the municipality for various purposes and another payment of \$50,000 for improvements to the Page Hospital. (H.R. 9936 would make a lump-sum payment of \$330,000 to Page; and \$50,000 would go to the hospital.)

Upon the incorporation of Page, the United States would provide no more than 10 Federal employees at any time to assist the municipality in the transition to a self-governing body. The Secretary would be authorized to pay annually to the municipality a sum equal to 150 percent of the taxes that would have been paid on property retained by the United States for administrative purposes had this property been transferred to private ownership. The bill would loan the municipality, from the Upper Colorado River Basin Fund, the amount necessary to purchase the electric distribution facilities in Page. (H.R. 9936 has no comparable section providing for the transfer of such facilities.) The bill would authorize to be appropriated \$2,000,000 to carry out its purposes. (H.R. 9936 would authorize \$1,000,000.)

III. THE SUBSTITUTE BILL-NAVAJO LAND TRANSFER

In this section of the report, we shall highlight the approach to the incorporation of Page which we prefer, as embodied in the attached draft bill. One important feature of this bill is a provision which is not found in either H.R. 1194 or H.R. 9936. For some time the Navajo Tribe of Indians has sought restoration to its reservation of an 808-acre tract of land near Page, which was withdrawn for Reclamation purposes but is now no longer needed by the United States. In addition, the tribe claims certain water rights which pertain to the 50,000 acre-feet of water per year allocated to the State of Arizona under the Upper Colorado River Basin Compact. In consideration of the Navajos' agreement not to contest the use of 3,000 acre-feet per year, 2,740 of which the substitute bill (and H.R. 9936) would allocate to Page (see Navajo Tribal Council resolutions CD-108-68 and CJN-50-69, copies of which are enclosed), section 8 of the substitute bill would transfer the tract in question in trust to the tribe.

Section 9 of the substitute bill would direct the Secretary of the Interior to facilitate the Navajo Tribal Council Resolutions mentioned above. (This is in response to the request of the tribe, as set out in resolution CD-108-68.) This Department is in accord with these resolutions, which concern such matters as preferential hiring of Navajos for the Navajo power plant, acquisition of coal used by the plant exclusively from Indian lands, and an annual contribution of \$25,000 to the Navajo Community College in each of five years beginning July 1, 1969. It should be noted, however, that the agency primarily involved in their implementation is the Salt River Project Agricultural Improvement and Power District. It is our understanding that the district has taken actions to comply with those resolutions.

As to one of the terms, however, we must point out that we have no authority. Resolution CD-108-68 provides *inter alia*:

The Secretary of the Interior shall take the necessary action to assure the Navajo Tribe of Indians that if any water is imported into the Upper Colorado River Basin that the Navajo Tribe shall share proportionately in that water;

and that the first 34,100 acre-feet of water imported yearly shall be assigned to the Navajo Tribe for its exclusive use and benefit.

Title II, Section 202 of the Colorado River Basin Project Act of September 30, 1968 (82 Stat. 885), provides that ". . . satisfaction of the requirements of the Mexican Water Treaty . . . shall be the first obligation of any water augmentation project" planned in the Western United States pursuant to that Act. This provision would apply to the importation of water into the Upper Colorado River Basin. Moreover, section 201 of the Act establishes a statutory prohibition on any study of water import into the Colorado River Basin for a period of ten years. Accordingly, the Secretary of the Interior can neither make any guarantees nor take any "necessary action" with respect to possible water import into the Basin or its allocation. For this reason, section 9 of the substitute bill subjects the Secretary's obligation to carry out the Navajo tribal resolutions to the terms of that Act.

We also note with regard to these resolutions that they are unclear as to the precise amount of water use which the Navajos are agreeing not to contest. (See particularly the first "in consideration" paragraph on p. 2 of Resolution CD-108-68.) We believe that the resolutions should be interpreted as committing the Navajos to refraining from contesting the use of 37,100 acre-feet of water allocated to Arizona under the Upper Colorado River Basin Compact.

THE SUBSTITUTE BILL—OTHER PROVISIONS

In addition to the new sections dealing with the Navajo land transfer, the attached substitute bill differs from H.R. 1194 and H.R. 9936 in several other ways.

H.R. 1194 (but not H.R. 9936) contains a provision which would transfer Federal real and personal property to the municipality of Page as such property was no longer needed. We object to this provision, both because "personal property" lacks a precise definition and because we believe that with few exceptions, after it is incorporated, Page, Arizona, should be dealt with by the Federal Government the same as any other local government entity. Accordingly, we would recommend that the normal surplus property procedures administered by the General Services Administration apply to Page after it is incorporated.

H.R. 1194 lacks a provision which both H.R. 9936 and the substitute bill contain: this provision (section 3(d) of the substitute bill) would transfer all Federal interest in certain lands to "the appropriate school district." We believe that such a provision is necessary to eliminate certain reversionary clauses applicable to lands which have already been transferred to the local school district. The net result will be to give the school district unencumbered title to these lands.

One of the most important differences between H.R. 1194 and the substitute bill is that the former would reserve 6,000 acre-feet of water per year from Lake Powell to the Glen Canyon unit and 5,740 acre-feet of that amount to Page itself, whereas the substitute bill (as well as H.R. 9936) would reserve 3,000 and 2,740 acre-feet, respectively.

The figure of 2,740 acre-feet is believed to be sufficient to provide water for a total population of 10,000 people (at present the population of Page appears to have peaked at about 9,000). It also constitutes the maximum amount of water which, in light of existing and projected uses, can be allocated to Page from the 50,000 acre-feet Arizona entitlement of Upper Basin water. Any increase would cause water tentatively allocated for Indian community or irrigation use to be reduced proportionately. Finally, the Navajo Tribe has accepted this 2,740 acre-feet figure.

Both H.R. 9936 and the substitute bill fix the lump-sum payment to the incorporated town of Page at \$330,000. H.R. 1194 fixes this payment at \$500,000. We believe that the lower amount is adequate for the purpose of enabling Page to meet initial costs of municipal services.

In addition to the several items of work which both H.R. 1194 and H.R. 9936 authorize to be done at Federal expense, we believe that certain work on Hopi Avenue should also be done. Section 5, item 5, of the substitute bill describes this work.

Both H.R. 1194 and H.R. 9936 contain a provision which requires payments out of the Upper Colorado River Basin Fund in lieu of taxes on property retained for Federal purposes within the municipality in an amount equal to 150 percent of the comparable tax rate on private property. We note that in addition to Federal property under the jurisdiction of the Bureau of Reclamation, the municipality includes Federal property of the National Park Service and the Bureau of Indian Affairs. We see no justification for such payment for any of these properties. A grant of the "in lieu" tax payments is inconsistent with the generally prevailing practice in other areas where Federal installations are situated and could establish an undesirable precedent. Furthermore, Bureau of Reclamation activities will for all practical purposes be removed from the municipal area and conducted from the Glen Canyon Dam headquarters. In addition to requiring such "in lieu" payments, both bills prohibit use of the Fund subsequent to incorporation for purposes other than those specifically identified. We believe, however, that it is appropriate to use monies in the Fund for all of the purposes of the Act. (This would be consistent with treatment accorded in the Coulee Dam Community Act of August 30, 1957 (71 Stat. 524) and the Boulder City Act of September 2, 1958 (72 Stat. 1716)). Section 10 of the substitute bill would permit the fund to "be utilized as appropriate for carrying out the provisions of this Act." Moreover, that section authorizes total expenditures of \$1,500,000 to be made from the Fund, rather than the \$2,000,000 which H.R. 1194 would make available from the Treasury. We consider the lower figure to be adequate.

Unlike both H.R. 1194 and H.R. 9936, the substitute bill contains no section which would direct the Secretary to increase charges for municipal services furnished to Page in the event that incorporation does not occur by December 31, 1974. We believe that such a requirement is impractical and unwise because of the possibility of delays in incorporation which may result from any number of unforeseen causes. Plans for gradual increases in such charges without imposing an unrealistic burden on the community have been developed by the Bureau of Reclamation and will be implemented to encourage reasonable progress toward local self-sufficiency.

Finally, the substitute bill does not contain a provision found in H.R. 1194 (but not H.R. 9936) which would appropriate from the Fund the amount necessary to enable the municipality to acquire the electric distribution facilities in Page, Arizona, with the municipality repaying this amount in 20 annual installments at the lowest available simple interest rate. On the contrary, section 3(f) of the substitute bill establishes a basis for the municipality's acquiring such facilities by providing, *inter alia*, for assignment of the contract between the United States and the electric utility to Page upon its request. The municipality could then exercise an option in this contract to purchase the facilities. Should this option prove desirable to the municipality, issuance of municipal bonds would be one possible method of financing the acquisition of the facilities.

V. CONCLUSION

The proposal embodied in the attached substitute bill has been the subject of numerous developmental discussions among the Page Advisory Council and other residents of the community, representatives of the Bureau of Reclamation, and members of my staff. Those discussions have indicated that the community's residents and leaders favor incorporation of Page. We enclose the report of the Bureau of Reclamation which discusses the proposal in detail. We believe it offers the most practical, equitable, and mutually beneficial means of providing Page with autonomy and self-sufficiency. Therefore, we recommend its enactment in lieu of either H.R. 1194 or H.R. 9936.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program nor to the enactment of the proposed substitute bill.

Sincerely yours,

JACK HORTON,
Assistant Secretary of the Interior.

Enclosures.

A BILL TO facilitate the incorporation of the Reclamation Townsite of Page, Arizona, Glen Canyon Unit, Colorado River Storage Project, as a municipality under the laws of the State of Arizona.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the purpose of this Act to facilitate the orderly transition of that unincorporated area in Conconino County, in the State of Arizona, commonly known as Page, Arizona, now a part of the Glen Canyon Unit of the Colorado River Storage Project, from the status of a federally operated facility to that of a self-governing municipal corporation under the laws of the State of Arizona, and to otherwise facilitate the establishment and operation of said municipal corporation consistent with the Government's continuing responsibility for the Glen Canyon Unit.

SEC. 2. The following definitions shall apply to terms used in this Act.

(a) The area referred to herein as Page, Arizona, includes the following described land:

PAGE TOWNSITE, ARIZONA	
<i>Gila and Salt River Meridian, Arizona</i>	
T. 40 N., R. 8 E.,	
Sec. 1—All	638. 94
Sec. 2—E1/2SW1/4, SE1/4	240. 00
Sec. 11—E1/2	320. 00
Sec. 12—All	639. 68
T. 41 N., R. 8 E.,	
Sec. 25—S1/2SW1/4SE1/4, SE1/4SE1/4	60. 00
Sec. 36—E1/2, S1/2NE1/4NW1/4, E1/2SW1/4NW1/4, NE1/4SW1/4, E1/2NW1/4SW1/4, S1/2SW1/4, SE1/4/NW1/4	540. 00
T. 40 N., R. 9 E.,	
Sec. 4—All	639. 48
Sec. 5—All	639. 84
Sec. 6—All	622. 74
Sec. 7—All	623. 68
Sec. 8—All	640. 00
Sec. 9—All	640. 00
T. 41 N., R. 9 E.,	
Sec. 19—E1/2SW1/4, SE1/4	240. 00
Sec. 20—S1/2	320. 00
Sec. 21—W1/2SW1/4, W1/2SE1/4SW1/4, SE1/4SE1/4SW1/4, SW1/4SW1/4SE1/4	120. 00
Sec. 28—W1/2NE1/4, NW1/4SE1/4NE1/4, S1/2SE1/4NE1/4, W1/2, SE1/4	590. 00
Sec. 29—All	640. 00
Sec. 30—All	641. 20
Sec. 31—All	642. 00
Sec. 32—All	640. 00
Sec. 33—All	640. 00
Total	10, 717. 56

The boundary of Page, Arizona, is shown on the attached drawing No. 557-432-83, "Page, Arizona, Townsite Boundary".

(b) The term "municipality" shall mean Page, Arizona, after its incorporation as a municipality under the laws of the State of Arizona.

(c) The term "Secretary" shall mean the Secretary of the Interior.

(d) The term "municipal facilities" shall mean certain land, and the improvements thereon in Page, Arizona, such as hospital, police and fire protection systems, sewage and refuse disposal plants, water treatment and distribution facilities, streets and roads, parks, playgrounds, airport, cemetery, municipal government buildings, and other properties suitable or usable for local municipal purposes, including any fixtures, equipment, or other property appropriate to the operation, maintenance, replacement, or repairs of the foregoing, which are owned by the United States and under the jurisdiction of the Department of the Interior, Bureau of Reclamation, on the date of incorporation of Page, Arizona.

SEC. 3. Upon incorporation of Page, Arizona, as a municipality under the statutes of the State of Arizona, the Secretary shall:

(a) Transfer to the municipality without cost, subject to any existing leases granted by the United States, all right, title, and interest of the United States to such improved or unimproved lands within Page, Arizona, as the Secretary determines are not required in the administration, operation, and maintenance of Federal activities within or near Page, Arizona, and can properly be included within the

municipality under the laws of the State of Arizona, except the land to be transferred pursuant to subsection (d) hereof, and to assign to the municipality without cost any leases granted by the United States on such land.

(b) Transfer to the municipality without cost all rights, title, and interest of the United States in and to any land, and the improvements thereon, which may be contained in any reversionary clause of any dedication deed for land in Page, Arizona, issued by the United States.

(c) Transfer all activities and functions of a municipal character being performed by the United States to the municipality subject to the provisions of sections 4 and 7 of this Act.

(d) Transfer to the appropriate school district without cost all right, title, and interest of the United States to the land in Block 14-A and Lot 1, Block 16, as shown on United States Department of the Interior, Bureau of Reclamation drawing No. 557-431-87, April 29, 1971, together with improvements thereon owned by the United States at the date of such transfer.

(e) Transfer to the municipality without cost the municipal facilities, as defined in subsection 2(d) of this Act, except as provided under subsection 4(b).

(f) Assign to the municipality without cost those contracts to which the United States is a party, and which pertain to activities or functions to be transferred under subsection (c) of this section and are properly assignable. This shall include contracts for furnishing water outside the boundaries of Page, Arizona, utilizing the municipal system: *Provided*, That the contract which the United States has executed with a private utility for furnishing and distributing electrical energy to the municipality shall be assigned to the municipality upon its request: *And Provided further*, That in the assignment of the contract for the operation of the Page Hospital the \$50,000 operating fund under said contract shall be transferred to the municipality for the same purpose as a part of the assignment of said contract.

SEC. 4. There is hereby reserved for the Glen Canyon Unit, Colorado-River Storage Project, the perpetual consumptive use of up to 3,000-acre-feet of water per year from Lake Powell, of which 2,740 acre-feet are for the city of Page, Arizona, consistent with the Navajo Council Resolution No. CJN-50-69, dated June 3, 1969: *Provided*, That upon incorporation the municipality shall enter into a contract satisfactory to the Secretary covering payment for and delivery of such water pursuant to the Act of April 11, 1956 (70 Stat. 105), which contract shall, among other things, provide that:

(a) The reservation and assignment of the consumptive use of water from Lake Powell under this section is an apportionment of consumptive use of water to the State of Arizona in Article III of the Colorado-River Compact and Article III(a)(1) of the Upper Colorado River Basin Compact.

(b) Title to the water supply pumping and conveyance system within Glen Canyon Dam and Powerplant, as necessary to supply water to the municipality for culinary, industrial, and municipal purposes, shall be retained by the United States until the Congress otherwise provides.

(c) Such retained facilities shall be operated and maintained by the Secretary at the expense of the United States during the first five

years immediately following the date of incorporation. Not to exceed 2,740 acre-feet of water per annum, or 3,000,000 gallons of water in any 24-hour period, will be pumped by the United States from Lake Powell to the water treatment plant, or to such intermediate points of delivery as shall be mutually agreed upon by the municipality and the United States for use by the municipality.

(d) Beginning with the sixth year following the date of incorporation and continuing through the tenth year, the municipality shall in each year pay to the United States proportionately increasing increments of the annual costs, including depreciation of the pumping equipment, involved in item (b) above, with the objective that following the close of said tenth year the municipality shall thereafter bear such costs in total according to the following schedule:

Year following incorporation:	Percentage of cost paid to the United States each year by the municipality
6th	20
7th	40
8th	60
9th	80
10th	80
Thereafter	100

(e) Upon incorporation and at all times thereafter, the municipality shall bear all costs for operation, maintenance, and replacement of the municipal water system beyond Glen Canyon Dam and Powerplant, including but not limited to filtration, treatment, and distribution of water supplied pursuant to the water service contract with the United States.

SEC. 5. Upon incorporation of the community, there is hereby authorized for expenditure from the Upper Colorado River Basin Fund an amount necessary to complete all or any part of the following work which has not been completed at the date of incorporation:

Repair existing 12-inch water supply line, if inspection determines this is necessary.

Paint interior of water storage reservoir.

Seal coat paved streets in municipality.

Install water sprinkler system in Page cemetery.

Improve streets, install curbs, gutters, and sidewalks as follows:

1. NORTH NAVAJO DRIVE

(a) Pave streets to 70-foot width from 9th Avenue to relocated intersection of Aero Avenue and 61-foot width from Aero Avenue to 10th Avenue.

(b) Place curb, gutter, and sidewalk on east side of North Navajo Drive from Aero Avenue to 10th Avenue.

2. AERO AVENUE FROM NORTH NAVAJO DRIVE TO FUTURE STREET

(a) Widen existing 30-foot paved width to 70-foot paved width.

(b) Place curb, gutter, and sidewalk on both sides of street.

3. TENTH AVENUE FROM FUTURE STREET TO SANDSTONE STREET

(a) Construct new pavement on north half of street and overlay south half of street.

(b) Place curb and gutter only on north side of street.

4. FUTURE STREET—APPROXIMATELY 2,150 FEET BEGINNING AT 10TH AVENUE AND BORDERING EAST SIDE OF BLOCK 101 AS SHOWN ON PAGE TOWNSITE AND BLOCK PLATS

- (a) Pave street to 52-foot width.
- (b) Place curb, gutter, and sidewalk on west side of street and curb and gutter only on east side of street.

5. HOPI AVENUE FROM OAK AVENUE TO WEST BOUNDARY OF BLOCK 101

- (a) Pave street to 42-foot width.
- (b) Place curb, gutter, and sidewalk on north side but curb and gutter only on south side.

Take census of population of Page, Arizona, within one year following incorporation: *Provided*, funds for this purpose may be expended by the Secretary in the performance of this work, or may be transferred to the municipality for this purpose.

SEC. 6. Upon incorporation, the Secretary is authorized:

(a) To make a lump-sum payment in the amount of \$330,000 from the Upper Colorado River Basin Fund to the municipality as assistance to the municipality in meeting the expenses of police and fire protection facilities and services, sewerage system, refuse disposal, electrical distribution system, water treatment and distribution, street and roads, library, parks, playgrounds and other recreational facilities, municipal government buildings, and other properties and services required for municipal purposes.

(b) To make a lump-sum payment in the amount of \$50,000 from the Upper Colorado River Basin Fund to the municipality for use in performing improvements to the Page Hospital.

SEC. 7. Upon incorporation, the United States will provide to the municipality, upon its request, the services of available Federal personnel while they are employed by the United States in the operation and maintenance of the Glen Canyon Unit of the Colorado River Storage Project to assist in the transition from a federally administered community to a self-governing municipal corporation: *Provided*, That such assistance shall be for a maximum of six months following the date of incorporation: *And Provided further*, That the total number of such employees shall be limited to ten at any time.

SEC. 8. The Secretary of the Interior is authorized to transfer to the United States to be held in trust for the Navajo Tribe all right, title, and interest to a tract of land situated within the Southeast Quarter of the Southeast Quarter (SE $\frac{1}{4}$ SE $\frac{1}{4}$), Section 8, the Southwest Quarter (SW $\frac{1}{4}$), Section 9, Section 16, the East Half of the Northeast Quarter (E $\frac{1}{2}$ NE $\frac{1}{4}$), Section 17, Section 21, and the Northeast Quarter of the Northeast Quarter (NE $\frac{1}{4}$ NE $\frac{1}{4}$), Section 28, all in Township 41 North, Range 9 East, Gila and Salt River Meridian, Coconino County, Arizona, and containing 808 acres, more or less, of which the particular description and drawing (No. 557-431-38 "Navajo Tribe—Antelope Creek Recreation Development Area Survey Traverse" dated May 22, 1969) are on file and available for public inspection in the office of the Bureau of Reclamation, Department of the Interior. The transfer of title to such land is made in consideration of Navajo Council Resolution No. CJN-50-69 dated June 3, 1969,

and with the understanding that the land so transferred shall thereafter constitute a part of the Navajo Reservation and shall be subject to all laws and regulations applicable to that reservation.

SEC. 9. The Congress hereby directs the Secretary of the Interior to facilitate the effectuation of Navajo Tribal Council Resolutions CD-108-68 and CJN-50-69, subject to the provisions of P.L. 90-537.

SEC. 10. The Upper Colorado River Basin Fund established pursuant to section 5 of the Act of April 11, 1956 (70 Stat. 105), shall be utilized as appropriate for carrying out the provisions of this Act: *Provided*, That the total expenditures from the Fund shall not exceed \$1,500,000. Payments made under the provisions of section 5 and section 6 will be made from revenues accruing to the Storage Project under the Basin Fund. The total expenditures for carrying out the purposes of this Act shall not be in excess of \$1,500,000 or such additional amount as may be justified by reason of ordinary fluctuations in costs associated therewith as indicated by cost indexes applicable to the work or operation involved.

RESOLUTION OF THE NAVAJO TRIBAL COUNCIL

Approving the Use of 3,000 Acre-Feet of Water from the 50,000 Acre-Feet of Water Per Year Allocated to the State of Arizona Under Article III(a) of the Upper Colorado River Basin Compact to be Used for Recreation and by the City of Page, Arizona

Whereas: 1. The Navajo Tribe, by Resolution CD-108-68, approved the use of 34,100 acre-feet of water from the 50,000 acre-feet of water per year allocated to the State of Arizona under Article III(a) of the Upper Colorado River Basin Compact in a coal fuel power plant to be located on the Reservation, and

2. It was the intent and understanding of CD-108-68 to preserve all present or prospective water rights of the Navajo Tribe, and

3. Said action was taken by the Tribe in consideration of the Secretary of the Interior executing a contract between the United States and the Salt River Project Agricultural Improvement and Power District, and

4. A bill has been submitted to the United States Congress, providing for the transfer to the Navajo Tribe of the following lands: "That portion of Sections 8, 9, 16, 17, and 21, T. 41 N., R. 9 E., Gila and Salt River Meridian, Arizona, located above elevation 3,720 feet above mean sea level (U.S. Coast Geodetic Coast Survey Datum) and lying southerly and easterly of the Colorado River, containing approximately 750 acres, more or less, and more particularly described on maps and plats on file in the Department of Interior," and

5. The bill referred to stipulates that the transfer of title of the lands described in Paragraph 3 above shall not be made until the Navajo Tribe makes a commitment by a formal resolution of its governing body, and

6. The Navajo Tribe is desirous of receiving said transfer and is willing to make the commitment herein contained, provided, the conditions specified in the Tribe's Resolution CD-108-68 are met: Now, therefore, be it.

Resolved, That 1. In consideration for the transfer of title to the lands described in Whereas Paragraph 3 above, the Tribe agrees that of the 50,000 acre-feet per year allocated to the State of Arizona, pursuant to Article III(a) of the Upper Colorado River Basin Compact, 34,100 acre-feet shall be used for a coal-fired power plant to be located on the Navajo Reservation for the life time of the proposed power plant or for 50 years, which ever occurs first, and an estimated 3,000 acre-feet per year that may be used for the Glen Canyon Unit of the Colorado River Storage Project along with its associated community and recreation developments in Arizona.

2. The terms of Resolved Paragraph 1 and the terms of Resolution CD-108-68 constitute an agreement of the Navajo Tribe with regard to the 50,000 acre-feet of water per year and does not constitute a waiver or relinquishment of the present or prospective water rights of the Navajo Tribe and that resolution is hereby amended by adding this paragraph to the same as a part thereof.

3. The terms of this resolution shall not become effective until such time as the term and conditions of Resolution CD-108-68 has been fully complied with, and the bill referred to has been duly enacted by the House and the Senate of the United States Congress, and signed into law by the President of the United States.

4. The active support of the Salt River Project for the development of the south shore of Lake Powell is hereby requested and enlisted.

CERTIFICATION

I hereby certify that the foregoing resolution was considered by the Navajo Tribal Council at a duly called meeting at Window Rock, Navajo Nation (Arizona), at which a quorum was present and that same was passed by a vote of 46 in favor and 0 opposed, this 3rd day of June, 1969.

NELSON DUMON,
Vice Chairman, Navajo Tribal Council.

RESOLUTION OF THE NAVAJO TRIBAL COUNCIL

Approving the Allocation of 34,100 Acre-Feet of Water From the Upper Colorado River Basin and Promising to Limit the Navajo Tribe's Claim for Water from the Upper Colorado River Basin to 50,000 Acre-Feet Per Year

Whereas: 1. The Navajo Tribe, by Resolution CJY-95-66, supported the construction of a large coal-fuel power plant on the Navajo Reservation near Page, Arizona, and

2. By Resolution CJY-95-66, the Navajo Tribe requested that the Secretary of the Interior take all necessary steps, advisable and incidental, to affirm the right of the Navajo Tribe to 50,000 acre-feet of water allocated to the State of Arizona under the Upper Colorado River Basin Compact, and

3. Resolution CJY-95-66 supported the proposal that a portion of the 50,000 acre-feet of water, allocated by the Upper Colorado River Basin Compact, be used for a power plant located on the Navajo Reservation near Page, Arizona, and

4. The Salt River Project Agricultural Improvement and Power District has proposed to locate a coal-fuel power plant on the Navajo

Reservation near Page, Arizona, and to operate said power plant for at least 35 years, and

5. Because the establishment of such a coal-fuel power plant requires the investment of many million dollars, the Salt River Project Agricultural Improvement and Power District needs to be assured of sufficient water to operate said power plant in the amount of 34,100 acre-feet of water per year before making such an investment, and

6. Because the 34,100 acre-feet of water per year must come from the 50,000 acre-feet of water allocated to the State of Arizona by the terms of the Upper Colorado River Basin Compact, the Salt River Project Agricultural Improvement and Power District must be assured that the Navajo Tribe will not assert, for the lifetime of the proposed coal-fuel power plant, or for the next 50 years, or whichever occurs first, claims for water in excess of 50,000 acre-feet per year, and

7. The present water used in the Western Navajo Reservation is estimated to be 13,300 acre-feet per year, and

8. The best estimates of the Bureau of Reclamation and the Resources Division of the Navajo Tribe is that during the foreseeable future the yearly usage of water on the Navajo Reservation will never exceed 17,000 acre-feet per year, and

9. The establishment of the coal-fuel power plant on the Navajo Reservation near Page, Arizona, will provide a market for large amounts of Navajo coal from Black Mesa; and will provide a market for construction material available from the Reservation; and will provide employment opportunities for Navajos; and will provide additional source of electrical power needs for municipal, industrial and domestic developments on the Navajo Reservation, and

10. Because this proposed coal-fuel power plant on the Navajo Reservation near Page, Arizona, at the present time, appears to be the best use of the water of the Upper Colorado River Basin, it appears that approval of this resolution is in the best interest of the Navajo people: Now, therefore, be it

Resolved, That: 1. In consideration of the Secretary of the Interior executing a contract between the United States and Salt River Project Agricultural Improvement and Power District, operator of the coal-fuel power plant, committing the use of approximately 34,100 acre-feet of water per year for the power plant to be located on the Navajo Reservation near Page, Arizona, the Navajo Tribe of Indians agrees that they will not make demands upon the 50,000 acre-feet of water per year allocated to the State of Arizona, pursuant to the Upper Colorado River Basin Compact, in excess of 50,000 acre-feet of water per year, of which 34,100 acre-feet of water per year shall be used by the coal-fuel power plant to be located on the Navajo Reservation near Page, Arizona.

2. In consideration of the foregoing promise, as stated in Resolved Clause 1 of this resolution, the Secretary of the Interior, his agents and officers and the Salt River Project Agricultural Improvement and Power District, and its agents, officers and assignees, make the following promises to the Navajo Tribe:

A. The Salt River Project Agricultural Improvement and Power District promises to give job preference to all resident Navajos for any position within the power plant or the mine from which the coal is brought for use in the coal-fuel power plant and

in any and all facilities related to the production of power by the proposed coal-fuel power plant.

B. The Salt River Project Agricultural Improvement and Power District promises, except during interruptions and curtailment of delivery, that all coal used in the coal-fuel power plant located on the Navajo Reservation near Page, Arizona, shall be purchased from the Black Mesa mines or mines located on Indian lands.

C. The Salt River Project Agricultural Improvement and Power District promises that it shall lease lands from the Navajo Tribe and locate the coal-fuel power plant on said lands. The terms and conditions of the lease to be determined at a later date, and approved by the Advisory Committee on the Navajo Tribal Council. If such a lease is not executed within the next 12 months, this resolution may be rescinded at the election of the Navajo Tribe of Indians.

D. The Salt River Project Agricultural Improvement and Power District shall enter into an agreement with the Navajo Tribe of Indians to provide electrical power to Navajo Tribal Utility Authority to be used on or near the Navajo Reservation. The terms and conditions of this agreement shall be approved by the Advisory Committee on the Navajo Tribal Council. If such an agreement is not reached by the time water is to be used to operate the proposed power plant, this resolution may be rescinded at the election of the Navajo Tribe of Indians.

E. The Secretary of the Interior shall take the necessary action to assure the Navajo Tribe of Indians that if any water is imported into the Upper Colorado River Basin that the Navajo Tribe shall share proportionately in that water, and that the first 34,100 acre-feet of water imported yearly shall be assigned to the Navajo Tribe for its exclusive use and benefit.

F. The Salt River Project Agricultural Improvement and Power District and others shall contribute to the Navajo Tribe of Indians, on or before July 1st of each year, for the purpose of developing and assisting the Navajo Community College, \$25,000.00 in money for five years, beginning July 1, 1969, for the purpose of establishing a professorial chair at the Navaho Community College.

3. It shall be understood that the Navajo Tribe's promise to limit its claim to 50,000 acre-feet of water per year shall only be for the term of the lifetime of the proposed power plant, or for 50 years, whichever shall occur first, commencing with the date of enactment of this resolution and that this promise shall not be binding on the Navajo Tribe if the first unit of the proposed coal-fuel power plant is not in operation by December 31, 1976.

4. It shall be further understood that the promise made by the Navajo Tribe, pursuant to this resolution, shall only be binding if the promises made by the Secretary of the Interior and the Salt River Project Agricultural Improvement and Power District, pursuant to this resolution, shall be kept by them.

5. The Navajo Tribe shall have the exclusive right to waive or enforce all conditions of this resolution. A waiver by the Navajo Tribe of any condition or promise made to the Navajo Tribe, pursuant to

this resolution, shall not be deemed to be waiver of any future or past forfeitures.

6. If, for any reason, this resolution is terminated or expires by reason of the terms and conditions contained in this resolution, the Secretary of the Interior shall take the necessary action to have the 34,100 acre-feet of water per year, allocated to the coal fuel power plant on the Navajo Reservation near Page, Arizona, returned to the Navajo Tribe for their exclusive use and benefit.

7. The Chairman of the Navajo Tribal Council is hereby authorized and directed to take whatever steps he deems necessary and appropriate to place this resolution into effect.

CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by the Navajo Tribal Council at a duly called meeting at Window Rock, Arizona, at which a quorum was present and that same was passed by a vote of 57 in favor and 3 opposed, this 11th day of December, 1968.

NELSON DAMON,
Vice Chairman, Navajo Tribal Council.

LEGISLATION TO FACILITATE INCORPORATION OF PAGE, ARIZ.

ESTIMATED ADDITIONAL MAN-YEARS OF CIVILIAN EMPLOYMENT AND EXPENDITURES FOR THE 1ST 5 FISCAL YEARS (AS REQUIRED BY PUBLIC LAW 84-801)

	1st year	2d year	3d year	4th year	5th year
Estimated additional man-years of civilian employment:					
Executive direction:					
Executive.....					
Stenographic.....					
Total, executive direction.....					
Administrative services and support:					
Clerical.....	0.5	0	0	0	0
Property management.....	.5	0	0	0	0
Total administrative services and support.....	1.0	0	0	0	0
Substantive (program):					
Engineering aids.....					
Engineers.....	3.0	0	0	0	0
Total, substantive.....	3.0				
Total, estimated additional man-years of civilian employment.....	4.0	0	0	0	0
Estimated additional expenditures:					
Personal services.....	\$60,000				
All other.....	3,595,000	\$32,000	\$27,000	\$22,000	\$20,000
Total, estimated additional expenditures.....	3,655,000	32,000	27,000	22,000	20,000

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., March 16, 1974.

HON. JAMES A. HALEY,
Chairman, Committee on Interior and Insular Affairs,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This responds to your request for our views concerning H.R. 1406 and H.R. 11177, bills to authorize construction of the Cibolo Project in Texas.

We recommend that H.R. 11177 be enacted with certain amendments set forth below and that H.R. 1406 not be enacted.

THE BILLS

Both bills authorize construction, operation and maintenance of the Cibolo Project in identical terms, except that H.R. 11177 provides that the San Antonio River Authority shall, prior to appropriations of Federal funds, agree to advance preauthorization planning and construction funds equal to the costs allocated to municipal and industrial water. As a result, Federal appropriations of \$20,867,000 (June 1973 prices) would be needed under H.R. 11177 as against \$50,242,000 (\$40,151,000, April 1970 prices) under H.R. 1406.

We believe this joint financing approach between the Federal government and the project beneficiaries is a good principle to establish and it should enhance our ability to reduce the currently unmanageable backlog of authorized but unfunded construction of water resource projects.

THE PROJECT

The Cibolo Project would be built on a multiple-purpose basis on Cibolo Creek in the San Antonio River Basin in south-central Texas. It would provide a new municipal and industrial water supply for the cities of San Antonio, Karnes City, and Kenedy; flood control; conservation of fish and wildlife resources; and outdoor recreation.

Principal features of the project would consist of a dam and reservoir on Cibolo Creek and public outdoor recreation facilities. The dam would be 22.5 river-miles upstream from its confluence with the San Antonio River. Cibolo Reservoir would have a controlled capacity of 402,500 acre-feet, consisting of 21,400 acre-feet for sediment deposition, 178,600 acre-feet for municipal and industrial water supply, and 202,500 acre-feet for flood control. The firm yield of the reservoir would be 25,000 acre-feet per year after allowance for 100 years of sediment and increased upstream agricultural depletion. The project would provide about 6,000 acre-feet of water per year for Kenedy and Karnes City and would be delivered by releases into Cibolo Creek for downstream diversion through facilities that would be financed, constructed, operated and maintained by the San Antonio River Authority. The remaining 19,000 acre-feet per year of project water would be assigned to the city of San Antonio and would be delivered through facilities financed, constructed, operated, and maintained by the San Antonio City Water Board.

The project would change land use on 22,206 acres of land; require relocation of 75 families, powerlines, roads, and irrigation facilities; require plugging of oil and gas wells; involve removal or loss of certain

archeological resources; and would reduce average annual freshwater inflow to the San Antonio Estuary by 1.4 percent of 2010 inflow. It would also reduce estuarine sport fishing by 7,000 man-days, and reduce commercial catch 330,000 pounds per year out of a total current estimate of 1,205,000 man-days and 35,300,000 pounds. Twenty-four miles of fish habitat in Cibolo Creek and 10,000 acres of wildlife habitat would also be eliminated.

COSTS

The estimated cost of the project is \$50,242,000 at July 1973 prices. The total cost includes \$1,083,000 for second-stage recreation facilities. Average annual benefits are expected to total \$5,243,600. Of these, \$3,504,000 are municipal and industrial water supply benefits, \$899,100 are flood control benefits, \$613,600 are recreation benefits and \$226,900 are fish and wildlife benefits. Based on a 100-year period of analysis and an interest rate of 6½ percent, the benefit-cost ratio is 1.3 to 1.

The reimbursable costs of municipal and industrial water supply are \$30,739,000. The reimbursable costs assigned to recreation and fish and wildlife include \$872,000 for construction and fishery management studies, and \$37,000 for interest during construction based on a rate of 4.012 percent. Reimbursement of fish, wildlife and recreation costs would be in accordance with the Federal Water Project Recreation Act.

AMENDMENTS

Several amendments to H.R. 11177 are in order. Because all project costs allocable to municipal and industrial water are advanced prior to completion of construction, provision for repayment of these costs is unnecessary and section 2(a) should therefore be deleted. To conform the remainder of section 2, the "(b)" on line 17, page 2, should be revised to read "SEC. 2." and the words "allocated to municipal and industrial water supply" on lines 19 and 20 should be deleted. For clarity the word "reimbursable" should be inserted before the word "costs" on line 18.

Since the care, operation and maintenance of the project will be turned over to a contracting entity which will bear these project costs and which will not have a repayment obligation to the United States, lines 18 and 19 on page 3 should be revised to read "reimburse the contractor annually for that portion of the year's joint operation and maintenance".

Similarly, section 3(e) of the bill should provide for turning the project over to the contracting entity upon completion of construction and execution of the water delivery and repayment contract rather than upon completion of the repayment obligation as this section now provides. Lines 4 and 5 on page 4 should therefore be revised to read: "Upon execution of the contract referred to in section 3(a) above, and upon completion of construction of the project, the contracting en-".

In keeping with current practice only post-authorization planning costs of the project should be paid for by beneficiaries and the word "preauthorization" in line 24, page 4, should be revised to read "postauthorization".

Finally, because costs attributable to municipal and industrial water will be advanced by the beneficiaries prior to the time they are incurred, interest during construction is inappropriate. The words

"interest during construction" should therefore be deleted on page 5, line 6, to be consistent with other sections of the bill.

OTHER

The proposed Secretary's feasibility report for the project was transmitted to the State of Texas and to interested Federal agencies for review as required by law and Presidential instructions. A draft environmental impact statement has been coordinated with other agencies and furnished to the Council on Environmental Quality and a copy is enclosed herewith.

DISCUSSION

H.R. 11177 is preferable to the total Federal financing which would be provided by H.R. 1406. The San Antonio River Authority has indicated a willingness to advance funds pursuant to a contract with the Secretary of the Interior for postauthorization planning and construction of the Cibolo Project. The amount of funds to be advanced annually would be in proportion to the total annual fund requirements for the project as the construction cost allocated to municipal and industrial water is to the total cost of the project. The sum of funds advanced would not exceed the total project construction cost allocated to municipal and industrial water. All of the non-reimbursable project costs and the reimbursable costs allocated to fish and wildlife and recreation would be obtained through appropriation of Federal funds. Reimbursement of fish and wildlife and recreation costs would be in accordance with Public Law 89-72.

The Office of Management and Budget has advised that there is no objection to the enactment of H.R. 11177 or to the presentation of this report from the standpoint of the Administration's program.

Sincerely yours,

JACK HORTON,
Assistant Secretary of the Interior.

BILL TO AUTHORIZE CONSTRUCTION OF CIBOLO PROJECT, TEXAS
ESTIMATED ADDITIONAL MAN-YEARS OF CIVILIAN EMPLOYMENT AND EXPENDITURES FOR THE 1ST
5 FISCAL YEARS (AS REQUIRED BY PUBLIC LAW 84-801)

	1st year	2d year	3d year	4th year	5th year
Estimated additional man-years of civilian employment:					
Executive direction:					
Executive.....		1	1	1	1
Stenographic.....		1	1	1	1
Total, executive direction.....		2	2	2	2
Administrative services and support:					
Clerical.....	2	3	5	5	5
Property management.....		1	1	1	1
Total administrative services and support.....	2	4	6	6	6
Substantive (program):					
Engineering aids.....	9	10	12	12	10
Engineers.....	3	4	7	7	5
Total, substantive.....	12	14	19	19	15
Total, estimated additional man-years of civilian employment.....	14	20	27	27	23
Estimated additional expenditures:					
Personal services.....	\$200,000	\$300,000	\$430,000	\$460,000	\$415,000
All other.....	442,000	8,286,000	14,816,000	12,868,000	10,897,000
Total, estimated additional expenditures.....	642,000	8,586,000	15,246,000	13,328,000	11,312,000

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., January 15, 1974.

HON. JAMES A. HALEY,
Chairman, Committee on Interior and Insular Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This responds to your request for the views of this Department on H.R. 8192, a bill "To amend Public Law 90-503 (82 Stat. 853) to authorize construction, operation, and maintenance of facilities to deliver water to the city of Frederick, Oklahoma, from the Mountain Park reclamation project."

We recommend that the bill be enacted.

The bill would extend facilities of the Mountain Park reclamation project in Oklahoma so as to provide a supply of water to the town of Frederick. The estimated cost of this work would be \$3.2 million, which would be fully repayable with interest to the United States in accordance with usual reclamation practice.

We understand that the town of Frederick did not wish to obtain water from the project at the time it was authorized since the town concluded that other supplies were available at lower cost. The conclusion has been changed and present circumstances indicate that the Mountain Park reclamation project is the most desirable alternative source of water for Frederick. The water is available if the project facilities are extended and we find this to be an appropriate modification of the original project.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely yours,

JACK HORTON,
Assistant Secretary of the Interior.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., April 22, 1974.

HON. JAMES A. HALEY,
Chairman, Committee on Interior and Insular Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This supplements our January 15, 1974 letter to you concerning H.R. 8192, a bill "To amend Public Law 90-503 (82 Stat. 853) to authorize construction, operation, and maintenance of facilities to deliver water to the city of Frederick, Oklahoma, from the Mountain Park reclamation project," which we recommended that the Congress enact.

We wish to clarify that letter with respect to the interest rate which would apply for repayment of the cost of facilities which H.R. 8192 would authorize-viz., the facilities extending a water supply to Frederick, Oklahoma. It is our view that the proper interest rate for these facilities is that specified by formula in Public Law 90-503, the Mountain Park reclamation project authorizing legislation, applied

in the year which construction of these facilities commences. That formula would yield a 4% rate if constructed commenced in Fiscal Year 1974. It may be advisable to modify the bill so as to clarify that it permits the Secretary to establish this interest rate for the new facilities authorized.

The Office of Management and Budget has advised that there is no objection to the presentation of this letter from the standpoint of the Administration's program.

Sincerely yours,

JACK HORTON,
Assistant Secretary of the Interior.

BILL TO AUTHORIZE CONSTRUCTION OF FREDERICK PIPELINE, MOUNTAIN PARK PROJECT, OKLAHOMA
ESTIMATED ADDITIONAL MAN-YEARS OF CIVILIAN EMPLOYMENT AND EXPENDITURES FOR THE 1ST 5 FISCAL
YEARS (AS REQUIRED BY PUBLIC LAW 84-301)

	1st year	2d year	3d year	4th year	5th year
Estimated additional man-years of civilian employment:					
Executive direction:					
Executive.....					
Stenographic.....					
Total, executive direction.....					
Administrative services and support:					
Clerical.....					
Property management.....					
Total administrative services and support.....					
Substantive (program):					
Engineering aids.....		3			
Engineers.....		1			
Total, substantive.....		4			
Total, estimated additional man-years of civilian employment.....		4			
Estimated additional expenditures:					
Personal services.....		\$60,000			
All other.....		4,674,000			
Total, estimated additional expenditures.....		4,734,000			

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., April 19, 1974.

HON. JAMES A. HALEY,
Chairman, Committee on Interior and Insular Affairs,
House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: This responds to your request for our views concerning H.R. 1922, a bill "To authorize the Secretary of the Interior to acquire private lands in California for water quality control, recreation, and fish and wildlife enhancement, and for other purposes."

Although we concur in the view that action should be taken to protect recreational values and the water quality of Lake Casitas, we oppose enactment of H.R. 1922 because there are several alternatives which are preferable to direct Federal funding of the land acquisition contemplated by the bill.

H.R. 1922 authorizes the Secretary of the Interior to acquire specified private lands in the Lake Casitas area of California to provide water quality protection and preservation and enhancement of public outdoor recreation, fish and wildlife and the environment.

The land could be acquired by donation, purchase, condemnation or exchange. The bill permits natural persons to retain non-transferable life interests in property to be acquired where this will not unduly interfere with the administration, development or public use of the area. The price paid where such interests are retained would be reduced by the fair market value thereof and the Secretary could terminate any such interest being used in a manner not consistent with the bill's purposes.

Lake Casitas, the impoundment behind Casitas Dam, is a feature of the Ventura River Reclamation Project in California providing municipal and industrial water for the city of Ventura and adjacent areas served by the Casitas Municipal Water District. The lake itself has a water surface of approximately 2,700 acres with a federally acquired land area of slightly over 1,880 acres surrounding it. Recreational use in that area is administered by the Casitas Municipal Water District under agreement with the United States. During 1972 such use amounted to 1,532,760 visitor days.

This area generally encompasses that portion of the Coyote Creek watershed between Casitas Dam and the Los Padres National Forest boundary. The remaining upper portion of the watershed lies, for the most part, within the Los Padres National Forest. There are, however, about 3,100 acres of privately owned land within the watershed, most of which is contiguous to but to the north of the federally owned reservoir area and outside the national forest.

Within the intensified interest in semirural residential development that has become evident in recent years, the 3,100 acres have become quite attractive to those who would undertake such development. Independent studies made for the Ventura County Planning Department and the Casitas Municipal Water District have indicated that substantial development in the area under consideration would probably have noticeably detrimental effects on the quality of water in Lake Casitas. This potential stems from the fact that the soils of the area, for the most part, do not possess the permeability characteristics essential to septic tank disposal systems. There is no municipal sewerage collection and disposal system in the area and septic tank disposal, the only alternative, is physically impossible. Thus, severe pollution and eutrophication of Lake Casitas would ensue and this would in turn result in serious consequences to the municipal water supply.

To forestall such deterioration, as well as to insure against accelerated erosion with corresponding reservoir siltation that would probably also attend development of the 3,100 acres, several alternatives not requiring direct Federal involvement are available. Local land use planning, implemented through zoning or otherwise, may be an appropriate solution. Public acquisition of the land as an addition to the present Lake Casitas protective landholdings is also a practical solution might be accomplished with Federal assistance under existing legislation, including that provided by the Land and Water Conservation Fund Act.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely yours,

JOHN C. WHITAKER,
Under Secretary of the Interior.

LAND ACQUISITION—LAKE, CASITAS, CALIF.

ESTIMATED ADDITIONAL MAN-YEARS OF CIVILIAN EMPLOYMENT AND EXPENDITURES FOR THE 1ST 5 FISCAL YEARS (AS REQUIRED BY PUBLIC LAW 84-801)

	1st year	2d year	3d year	4th year	5th year
Estimated additional man-years of civilian employment:					
Executive direction:					
Executive.....					
Stenographic.....	1.0	2.0	1.0		
Total, executive direction.....	1.0	2.0	1.0	0	
Administrative services and support:					
Clerical.....	.5	.8	.8	.3	0.3
Property management.....	4.5	3.0	2.5		
Total administrative services and support.....	4.5	3.8	3.3	.3	
Substantive (program):					
Engineering aids.....	6.5	8.5	3.0		
Engineers.....	3.5	4.5	1.5	.5	
Total, substantive.....	10.0	13.0	4.5	.5	
Total, estimated additional man-years of civilian employment.....	15.5	18.8	8.8	.8	.3
Estimated additional expenditures:					
Personal services.....	\$209,000	\$230,000	\$135,000	\$11,000	\$5,100
All other.....	2,354,000	4,708,000	2,248,000	100,000	0
Total, estimated additional expenditures.....	2,563,000	4,938,000	2,383,000	111,000	5,100

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., June 22, 1973.

HON. JAMES A. HALEY,
Chairman, Committee on Interior and Insular Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This responds to your request for the views of this Department on H.R. 2185, a bill "To provide for the conveyance of certain public lands in Klamath Falls, Oregon, to the occupants thereof, and for other purposes."

We recommend that the bill be enacted, if amended as set forth herein.

The bill authorizes and directs the Secretary of the Interior to convey property owned by the United States, the "Klamath Reclamation Project 'B' Lateral Canal right-of-way", to owners of lots in designated subdivisions of Klamath, Oregon, contiguous to the right-of-way. The conveyances would be made by quitclaim deed for a consideration not in excess of \$100 plus costs of conveyance upon application by record lot owners, supported by adequate proof of ownership and an adequate description of the Federal land applied for. The conveyances would reserve mineral interests to the United States and acceptances thereof would constitute complete releases of claims against the United States resulting from use of the land by the applicant or his successors in interest.

The land to be conveyed is part of a right-of-way acquired by the United States in 1912 by donation or through token payments for location of a canal and drain on the Klamath Project in Oregon. Subsequent changes resulted in the abandonment of plans for the canal drain. Accordingly, the right-of-way has never been used and there are no foreseeable future Federal uses for it. The entire right-of-way extends for a distance of approximately 10,250 feet, varying in

width from 30 feet to 17 feet including a total of about 5.4 acres of land (about 3 acres of which would be conveyed under H.R. 2185). The land to be conveyed traverses areas which have been subdivided and developed during the 60 years since the right-of-way was first acquired. Lots and improvements associated with such subdivisions have, to varying degrees, encroached on the right-of-way.

As a general policy, unneeded Federal land is conveyed to individuals upon payment to the Federal Government of its current fair market value plus the administrative costs of making the conveyance. Conveyance under general Federal property disposal laws would be based on this principle. In accordance with this principle, we do not object to transferring parcels of the right-of-way to contiguous lot owners upon payment of their fair market value plus the cost of conveyance. To accomplish this, we recommend deletion of the last sentence of section 1 of the bill and insertion of the following in lieu thereof: The Secretary shall require payment of the current appraised fair market value of each parcel, plus administrative costs of making the conveyance, as determined by the Secretary, within not to exceed one year after notification by the Secretary of the amount due. In determining the fair market value of the land, the Secretary shall not include any value for improvements placed thereon by the applicant or his predecessors in interest.

Conveyance of the property is desirable from the Federal standpoint since it would reduce administrative costs associated with responsibility for the land. We would expect the administrative cost of the transfers contemplated by the bill to be relatively modest.

The unique shape and nature of the right-of-way makes it impractical in our judgment for the United States to reserve oil and gas rights (or other mineral or geothermal interests) in conveying the right-of-way and the bill's language beginning with the word "except" in line 11, page 1, through the word "gas" in line 1, page 2, should therefore be deleted.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely yours,

JOHN H. KYL,
Assistant Secretary of the Interior.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., May 8, 1974.

HON. JAMES A. HALEY,
Chairman, Committee on Interior and Insular Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This responds to your request for our views concerning H.R. 11758, a bill, "To provide for the establishment of day-use public recreational facilities at Lake Berryessa on the Solano Reclamation project in the State of California."

We recommend that the enclosed draft bill be enacted in place of H.R. 11758.

The bill. H.R. 11758 would authorize the Secretary of the Interior, acting through the Commissioner of Reclamation, to develop, operate and maintain such day-use recreation facilities as he deems necessary

for the safety, health, protection and outdoor recreational use of the visiting public and to administer the Lake Berryessa Federal land and water areas so as to provide the best public use and enjoyment thereof compatible with other authorized functions of the Solano project.

To carry out the bill's provisions the Secretary would be authorized to make rules and regulations and enter agreements for operation and maintenance of the area with the State of California, its political subdivisions or other non-Federal agencies or organizations. Appropriations in an unspecified amount to carry out the work would be authorized.

In comparison, section 1 of the enclosed draft bill reflects the general purposes of H.R. 11758 and includes the authorities which it would vest in the Secretary. Section 2 includes the same Secretarial rule making authority as H.R. 11758. It modifies the agreement-making authority of the Secretary specified in H.R. 11758 by making it mandatory that an appropriate agreement with a non-Federal agency be entered into as a prerequisite to construction of any of the contemplated short-term facilities. It also provides authority for the cooperating non-Federal agency to establish and collect fees for the use of the short-term facilities.

Section 3 authorizes the appropriation of not to exceed \$3 million for the development of short-term facilities subject to a standard provision for adjustment as necessary to compensate for cost escalations or similar fluctuations.

Solano Project and Lake Berryessa. The Solano Project was authorized in 1948 to provide flood control and to supply water for irrigation, municipal, and industrial use. Monticello Dam, forming Lake Berryessa, was completed in 1957. The lake is located in close proximity to urban communities exceeding 5 million people.

Recreation was not one of the authorized functions of the project. However, public demand for recreational use of Lake Berryessa developed immediately. Because the Bureau of Reclamation lacked specific authority to provide for recreation, it contracted in 1958 with Napa County for management of recreation at the lake. The 1958 contract was subsequently amended in 1962. The contractual concept conforms with Public Law 89-72 insofar as a non-Federal agency manages the recreation resource of a Federal water project.

Napa County arranged for recreational development through concessionaires, who provided private financing for most of the facilities. The concessionaires occupy sites of various size on the west shoreline of Lake Berryessa and have invested over \$9.5 million in facilities. Through this arrangement, part of the Berryessa recreation needs have been met.

Discussion. There is, however, widespread public dissatisfaction regarding certain aspects of this program. The basic problem at Lake Berryessa relates to the shortage of public short-term facilities and a lack of adequate public access to the lake. The concessionaires maintain that they cannot provide the needed short-term facilities because the cost of developing and maintaining them would exceed revenues, even if fees were charged. Consequently, the concessionaires have turned to long-term facilities, primarily mobile homes, together with boat ramps, and other facilities. With over 1,600 developed mobile home sites, pollution and other environmental problems, the shortage

of public short-term facilities, and the lack of adequate public access have become intolerable.

Furthermore Napa County maintains that it should not be expected to use county funds to finance any significant portion of the needed facilities, because over 90 percent of the use is by nonresidents of the county.

The problems have grown progressively worse as the demand for recreation has increased. The recreation use now amounts to 1.1 million visitor days annually, including an estimated 450,000 visitor days of use from the public using the undeveloped areas with only minimal sanitation or inadequate day-use facilities.

The Federal Water Project Recreation Act (P.L. 89-72), which was enacted in 1965 and would normally have been the most likely source of funds to solve the problem, is unsatisfactory because Lake Berryessa was completed prior to enactment of P.L. 89-72, and the lake must therefore be treated as an "existing" reservoir eligible to obtain only \$100,000 in Federal matching funding. This is totally inadequate to meet the need.

A Lake Berryessa Recreation Management Task Force, consisting of Federal and local representatives, was established in June 1973 to recommend a plan to meet the difficulties described above. The report of that task force was reviewed by the Interior Department. The Department concluded that Lake Berryessa presented a problem which would require a unique solution not necessarily applicable to other situations requiring additional recreational facilities. More particularly, it was concluded the Federal Government should provide up to \$3,000,000 to construct short-term facilities on a non-reimbursable basis. Such funding should, however, be contingent upon Napa County or some other non-Federal public agency such as the State of California accepting recreation management responsibility through an appropriate agreement. The agreement must provide for the establishment of appropriate user fees and development of a management plan to be concurred in by the Secretary. Non-Federal interests must agree to bear fifty percent of the cost of such facilities and to bear the operation and maintenance cost associated with them as a condition precedent to the use of these funds.

Long-term facilities (principally mobile homes) would be subject to appropriate health, safety, and environmental standards and would, by terms of the above-noted agreement, be subject to the public use policy cited in 43 CFR, Part 21. This policy requires that when the need to use a conservation and recreation area for general public recreation materializes, private uses such as cabin sites will be phased out. Inasmuch as the short-term facilities that would be authorized by the draft bill are expected to be constructed in a different area from the existing concession areas, it appears unlikely that the two patterns of use would be in direct conflict.

In view of the increasing need for short-term facilities and the currently adverse recreation situation at Lake Berryessa, we support legislation such as the enclosed proposal and urge its prompt and favorable consideration. The \$3 million authorized to be appropriated in the enclosed draft bill would provide for development over a 4-year period of potable water, sanitation, access roads, parking, and appurtenant public short-term use facilities in a complex large enough to accommodate 1,000 family groups at one time.

An environmental impact statement will be prepared pursuant to the National Environmental Policy Act of 1969 prior to any decision of the Secretary to proceed under the authority of this legislation to approve a recreation management plan or to expend funds for construction.

The Office of Management and Budget has advised that there is no objection to the presentation of this report or to enactment of the enclosed draft bill from the standpoint of the Administration's program.

Sincerely yours,

JOHN KYL,
Assistant Secretary of the Interior.

MANAGEMENT AND OPERATION OF LAKE BERRYESSA, CALIF.

ESTIMATED ADDITIONAL MAN-YEARS OF CIVILIAN EMPLOYMENT AND EXPENDITURES FOR THE 1ST 5 FISCAL YEARS (AS REQUIRED BY PUBLIC LAW 84-801)

	1st year	2d year	3d year	4th year	5th year
Estimated additional man-years of civilian employment:					
Executive direction:					
Executive.....	2.0	3.0	3.0	3.0	3.0
Stenographic.....	1.0	1.0	1.0	1.0	1.0
Total, executive direction.....	3.0	4.0	4.0	4.0	4.0
Administrative services and support:					
Clerical.....	.2	.5	.5	.5	.5
Property management.....	.4	1.5	1.5	1.5	1.5
Total administrative services and support.....	.6	2.0	2.0	2.0	2.0
Substantive (program):					
Engineering aids.....	4.4	5.0	4.0	4.0	5.0
Engineers.....	7.0	7.0	4.0	6.0	7.0
Total, substantive.....	11.4	12.0	8.0	10.0	12.0
Total, estimated additional man-years of civilian employment.....	15.0	18.0	14.0	16.0	18.0
Estimated additional expenditures:					
Personal services.....	\$105,000	\$310,000	\$120,000	\$150,000	\$190,000
All other.....	210,000	850,000	935,000	975,000	595,000
Total, estimated additional expenditures.....	315,000	960,000	1,055,000	1,125,000	785,000

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., June 14, 1974.

HON. JAMES A. HALEY,
Chairman, Committee on Interior and Insular Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This responds to your request for our views concerning H.R. 14634, a bill "To authorize the Secretary of the Interior to construct necessary drainage works for the Vernal unit of the Central Utah project and the Emery County project, participating projects, Colorado River storage project.

We recommend enactment of the bill amended as suggested herein.

The bill would authorize the Secretary of the Interior to construct drainage facilities for the Vernal Unit of the Central Utah project and the Emery County project to the extent he determines necessary for sustained crop production on the irrigable lands of these projects. The Secretary would also be authorized to negotiate and execute amendments to the repayment contracts for the two districts without

increasing the repayment obligation of the water users of either project.

The work authorized by the bill would protect the productive capacity of existing Reclamation irrigation projects. While our preliminary review indicates that the irrigation water users have limited, if any, ability to repay the costs of the work contemplated by the bills, we recommend that the bill be amended to provide for such repayment based on ability to repay as determined by the Secretary. Costs not repaid by irrigation water users would be repaid from power revenues.

The Vernal Unit of the Central Utah project and the Emery County project are participating projects in the Colorado River Storage project (CRSP) which provides for comprehensive development of the Upper Colorado River Basin under the act of April 11, 1956 (70 Stat. 105), and other Federal Reclamation laws.

VERNAL UNIT

Construction of the Vernal Unit began in 1959, and water delivery features were completed for the originally planned unit to supplement existing water supplied to 14,700 irrigable acres. The first supply of irrigation water was delivered in 1963.

The repayment contract of July 14, 1958, with the Uintah Water Conservancy District established the repayment obligation of the water users at \$1,500,000, including drainage facilities at a cost not to exceed \$675,000. The remaining irrigation cost of \$7,531,985 is to be paid by power and other revenues from the Upper Colorado River Basin Fund (UCRBF). Adequate drainage facilities have been completed for about 1,250 acres within the contract limitations of \$675,000. Further construction has now stopped pending development of a way to underwrite the cost of additional work. Additional drainage facilities estimated at \$1,325,000 are needed. There are several reasons for the increase in cost over the original estimate. The lands requiring drainage have increased to 3,700 acres as determined under actual operating condition. The spacing of drains on part of the area must be at intervals of 800 feet rather than 1,600 feet as originally planned. Construction cost indices have increased substantially since 1957.

If the drainage facilities are not provided for the remaining drainage deficient area, it is estimated that about 1,050 acres of land will lose productivity in about 5 years and that about 1,400 acres of land now in wet pasture will be limited to that kind of forage production rather than being developed for higher productivity. These factors have seriously reduced the ability of the water users to pay their present obligation for construction and annual operation and maintenance costs, and will jeopardize continuity of the water resource investment totaling about \$9 million for this irrigation resource.

EMERY COUNTY PROJECT

Construction of the Emery County Project began in 1962. Water delivery features were completed for works originally planned to serve supplemental water to 18,775 irrigable acres. The first supply of irrigation water was delivered in 1966. The existing repayment contract of May 15, 1962, as amended, with the Emery Water Conservancy

District established the repayment obligation of the water users at \$2,433,600. That amount included drainage facilities necessary for project purposes, but not to exceed \$990,000. The remaining irrigation cost of \$7,302,368 is to be paid by power and other revenues from the UCRBF.

Drainage facilities have been completed for about 900 acres within the contract limitation. Additional facilities are needed but have not been constructed because the cost would exceed the drainage limitation of \$990,000 in the repayment contract. It is estimated that the remaining drainage system to provide adequate drainage for the project, as originally intended, will cost approximately \$1,210,000 at current prices.

The increase in the estimated cost of the drainage system is due to the increase of the lands requiring drainage to 2,500 acres (an area which will continue to increase unless drainage is accomplished). In addition, the construction cost index has increased by a factor of 152 since the repayment contract was signed, and the overhead cost has continued to increase because of delays in an orderly construction program.

Unless the drainage facilities are provided for the remaining 1,600 acres, the production capability of the lands will continue to decline and will jeopardize the ability of the water users to meet their construction obligations and to pay annual operation and maintenance costs associated with delivery of project water.

DISCUSSION

These incremental project costs for drainage works represent a relatively modest investment to sustain agricultural productivity on the 33,475 irrigable lands on both projects having an irrigation allocation of about \$19 million.

The additional proposed drainage costs average about \$75 an irrigable acre, which would result in a total cost for drainage of about \$125 per acre on all irrigable lands as compared with the original estimate of about \$50 per acre.

It is estimated also that unless the drainage works are provided, serious productivity losses would occur on about 4,050 acres on the two projects. The loss of productivity on these lands, totaling about 12 percent of the project lands, is widely scattered over the project areas and would seriously affect the existing economy of individual farm operations. The adverse economic effects on farm net incomes would, in turn, adversely affect the capability of the water users and the district's abilities to repay the outstanding repayment obligations to the United States. These obligations are \$1,288,567 for the Vernal Unit and \$2,238,400 for the Emery County Project. If the drainage facilities are not provided and the farm operations fail, the outstanding repayment obligations would become a burden of repayment to the Colorado River Storage Project Basin Fund. Failure of the farm operations on each of the projects would also affect adversely the local agricultural economy, associated business communities and the local tax base.

Construction of the needed drainage facilities should be completed in order to provide benefits that support the \$19 million irrigation allocation for the two projects. The lands were certified as irrigable,

on the basis that drainage would be provided after the impact of the project operation had been observed and the drainage requirements are more closely defined. The water users do not have additional payment capacity to repay the increased drainage costs, and unless the drains are provided the water users probably will be unable to continue making full payments under the existing contracts. However, required rights-of-way for the drainage system should be provided by the water users at no cost to the United States on the Emery County Project and on the Vernal Unit.

Our review of the projects indicates that the proposed drainage facilities are necessary to sustain crop production on those areas that are being adversely affected by perched water tables and the lack of water movement through the relatively impermeable soils. We have also made preliminary payment capacity studies for each of the projects, and in view of the current and expected price relationships for agricultural products, find that the individual water users and the districts have limited, if any, capacity to repay the additional drainage costs of \$1,325,000 for the Vernal Unit and \$1,210,000 for the Emery County Project. Prior to commencement of construction we would make final repayment capacity determinations with a view to determining what part of such costs should be repaid by the water users and what part from power revenues. To provide flexibility to make this determination, the bill should be amended by deleting the words on line 6 and 7 of page 2 "without increasing the repayment obligation of the water users of either project" and inserting "with repayment to be made based on ability of irrigation water users to repay as determined by the Secretary." Beyond this, the cost of the drainage work would be repaid from available revenues in the Upper Colorado River Basin Fund. With this change, we would support the proposed legislation with the understanding that rights-of-way would be provided at no cost to the United States, and the extent of the drainage program would be reviewed carefully and limited to those lands that are in critical need and should be drained to protect the Federal investment.

The Bureau of Reclamation has made an environmental assessment for the proposed drainage work and determined that the drainage construction activities would not constitute a major Federal action pursuant to the National Environmental Policy Act and an environmental impact statement pursuant to section 102(2)(C) thereof is not required.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely yours,

JACK HORTON,
Assistant Secretary.

VERNAL UNIT, CENTRAL UTAH PROJECT

ESTIMATED ADDITIONAL MAN-YEARS OF CIVILIAN EMPLOYMENT AND EXPENDITURES FOR THE 1ST 5 FISCAL YEARS (AS REQUIRED BY PUBLIC LAW 84-801)

	1st year	2d year	3d year	4th year	5th year
Estimated additional man-years of civilian employment:					
Executive direction:					
Executive.....	0.5	0.5	0.3	0.1	-----
Stenographic.....	.5	.5	.3	.1	-----
Total, executive direction.....	1.0	1.0	.6	.2	-----
Administrative services and support:					
Clerical.....	.5	.5	.2	.1	-----
Property management.....	.5	.1	.1	.1	-----
Total administrative services and support.....	1.0	.6	.3	.2	-----
Substantive (program):					
Engineering aids.....	8.8	2.1	1.0	.4	-----
Engineers.....	20.0	1.0	.4	.2	-----
Total, substantive.....	28.8	3.1	1.4	.6	-----
Total, estimated additional man-years of civilian employment.....	30.8	4.7	2.3	1.0	-----
Estimated additional expenditures:					
Personal services.....	\$462,000	\$70,000	\$35,000	\$14,000	-----
All other.....	530,000	135,000	79,000	-----	-----
Total, estimated additional expenditures.....	462,000	600,000	170,000	93,000	-----

EMERY COUNTY PROJECT, UTAH, DRAINAGE CONSTRUCTION

ESTIMATED ADDITIONAL MAN-YEARS OF CIVILIAN EMPLOYMENT AND EXPENDITURES FOR THE 1ST 5 FISCAL YEARS (AS REQUIRED BY PUBLIC LAW 84-801)

	1st year	2d year	3d year	4th year	5th year
Estimated additional man-years of civilian employment:					
Executive direction:					
Executive.....	0.5	0.5	0.5	-----	-----
Stenographic.....	.5	.5	.5	-----	-----
Total, executive direction.....	1.0	1.0	1.0	-----	-----
Administrative services and support:					
Clerical.....	.5	.5	.5	-----	-----
Property management.....	.5	.5	.5	-----	-----
Total administrative services and support.....	1.0	1.0	1.0	-----	-----
Substantive (program):					
Engineering aids.....	1.6	5.0	2.4	-----	-----
Engineers.....	2.0	6.3	1.0	-----	-----
Total, substantive.....	3.6	11.3	3.4	-----	-----
Total, estimated additional man-years of civilian employment.....	5.6	13.3	5.4	-----	-----
Estimated additional expenditures:					
Personal services.....	\$84,000	\$200,000	\$81,000	-----	-----
All other.....	232,000	347,000	266,000	-----	-----
Total, estimated additional expenditures.....	316,000	547,000	347,000	-----	-----

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., May 8, 1974.

HON. JAMES A. HALEY,
Chairman, Committee on Interior and Insular Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This responds to your request for our views concerning H.R. 10410, a bill "To authorize the Secretary of the Interior to construct, operate and maintain a larger and adequate spillway, and to improve the upstream slope protection on Belle Fourche Dam, Belle Fourche project, Belle Fourche, South Dakota, and for other purposes."

We recommend that the bill be enacted if revised as suggested herein.

The bill would authorize the Secretary of the Interior to construct, operate and maintain a larger and adequate spillway and to improve the upstream slope protection on Belle Fourche Dam in South Dakota. Construction would be in accordance with a plan developed by the Secretary for flood control and safety of dam purposes and not for the purpose of providing additional storage capacity or developing benefits beyond those provided by the original dam and reservoir. Costs would be non-reimbursable and a \$3.25 million construction authorization (October 1972 prices) is provided.

A wide variety of circumstances are relevant to determining what the Federal responsibility should be for assuring that dams built or operated by the Federal Government continue to have adequate safety characteristics, after initial construction. Because of this, safety issues such as those presented by H.R. 10410 must be considered on a case-by-case basis. With respect to the Belle Fourche Dam, we recognize a Federal responsibility to carry out work contemplated by the bill, subject however to sharing such responsibility with project beneficiaries.

Recently developed meteorological techniques, current hydrological data, plus additional years of experience in precipitation and runoff studies, have revealed that the design inflow flood at Belle Fourche Dam is greater than was estimated when the structure was designed and constructed. Based upon this information, it has been concluded that failure of Belle Fourche Dam could result from the occurrence of floods approaching the magnitude of the design inflow flood, or from unusually severe wave action against the concrete slab protection on the upstream face of the dam.

Failure of the dam would cause a major disaster in the area downstream, including possible loss of life. Located within the downstream flood zone are: the town of Nisland, South Dakota; two Indian villages (Bridger and Cherry Creek); and a number of farmsteads and ranch headquarters. These communities would either be partially or completely inundated.

The Bureau of Reclamation is preparing a report on Belle Fourche Dam to indicate alternative solutions, interim operating criteria, an analysis of repayment capability, and possible cost allocations.

When the report has been completed, it would be desirable if enabling legislation existed to authorize the construction of the facilities necessary to insure the safety of Belle Fourche Dam. We

believe that H.R. 10410 would provide the required authority if it were revised as follows:

1. Page 2, line 2, to read "... Act and the plan set out in a report to be issued by the Secretary on this. . . ."

2. Page 2, lines 12 and 13, to read "... thORIZED by this Act shall be reimbursable to the extent that the Secretary of the Interior determines to be appropriate. Nothing in this Act shall be construed to reduce the. . . ."

These changes will permit the needed work to go forward on an appropriate basis of shared responsibility between the Federal government and project beneficiaries.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely yours,

JOHN KYL,
Assistant Secretary.

BELLE FOURCHE PROJECT, MODIFICATION OF DAM AND OUTLET WORKS
ESTIMATED ADDITIONAL MAN-YEARS OF CIVILIAN EMPLOYMENT AND EXPENDITURES FOR THE 1ST 5 FISCAL YEARS (AS REQUIRED BY PUBLIC LAW 84-801)

	1st year	2d year	3d year	4th year	5th year
Estimated additional man-years of civilian employment:					
Executive direction:					
Executive	0.1	0.3	0.2	.....	.....
Stenographic .....	.1	.3	.3	.....	.....
Total, executive direction .....	.2	.6	.5	.....	.....
Administrative services and support:					
Clerical .....	.3	.7	.7	.....	.....
Property management .....	.2	.3	.3	.....	.....
Total administrative services and support .....	.5	1.0	1.0	.....	.....
Substantive (program):					
Engineering aids	3.3	4.3	3.0	.....	.....
Engineers	2.5	2.0	1.2	.....	.....
Total, substantive	5.8	6.2	4.2	.....	.....
Total, estimated additional man-years of civilian employment	6.5	7.9	5.7	.....	.....
Estimated additional expenditures:					
Personal services	\$85,000	\$100,000	\$75,000	.....	.....
All other	265,000	770,000	425,000	.....	.....
Total, estimated additional expenditures	350,000	870,000	500,000	.....	.....

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., May 8, 1974.

Hon. JAMES A. HALEY,
Chairman, Committee on Interior and Insular Affairs,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This responds to your request for our views concerning H.R. 13589, a bill "To expand the Glendo unit of the Pick-Sloan Missouri Basin program to provide for the rehabilitation of a road relocated by the Bureau of Reclamation in the vicinity of Glendo Dam and Reservoir, Platte County, Wyoming."

We cannot support enactment of H.R. 13589, since the road which the bill would authorize funds to relocate and repair is more properly a local rather than Federal responsibility.

The bill authorizes the Secretary of the Interior to repair and rehabilitate a road, which was relocated by this Department's Bureau of Reclamation in connection with construction of Glendo Dam and reservoir and which has become subject to slides, seepage and undue weathering. The bill authorizes appropriation of \$284,000 for this work with certain cost adjustments, on a non-reimbursable basis.

The section of the relocated road that requires rehabilitation is about 1,000 feet of the 16 miles of a former Platte County road, which occupies a sidehill site in the vicinity of the left abutment of the Glendo Dam. Construction of the relocated road was carried out by the Bureau of Reclamation between November 1956 and September 1958. Upon completion of construction, the road was turned over to Platte County for administration and maintenance on September 14, 1958, in accordance with the terms of the relocation contract. On February 6, 1973, the operation and maintenance responsibilities of the Platte County road within Glendo State Park were transferred by a memorandum of understanding to the Wyoming Recreation Commission.

Within a few years after completion of construction weaknesses began to occur in a section of the road on a sidehill location a short distance from the left abutment of the Glendo Dam. The county made repairs to the road in 1964 and again in 1965 which were relatively minor in nature, costing only a total of approximately \$7,000. However, heavy rains in June 1965 caused a major slide on the roadway near the left abutment of Glendo Dam which required emergency repairs. The Comptroller General in Decision B-159372 dated June 28, 1966, approved the expenditure by the Bureau of \$149,000 for these emergency repairs. Subsequently, in 1967 about \$63,000 was spent on repairing the road due to another heavy slide near the left abutment, and other expenditures were made to raise the guardrail at another location and to modify a curve in the road. Additional slides occurred during the spring and summer of 1971 and in the spring of 1973. The recent slides of 1973 have reduced the roadway width to a one-lane traffic way and increased the drainage across the roadway, thereby creating a serious hazard to traffic use and public safety.

The Bureau of Reclamation in 1973 made studies on four alternate plans for reconstructing the roadway where slides and other weaknesses have been encountered. Estimates of cost for the various plans, which involved extensive relocations of sections of the road, ranged from \$990,000 to \$1,840,000. The Bureau has, however, no authority to spend additional funds of the magnitude necessary to provide a permanent solution to the slide conditions that have occurred over the years.

The Wyoming Highway Department also made a study of the problem and has submitted a proposal to rehabilitate about 1,000 feet of the road through the slide area without relocating any substantial portion of the road. The initial estimated cost to implement the proposal was about \$175,000. This estimate was updated by the Highway Department as of February 27, 1974, to \$236,000. By adding a 20 percent contingency for inflation and administration, that

estimate has been increased to \$284,000, the amount stated in H.R. 13589.

Notwithstanding the fact that the Bureau of Reclamation was responsible for relocating the road in connection with construction of the Glendo Reservoir and has made certain emergency repairs, continuing responsibility for the road properly rests with the State and local governments in accordance with well-established general principles. In light of this, we cannot support enactment of H.R. 13589.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely yours,

JOHN KYL.
Assistant Secretary.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., June 21, 1974.

HON. JAMES A. HALEY,
Chairman, Committee on Interior and Insular Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This responds to your request for the views of this Department on H.R. 13879 and H.R. 5845, bills "To authorize the Secretary of the Interior to construct, operate, and maintain the Nueces River project, Texas, and for other purposes."

We recommend that action on the bills be deferred pending the completion of certain actions by this Department as set forth below.

H.R. 13879 would authorize the Secretary of the Interior to construct, operate and maintain the Nueces River project in Texas. The principal features of the project would be the Choke Canyon Dam and Reservoir on the Frio River in Live Oak and McMullen Counties, Texas and facilities for public outdoor recreation and sport fishing. The primary purpose of the project would be to supply water for the municipal and industrial needs of the Coastal Bend area of Texas, which includes Corpus Christi and neighboring communities. Costs of the project allocated to municipal and industrial water supply would be repayable to the United States with interest over not more than forty years under either the provisions of the Federal reclamation laws or under the Water Supply Act of 1958. The bill would authorize appropriations of \$50 million (January 1974 prices) for construction with customary cost adjustments, subject to the proviso that prior to appropriation of Federal funds a qualified local entity must agree to advance not less than \$15 million under arrangements approved by the Secretary of the Interior. The \$15 million advanced would be credited to the local entities repayment obligation. At any time following the first advance of funds by the local entity, the local entity could require the Secretary to halt activities in progress and assign to the local entity contract and property rights, data, drawings or other items of value acquired with the advance funds.

H.R. 5845 differs from H.R. 13879 in two respects. The maximum repayment period under H.R. 5845 would be fifty years and the bill makes no provision for a \$15 million advance payment by a local entity.

The Department of the Interior has not yet completed the customary feasibility study of the Nueces project. A draft environmental impact statement is currently under preparation and is expected to be filed with the Council on Environmental Quality in the near future.

Additionally, we believe it essential that an onsite mineral evaluation be made of the area covered by the project. Known mineral resources of the area include petroleum, natural gas and sand and gravel. Mineral installations include oil and gas wells, pipelines, and portable facilities as well as oil storage tanks and gravel plants. Carrying out the proposal would require the purchase and plugging of ninety-three active oil and gas wells. In addition to the need for a mineral survey, it is uncertain what amounts would be required to pay for acquiring subordinating mineral rights in the area and construction would not be undertaken until more is known about the mineral commitment.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely yours,

JACK HORTON,
Assistant Secretary.

BILL TO AUTHORIZE CONSTRUCTION OF NUECES RIVER PROJECT, TEXAS
ESTIMATED ADDITIONAL MAN-YEARS OF CIVILIAN EMPLOYMENT AND EXPENDITURES FOR THE 1ST 5
FISCAL YEARS (AS REQUIRED BY PUBLIC LAW 84-801)

	1st year	2d year	3d year	4th year	5th year
Estimated additional man-years of civilian employment:					
Executive direction:					
Executive.....		1	1	1	1
Stenographic.....		1	1	1	1
Total, executive direction.....		2	2	2	2
Administrative services and support:					
Clerical.....	2	3	5	5	3
Property management.....		1	1	1	1
Total administrative services and support.....	2	4	6	6	4
Substantive (program):					
Engineering aids.....	9	16	16	16	16
Engineers.....	3	8	11	11	8
Total, substantive.....	12	24	27	27	24
Total, estimated additional man-years of civilian employment.....	14	30	35	35	30
Estimated additional expenditures:					
Personal services.....	\$200,000	\$450,000	\$560,000	\$590,000	\$540,000
All other.....	651,000	10,490,000	18,674,000	19,550,000	7,985,000
Total, estimated additional expenditures.....	851,000	10,940,000	19,234,000	20,140,000	8,525,000

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., June 17, 1974.

HON. JAMES A. HALEY,
Chairman, Committee on Interior and Insular Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This responds to your request for the views of this Department on H.R. 1677, a bill "To authorize the Secretary of the Interior to make water available for a minimum recreation pool in Elephant Butte Reservoir from the San Juan-Chama unit of the Colorado River storage project."

We recommend that the bill be enacted with the amendments suggested herein.

H.R. 1677 authorizes the Secretary of the Interior to permit releases from the Heron Reservoir of the San Juan-Chama reclamation project to provide a minimum recreation pool of fifty thousand acre-feet of water initially, supplemented by up to six thousand acre-feet annually over a ten year period to replace evaporation and other losses. The authority would be granted pending negotiations of water supply contracts and construction of facilities for supplying water to irrigation units to be supplied by the Heron Reservoir and would be subject to the availability of stored water in that reservoir in excess of one hundred thousand acre-feet, which water is not required for existing authorized uses. Allocations for the recreation pool in Elephant Butte Reservoir would be nonreimbursable and nonreturnable. The authorized releases would be subject and subordinated to certain specified prior claims on the water and would not be permitted unless the Rio Grande Compact Commission agreed by resolution that (i) the term "usable water" as defined in article I of the Rio Grande Compact will not include San Juan-Chama project water stored at Elephant Butte Reservoir, and (ii) in the determination of "actual spill", the spill of "credit water" (as these terms are defined in article I of the Rio Grande Compact) shall not occur until all San Juan-Chama project water in Elephant Butte Reservoir shall have spilled. The bill also provides that it shall not be construed to increase the authorized funding of the Colorado River storage project, any of its units, or of the Rio Grande project.

Water stored in Elephant Butte Reservoir constitutes the primary water supply for irrigating 178,000 acres of land in the Rio Grande project in New Mexico and Texas. The streamflow of the Rio Grande is very erratic; years of high floodflows are often followed by years of drought. The fact that floodflows can be stored in the reservoir for later releases for irrigation is the key to maintaining much of the farming economy of the Rio Grande Valley. For these reasons, the total reservoir space of 2,194,000 acre-feet is committed to the storage of irrigation water.

Between 1950 and 1973, there were wide variations in storage in Elephant Butte Reservoir due to the differences between water supply and irrigation demand. Minimum storage of less than 50,000 acre-feet occurred during 7 of the 24 years, while the maximum storage during this period was 1,200,000 acre-feet which is slightly more than half full. In fact, the reservoir has filled only once (1942) since the initiation of storage in 1915.

The present recreational facilities at Elephant Butte Reservoir are administered by the New Mexico State Park and Recreation Commission and had an annual use of about 1.5 million visitor-days during the calendar year 1973.

When the reservoir storage pool is filled, it contains 2,194,000 acre-feet and has a 250-mile shoreline with a surface of 36,600 acres. The proposed recreational pool of 50,000 acre-feet would create a 3,500 acre surface area with a shoreline of about 10 miles. The primary value of a minimum pool would be to conserve the fishery during extreme drought periods. It is difficult to estimate the number of visitor-days that would occur during the period the reservoir would be held at a minimum pool of 50,000 acre-feet, but use would probably be limited.

Elephant Butte Reservoir is part of the Rio Grande project. At the present time, streamflow of the Rio Grande is fully committed to various water users, mainly for agricultural purposes. Water to fill a recreational pool in Elephant Butte Reservoir would have to be acquired from a non-Rio Grande source; the proposal calls for using San Juan-Chama project facilities to divert water from the San Juan River, a tributary of the Colorado River, into the Rio Chama, a tributary of the Rio Grande.

San Juan-Chama project facilities and water rights would be used to provide the initial recreational pool along with subsequent evaporation and transportation losses. However, surplus water from the San Juan-Chama project will be available for only about 10 years.

Recreation and wildlife interests may be able to procure Rio Grande water rights to offset evaporation losses after the initial 10-year period.

Along with the streamflow of the Rio Grande, storage space in Elephant Butte Reservoir is fully committed to other project purposes. In order that a portion of the reservoir may be utilized to store the recreation pool, the Rio Grande Compact Commission, on May 3, 1974, resolved that (1) the water in the recreation pool would not be included in determination of the amount of water available for project uses; (2) in the event that Elephant Butte Reservoir should fill and spill, the recreation pool would be the first to spill, thus protecting the rights of Rio Grande Compact water users; and (3) the recreation pool would be assessed only the increment of the reservoir evaporation and other losses that result from storage of San Juan-Chama project water. Should the reservoir spill, further measures would be required to replace the depleted recreation pool.

We suggest that the bill be modified in three ways. In order that water losses incurred in moving water from the Heron Reservoir to the Elephant Butte Reservoir will not diminish the recreation pool, we recommend insertion of the words "delivered to Elephant Butte Reservoir" following the word "annually" on page 2, line 7 of the bill. For clarification, we suggest that on line 15 of page 2 the words "Water allocated" be substituted for the word "Allocations". Finally, if there are any delivery or other costs of making water available to Elephant Butte as contemplated by the bill, they should be shared equally with a non-Federal entity. We therefore recommend addition of a new section 1(c) to read:

"(c) Fifty per centum of any costs incurred in making water available pursuant to this Act shall be borne by a non-Federal entity pursuant to arrangements deemed satisfactory to the Secretary."

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely yours,

JACK HORTON,
Assistant Secretary.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., June 25, 1974.

HON. JAMES A. HALEY,
Chairman, Committee on Interior and Insular Affairs,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This responds to your request for the views of this Department on H.R. 13816, a bill "To amend the Act authorizing the Fryingpan-Arkansas Federal reclamation project, Colorado, in order to increase the amount authorized for such project (Act of August 16, 1962; 76 Stat. 389) and to authorize construction of a second one hundred-megawatt unit at the Mount Elbert pumped storage powerplant site of such project."

We recommend that the bill be enacted, if amended as set forth herein to limit the increased level of authorized appropriations to \$340 million.

The bill would increase the authorized appropriations for the Fryingpan-Arkansas Federal reclamation project in Colorado from \$170 million (June 1961 prices) to \$395 million (January 1973 prices). (In January 1973 prices, this increase would be from about \$313.5 million to \$395 million). The bill would also authorize the Secretary of the Interior to construct, operate and maintain a second one hundred-megawatt unit at the Mount Elbert pumped storage powerplant site of the Fryingpan-Arkansas project.

The Fryingpan-Arkansas project authorizing legislation established a \$170 million appropriation ceiling with adjustments for fluctuations in construction costs. Section 4 of that legislation also authorized appropriation of the additional sums necessary for recreation and fish and wildlife and scenery conservation. Subsequently P.L. 87-874 authorized certain highway improvements in connection with the project.

Attached hereto is a summary statement of project costs based on January 1973 prices. As it indicates, an additional appropriation authorization of \$25,500,000 is required for the installation of the second one-hundred megawatt powerplant unit and we support increasing the level of authorized appropriations to cover that amount.

The bill would, however, also include an additional \$55,444,000 appropriation authorization to cover the additional cost of municipal and industrial delivery facilities which are part of the project.

This increase is associated with the increased capacities of the delivery systems and modifications to the systems to serve more entities than originally anticipated. The project authorizing legislation required that the Secretary of the Interior determine before proceeding with each part of the single-purpose municipal and industrial water supply works involved in the project that it would be infeasible for the communities involved to construct the works themselves, either singly or jointly. Although the Secretary of the Interior made such a finding

on December 5, 1969, sufficient time has passed so that we believe it would be appropriate for the Secretary to make a new determination as to feasibility before further funds are authorized. We therefore recommend that the \$55,444,000 for the cost of additional municipal and industrial facilities not be authorized and that the bill be amended by striking the figure \$395,000,000 and inserting in lieu the figure \$340,000,000.

With respect to the second one-hundred megawatt Mt. Elbert powerplant unit, the Bureau of Reclamation has undertaken a power marketing study which concludes that a satisfactory market exists for that unit's electricity and that its orderly completion would contribute toward meeting the area's energy requirements.

In accordance with the National Environmental Policy Act of 1969, the Bureau of Reclamation has prepared a draft environmental impact statement on the overall Fryingpan-Arkansas project. This statement was released to the public on March 18, 1974, and public hearings were held in Aspen and Pueblo, Colorado in May 1974. The final statement is expected to be complete by January 1975. In addition, final environmental impact statements have been prepared and filed with the Council on Environmental Quality on three specific project features—the Mount Elbert Pumped-Storage Powerplant (filed October 19, 1971), the Pueblo Dam and Reservoir (filed June 2, 1972) and the Northside Collection System (filed July 19, 1973). The environmental impact statement for the Mount Elbert Pumped-Storage Powerplant covers the plant facilities and installation of both the first unit which is under construction and the second unit which would be authorized by H.R. 13816.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely yours,

JACK HORTON,
Assistant Secretary.

Total estimated project cost (January 1973 prices)-----	\$460, 632, 000
Public Law 87-590, sec. 7:	
Authorized amount (June 1961 prices)-----	170, 000, 000
Additional cost index to January 1973 prices-----	143, 517, 000
Subtotal-----	313, 517, 000
Additional ceiling required:	
Additional cost ceiling required for installation of the 2d 100 megawatts-----	25, 500, 000
Additional cost ceiling required for the municipal and indus- trial delivery-----	55, 444, 000
Subtotal-----	80, 944, 000
Project cost ceiling (January 1973 prices)-----	394, 461, 000
Public Law 87-590, sec. 4:	
Recreation-----	31, 341, 000
Fish and wildlife-----	9, 561, 000
Scenery conservation-----	23, 620, 000
Subtotal-----	64, 522, 000
Public Law 87-874: Highway improvements-----	1, 649, 000
Total estimated project cost-----	460, 632, 000

FRYINGPAN-ARKANSAS PROJECT, COLORADO

ESTIMATED ADDITIONAL MAN-YEARS OF CIVILIAN EMPLOYMENT AND EXPENDITURES FOR 1ST 5 FISCAL YEARS
(AS REQUIRED BY PUBLIC LAW 84-801)

	1st year	2d year	3d year	4th year	5th year
Estimated additional man-years of civilian employment:					
Executive direction:					
Executive.....					
Stenographic.....					
Total, executive direction.....					
Administrative services and support:					
Clerical.....					
Property management.....					
Total administrative services and support.....	0	0	0	0	0
Substantive (program):					
Engineering aids.....	4	16	5	17	14
Engineers.....	3	3	7	1	1
Total, substantive.....	7	19	12	18	15
Total, estimated additional man-years of of civilian employment.....	7	19	12	18	15
Estimated additional expenditures:					
Personal services.....	\$100,000	\$100,000	\$250,000	\$350,000	\$200,000
All other.....	10,000	3,550,000	1,350,000	11,700,000	11,300,000
Total, estimated additional expenditures.....	110,000	3,850,000	1,600,000	12,050,000	11,500,000

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., July 16, 1974.

HON. JAMES A. HALEY,
Chairman, Committee on Interior and Insular Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This responds to your request for the views of this Department on H.R. 14755, a bill "To authorize the Secretary of the Interior to construct necessary interim anadromous fish passage facilities at Savage Rapids Dam, Grants Pass Division, Rogue River Basin project, Oregon, under Federal reclamation laws."

We recommend that the bill not be enacted, since the contemplated facilities can be constructed under the Anadromous Fish Conservation Act with appropriate cost sharing arrangements.

H.R. 14755 authorizes and directs the Secretary of the Interior to construct interim anadromous fish passage facilities at Savage Rapids Dam which is part of the Grants Pass Division of the Rogue River Basin project in Oregon. The facilities would be constructed substantially in accordance with a March 1974 joint special report of this Department's Bureau of Reclamation and the Fish and Wildlife Service. Procedures and responsibilities for operation and maintenance of the fish facilities would be governed by an agreement between the Oregon State Game Commission and the Grants Pass Irrigation District. The bill would authorize nonreimbursable appropriations of \$769,000 for the work, based on January 1973 prices.

Savage Rapids Dam was built by the Grants Pass Irrigation District in 1921. Irrigation water is diverted from the reservoir to serve approximately 9,000 acres in the Grants Pass Valley plus additional acreage in Evans Creek Valley. There have been serious anadromous fish passage and protection problems at the dam since its construction.

Specific structural and operational problems have caused fish losses, delays in migration, and interruption of the downstream sport fishery.

Public Law 92-199, dated December 15, 1971, authorized a feasibility study of the Rogue River Basin Project, Grants Pass Division, Oregon. The investigation is being conducted in two parts. The first phase of the study was undertaken by the Fish and Wildlife Service and the Bureau of Reclamation in cooperation with other Federal and State agencies, and considered means of providing an interim solution to the anadromous fish passage problems at the dam. As a result of that study, the two Bureaus jointly prepared a special report entitled "Anadromous Fish Passage Improvements, Savage Rapids Dam, Rogue River Basin Project, Grants Pass Division—Oregon." The report was released in April 1974. The second phase of the investigation is ongoing and will consider a more permanent solution to the fishery problem as well as the need for replacing the irrigation district's existing distribution system.

The joint special report recommends, as an interim solution, improved upstream fish passage through construction of a new fishway on the north side of the dam, gates for screen and turbine unwatering, downstream bypass improvements, and south fishway repairs and improvements. The total construction cost of the facilities is estimated to be \$769,000 (January 1973 prices). No additional operation and maintenance costs are expected. Using a 15-year period of analysis and a 5½% interest rate, annual benefits are estimated at \$160,100 and annual costs at \$79,000.

Because the dam is not Federally owned, the Administration believes there is no basis for special Federal financing of the facilities, as contemplated by H.R. 14755. Responsibility for maintaining adequate passage for fish rests with State or local entities—governmental or private. Federal assistance is, however, available under other programs directed at fish and wildlife conservation, specifically, the Anadromous Fish Conservation Act (16 U.S.C. 757 ff.). If the proposed facilities are to be constructed with Federal funding, the possibility of obtaining assistance under that legislation should be pursued.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely yours,

JOHN KYL,
Assistant Secretary.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., June 28, 1974.

HON. JAMES A. HALEY,
Chairman, Committee on Interior and Insular Affairs,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This responds to your request for our views concerning H.R. 13890, a bill "To authorize the Secretary of the Interior to conduct a total water management study, Solano County, California."

We have no objection to enactment of the bill.

H.R. 13890 would authorize the Secretary of the Interior to conduct a total water management study which would consider and coordinate the results of other water-related studies concerning Solano County, California, and develop a comprehensive, long-term sequential plan of water resources management for the county.

A water management study for Solano County would consist of analyzing the changing needs, goals, and objectives of the county, updating land use, population and water demand forecasts, and describing alternative means of achieving the objectives. Existing projects would be evaluated to determine if they could be modified or changed to be more responsive to present and future needs. Inasmuch as the investigation is oriented toward early implementation of water resource improvements within the county and is not total river-basin or major sub-basin oriented, the study should be entitled "Solano County Water Project."

Solano County probably will experience significant economic expansion during the latter part of this decade. Inherent in this expansion is an urgent need for a comprehensive long-term plan for water resource development and management to guide the county in its decision-making.

This Department's Bureau of Reclamation would be prepared to develop such a plan if adequate funds were made available for the study pursuant to the authorization provided by the bill.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely yours,

ROYSTON C. HUGHES,
Assistant Secretary.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., June 27, 1974.

HON. JAMES A. HALEY,
Chairman, Committee on Interior and Insular Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This responds to your request for our views concerning H.R. 13954, a bill "To authorize the Secretary of the Interior to engage in a feasibility investigation of a water supply delivery system for the city of Yuma, Arizona."

We recommend that the bill be enacted, if it is amended to require that the cost of the study be paid in advance to the Bureau of Reclamation.

H.R. 13954 authorizes the Secretary of the Interior to engage in a feasibility investigation of a municipal and industrial water supply system for delivery of water to the city of Yuma, Arizona.

The city of Yuma has expressed an interest in investigating alternatives available for permanent raw water diversion facilities. The Bureau of Reclamation is completing a special report of alternative methods for conveying water to the city of Yuma at the request and expense of the city. The study was authorized by the "Contributed Funds" section of the Sundry Civil Expenses Appropriations Act of 1922.

We oppose Federal financing of the feasibility study and also of Federal construction of the Yuma municipal and industrial delivery system on the ground that such work is primarily a local responsibility. We do not object, however, to the city of Yuma contracting for such a study with the Bureau of Reclamation to utilize its expertise with advance payment of the cost of the study.

The city of Yuma has a contract with the Secretary of the Interior for delivery of Colorado River water at a point in the river immediately downstream from Imperial Dam. The contract provides for delivery of up to 50,000 acre-feet of water per calendar year for use by the city. Since 1961, water diverted directly from the river near the city's treatment plant has become too saline for municipal use. Consequently, the city has been obtaining water through Yuma Project irrigation facilities. Use of those facilities has required negotiations and contracts with the Yuma County Water Users' Association.

Several problems exist regarding the current water conveyance arrangement including occasional interruption of service for maintenance purposes, occurrence of chemical sprays in treated water due to weed control practices on the Yuma Project, the availability and utilization of capacity in the All-American Canal and Yuma Main Canal, and conveyance charges the city is required to pay which are escalating at a rate not within the control of the city.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely yours,

ROYSTON C. HUGHES,
Assistant Secretary.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., June 28, 1974.

HON. JAMES A. HALEY,
Chairman, Committee on Interior and Insular Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This responds to your request for our views concerning H.R. 10077, a bill "To authorize the Secretary of the Interior to engage in a feasibility study of the Apple Creek unit."

We recommend that action on this bill be deferred.

The bill authorizes the Secretary of the Interior to engage in a feasibility study of the Apple Creek unit of the Pick-Sloan Missouri Basin program in North Dakota.

The findings from a preliminary appraisal of potential water resource development of the Apple Creek area in North Dakota, as a unit of the Pick-Sloan Missouri Basin program, were presented in a summary report dated May 1973. The report was released to the public in December 1973 for the purpose of providing information to Federal, State, and local interests.

The appraisal indicated that, from an engineering standpoint, water could be supplied to the Apple Creek area for irrigation and other purposes by pumping from the McClusky Canal of the Garrison Diversion Unit or from the Missouri River near the city of Bismarck.

There are no critical or priority water problems in the area and the feasibility study would be directed principally to new irrigation development. Thus, at this time, we cannot support further action to carry out this study in view of other higher priority claims on Federal resources.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely yours,

ROYSTON C. HUGHES,
Assistant Secretary.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

ACT OF SEPTEMBER 21, 1968 (82 STAT. 853) PUBLIC LAW 90-503

SEC. 1. That the Secretary of the Interior is authorized to construct, operate, and maintain the Mountain Park reclamation project, Oklahoma, under the Federal reclamation laws (Act of June 17, 1902; 32 Stat. 388, and Acts amendatory thereof or supplementary thereto) for the principal purposes of storing, regulating, and furnishing water for municipal, domestic, and industrial uses, conserving and developing fish and wildlife resources, providing outdoor recreation opportunities and controlling floods. The principal features of the project shall consist of a dam and reservoir on Otter Creek, a diversion dam on Elk Creek, aqueducts from the storage reservoir to the cities of [Altus and Snyder, Oklahoma,] *Altus, Snyder, and Frederick, Oklahoma*, a wildlife management area, and basic public outdoor recreation facilities. Construction of the project may be undertaken in such units or stages as in the determination of the Secretary will best serve project requirements and meet water needs.

* * * * *

ACT OF AUGUST 16, 1962 (76 STAT. 389)

* * * * *

SEC. 7. There is hereby authorized to be appropriated for construction of the Fryingpan-Arkansas project, the sum of [\$170,000,000 (June 1961 prices)] *\$432,000,000 (January 1974 price levels)*, plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the types of construction involved herein. There are also authorized to be appropriated such additional sums as may be required for operation and maintenance of the project and for future costs incurred under section 4 of this Act.

Calendar No. 1148

93D CONGRESS }
2d Session }

SENATE

{ REPORT
No. 93-1208

RECLAMATION DEVELOPMENT ACT OF 1974

Oct. 2-1974.—Ordered to be printed

Mr. CHURCH, from the Committee on Interior and Insular Affairs, submitted the following

REPORT

[To accompany H.R. 15736]

The Committee on Interior and Insular Affairs, to which was referred the bill (H.R. 15736) to authorize, enlarge, and repair various Federal reclamation projects, and for other purposes, having considered the same, reports favorably thereon with amendments and recommends that the bill, as amended, do pass.

The amendments are as follows:

Page 11, line 21—strike the word “There” and insert in lieu thereof the following:

At the election of the municipality, the United States shall make electric power and associated energy available to the municipality from the Colorado River storage project at the 69 kilovolt bus of the existing power substation at scheduled rates effective from time to time for resale by the municipality to an electric utility: *Provided*, That the sale agreement between the municipality and such utility is completed before August 1, 1976; *And provided further*, That in lieu of such purchase and resale, there

Page 12, line 8—after the word “in” insert the following:

the event the municipality decides before August 1, 1976 to acquire said facilities through the exercise of its powers of eminent domain or the amount necessary for the municipality to acquire such facilities in

Page 31, line 20—beginning with “TITLE XI” strike the entire text through page 34, line 7 ending with “Compact.” and renumber subsequent TITLES and sections accordingly.



I. PURPOSE OF THE MEASURE

This measure includes 13 Titles dealing with various Reclamation program activities. Each of the Titles has a separable purpose and each corresponds to individual bills which are pending before the Senate. Similar individual measures were originally introduced in the House of Representatives but were consolidated by the House Committee on Interior and Insular Affairs into H.R. 15736.

The purposes of the Titles of H.R. 15736 and the Senate companion measures are as follows:

TITLE I—INCORPORATION OF PAGE, ARIZONA

The purpose of this Title is to facilitate the incorporation of the reclamation townsite of Page, Arizona, Glen Canyon unit, Colorado River storage project, as a municipality under the laws of the State of Arizona.

The companion bills are S. 767 introduced by Senator Fannin and S. 1261 introduced by Senator Moss.

TITLE II—CIBOLO PROJECT, TEXAS

The purpose of this Title is to authorize the Secretary of the Interior to construct a dam and reservoir on Cibolo Creek for the purposes of providing a new municipal and industrial water supply for the cities of San Antonio, Karnes City, and Kenedy; flood control, conservation of fish and wildlife resources; and outdoor recreation.

The companion bill is S. 3568 introduced by Senator Bentsen.

TITLE III—MOUNTAIN PARK PROJECT, OKLAHOMA

The purpose of this Title is to increase the authorized appropriations for the Mountain Park project, which is presently under construction, to provide additional facilities to supply municipal water for the City of Frederick, Oklahoma.

The companion bill is S. 3704 introduced by Senators Bartlett and Bellmon.

TITLE IV—CASITAS RESERVOIR OPEN SPACE, CALIFORNIA

The purpose of this Title is to authorize the Secretary of the Interior to acquire private lands in California for water quality control, recreation, and fish and wildlife enhancement.

The companion bill is S. 3813 introduced by Senators Cranston and Tunney.

TITLE V—KLAMATH PROJECT RIGHT-OF-WAY, OREGON

The purpose of this Title is to provide for the conveyance of certain public lands in Klamath Falls, Oregon, to the occupants thereof.

The companion bill is S. 1582 introduced by Senator Hatfield.

TITLE VI—SOLANO PROJECT RECREATIONAL FACILITIES, CALIFORNIA

The purpose of this Title is to authorize a program of public recreation facilities at Lake Berryessa, a Bureau of Reclamation reservoir in Napa County, California; to provide for an overall plan of the uses

of all Federal lands surrounding the reservoir; and to correct certain abuses of land uses now occurring at the project.

The companion bill is S. 1740 introduced by Senator Tunney for himself and Senator Cranston.

TITLE VII—MISCELLANEOUS DRAINAGE CONSTRUCTION, UTAH

The purpose of this Title is to authorize the construction of drainage facilities for the irrigable lands of the Vernal Unit of the Central Utah Project and the Emery County Project and to authorize the Secretary to amend existing contracts between the United States and respective Districts to provide for the repayment of the associated costs from the Colorado River storage project basin fund.

The companion bill is S. 2779 introduced by Senator Moss.

TITLE VIII—BELLE FOURCHE DAM REHABILITATION, SOUTH DAKOTA

The purpose of this Title is to authorize the construction of a new and larger spillway and upstream slope protection at the existing Belle Fourche Dam, a feature of the Belle Fourche reclamation development in South Dakota.

The companion bill is S. 2403 introduced by Senator McGovern for himself and Senator Abourezk.

TITLE IX—GLENDO UNIT ROAD RECONSTRUCTION, WYOMING

The purpose of this Title is to authorize the Secretary of the Interior to reconstruct a portion of road which was relocated as a part of the construction of the Glendo Dam and Reservoir and which has deteriorated.

The companion bill is S. 3223 which was introduced by Senator McGee for himself and Senator Hansen.

TITLE X—NUECES RIVER PROJECT, TEXAS

The purpose of this Title is to authorize the Secretary of the Interior to construct, operate, and maintain the Nueces River Project Texas.

The companion bill is S. 3513 introduced by Senator Tower.

TITLE XI—FRYINGPAN-ARKANSAS PROJECT, COLORADO

The purpose of this Title is to increase the amount authorized in the Act of August 16, 1962, from \$170,000,000 to \$432,000,000 and to authorize the Secretary of the Interior to construct, operate, and maintain a second 100-megawatt unit at the Mount Elbert pumped storage powerplant site of the Fryingpan-Arkansas project.

The companion bill is S. 3740 introduced by Senator Haskell for himself and Senator Dominick.

TITLE XII—SAVAGE RAPIDS FISH WAY, OREGON

The purpose of this Title is to authorize the construction of interim anadromous fish passage facilities around Savage Rapids Dam on the Rogue River in Oregon. The measure would authorize the expendi-

ture of \$769,000 for construction of this type of facility. The costs would be nonreimbursable.

The companion bill is S. 3529 introduced by Senator Hatfield for himself and Senator Packwood.

TITLE XIII—FEASIBILITY STUDY AUTHORITIES

The purpose of this Title is to authorize the Secretary of the Interior to conduct feasibility investigations under Reclamation law of three potential water resource development projects. A feasibility investigation is defined as work leading to the preparation of a report intended to be used as the basis for authorization of a project for construction. Specific legislative authorization of such investigations is required by the Federal Water Project Recreation Act (79 Stat. 213).

1. *Water Management Plan—Solano County, California*

There is no comparable Senate version.

2. *Municipal Water Supply Delivery System, Yuma, Arizona*

This study will investigate a plan for delivering Yuma's contracted water supply from the Colorado River to the City.

The companion bill is S. 3565 introduced by Senator Fannin.

3. *Apple Creek Project, North Dakota*

The purpose of this study will examine the potential for irrigation of an area lying southerly from the McCluskey Canal of the Garrison Diversion unit in Burleigh, Emmons and Kidder Counties, North Dakota.

The companion bill is S. 1898 introduced by Senator Young for himself and Senator Burdick.

II. BACKGROUND AND LEGISLATIVE HISTORY

The Senate measures which correspond to the Titles of H.R. 15736 as amended and the sponsors of each Senate measure have been noted above. The Subcommittee on Water and Power Resources held hearings on several of these measures as follows:

	Location	Date
Title I (S. 767 and S. 1261).....	Page, Ariz.....	June 10, 1974
Title II (S. 3568).....	Cibola project, Tex.....	July 18, 1974
Title III (S. 3704).....	Mountain Park, Okla.....	July 19, 1974
Title V (S. 1582).....	Klamath Falls, Oreg.....	Oct. 10, 1973
Title VII (S. 2779).....	Vernal unit, Utah.....	June 18, 1974
Title VIII (S. 2403).....	Belle Fourche Dam, S. Dak.....	June 13, 1974
Title IX (S. 3223).....	Glendo Dam, Wyo.....	Do.
Title X (S. 3513).....	Nueces River, Tex.....	July 19, 1974
Title XI (S. 3740).....	Fryingpan-Arkansas, Colo.....	July 18, 1974
Title XII (S. 3529).....	Savage Rapids Dam, Oreg.....	June 18, 1974

Two of the measures, S. 3813 dealing with Lake Casitas, California, and S. 1740 dealing with Lake Berryessa, California, were referred to the Subcommittee on Parks and Recreation which held a hearing on August 20, 1974.

Hearings were not considered to be necessary on S. 1896 and S. 3565 which would authorize the Secretary of the Interior to engage in feasibility studies of two potential Reclamation projects.

The Committee reviewed the previous studies of these developments to determine that there is a reasonable probability that the studies will result in feasible plans. Construction of the projects must subsequently be authorized by the Congress based upon the findings of the feasibility studies. These measures correspond to Title XIII of H.R. 15736 as amended.

No action was taken by the Committee on the Senate measures. Instead, the omnibus measure, H.R. 15736, which passed the House of Representatives on August 2, 1974, was considered by the full Senate Committee on Interior and Insular Affairs in open markup session on September 18, 1974, and ordered reported to the Senate with amendments.

III. COMMITTEE AMENDMENTS

The Committee on Interior and Insular Affairs adopted three amendments.

The first amendment, page 11, line 21, of the House approved version would permit the Town of Page to obtain funds to support municipal operations through the sale of CRSP power at a profit without involving it in municipal ownership or operation of an electric distribution system. The date of August 1, 1976 is the extended expiration date of the current agreement between the United States and the utility serving the Town.

The second amendment, page 12, line 8, of the House approved version would trigger the appropriation in the event the municipality decides to exercise its powers of eminent domain within the time prescribed in order to acquire the electric distribution system from the utility in lieu of exercising the option to purchase contained in the contract with the utility supplying the electricity.

The third amendment, page 31, line 20, deletes Title XI, Elephant Butte Recreation Pool, New Mexico, from the House version of the measure.

The Committee deleted Title XI pending a further review and subsequent report to the Committee by the Department of the Interior.

An explanation of Title XI of the House version is as follows:

TITLE XI—ELEPHANT BUTTE RECREATION POOL, NEW MEXICO

Background

The Elephant Butte Reservoir is a feature of the Rio Grande project in southern New Mexico. The Elephant Butte Dam was completed in 1908. The dam and reservoir are located on the main stem of the Rio Grande near the town of Truth or Consequences. The reservoir is primarily operated for irrigation water supply and hydroelectric power generation. The reservoir, however, is located between Albuquerque and El Paso in a scenic area and is a popular regional recreational attraction.

The inflow to the reservoir has been decreasing in recent years as a result of changes in the watershed. The reservoir has had to be drawn down in the summer with a detriment to its recreational values.

The San Juan-Chama Project, which was recently completed, diverts water from tributaries of the San Juan River into the headwaters of the Rio Grande. The Heron Reservoir of the San Juan-Chama Project

is presently filling and contains water which is allotted to the City of Albuquerque, but which will not be required by the City for about ten years.

Major provisions

Section 1101 authorizes the Secretary of the Interior to make releases of water from the Heron Reservoir of the San Juan-Chama Project into the Rio Grande to provide 50,000 acre feet of water for an initial recreation pool in Elephant Butte Reservoir and to provide 6,000 acre-feet annually for not more than ten years to replace evaporation and other losses. The releases are subordinated to any obligations of the San Juan-Chama Project. The releases are also contingent upon a resolution of the Rio Grande Compact Commission defining the status of the releases in the interpretation of the Compact. The Commission has already agreed to an appropriate resolution.

Fifty percent of any costs which may be incurred by the Secretary in carrying out the provisions of this title would be required to be repaid by a non-Federal entity, consistent with general Federal repayment policy for recreational aspects of water resources development.

Section 1102 states that the title does not increase the appropriations authorized for construction of the authorized reclamation projects involved.

Section 1103 preserves the provisions of the Rio Grande Compact.

IV. ANALYSIS OF PROVISIONS

TITLE I—INCORPORATION OF PAGE, ARIZONA

Background

Page, Arizona, was established in 1958 on public lands to house workers and their families during the construction of the Glen Canyon Dam, a feature of the Federal Upper Colorado River Storage Project. The town is administered by the Bureau of Reclamation, which provides police and fire protection; water supply and sewerage; hospital services; maintenance of the roads and airport, and other municipal services.

The town is now a viable community with most residential and commercial property in private ownership. The area of the townsite is 16.7 square miles and the assessed value of the private property is about \$5.5 million. The population is about 9,000. The town has become a recreation center for the Lake Powell National Recreation Area.

The purpose of Title I is to make the appropriate transfers of title to property and legal authorities to the municipality and to provide initial financial assistance for the organization of a municipal government.

Major provisions

Section 101 states the purpose of the measure to be facilitating the establishment of a municipal corporation under the laws of the State of Arizona.

Section 102 defines certain terms used in the measure and describes the area referred to as Page, Arizona, for purposes of the bill.

Section 103 authorizes and directs the Secretary of the Interior to transfer certain rights and titles to the municipality of Page as follows:

- (a) all improved lands owned by the United States;
- (b) lands presently being used for school purposes;
- (c) rights and interests in lands which may be covered by reversionary clauses in previous deeds or conveyances;
- (d) functions of a municipal character being performed by the United States;
- (e) municipal facilities; and
- (f) contracts to which the United States is a party and which involve municipal services.

Section 104 makes a reservation for the Glen Canyon Unit for consumptive use not to exceed 3,000 acre feet of water per year from Lake Powell. Of this amount, 2,740 acre feet are assigned to the municipality, provided that the municipality enter into a repayment contract satisfactory to the Secretary. This assignment of water is required to be consistent with the 1969 Resolution of the Navajo Tribal Council. The resolution referred to requires that certain lands of the Glen Canyon Unit be transferred to the Navajo Reservation to be held in trust and that the Secretary assure that the Navajo Tribe receives entitlement to the first 34,100 acre feet of water imported into the Colorado River Basin if and when such importation occurs. In return, the Navajo Tribe waives rights to the 3,000 acre feet of water committed in this section. This section further sets forth several specific conditions of the contract between the Secretary and the municipality.

Section 105 authorizes the Secretary to complete a number of municipal services, including street improvements which may not be completed prior to the incorporation of Page.

Section 106: This section:

- (a) authorizes the Secretary to make a lump sum payment of \$500,000 to assist in the provision of municipal services pending the establishment of a municipal tax system; and
- (b) authorizes the Secretary to make a lump sum payment of \$50,000 to the municipality for improvements to the community hospital.

Section 107 authorizes the Secretary to provide the services of up to ten Federal employees for a maximum of six months following the date of incorporation to assist in the transition of community administration.

Section 108 authorizes the Secretary to transfer funds appropriated from the Upper Colorado River Basin Fund to the City for purchase of the electrical distribution system from its private owners. If the City should exercise its option under contract transferred to it, the municipality would agree to repay within twenty years, with interest, the amount of funds transferred and the funds so repaid would be credited to the fund.

Section 109 authorizes the Secretary of the Interior to transfer lands to be held in trust for the Navajo Tribe. This transfer relates to the agreement contained in the Navajo Tribal Council Resolution previously mentioned.

Section 110 directs the Secretary to facilitate the effectuation of two Navajo Tribal Council Resolutions subject to the provisions of the Colorado River Basin Project Act (82 Stat. 885). The purpose of the

section is to clarify the intent of Congress that the provisions of the Colorado River Basin Project Act shall remain in force regarding acts taken by the Secretary to effectuate the Resolutions.

Section 111 authorizes the Secretary to promulgate rules and regulations as required to carry out the intent of the title.

Section 112 provides that the expenditures necessary to carry out the provisions of the title shall be appropriated from the Upper Colorado Basin Fund and that the total amount shall not exceed \$4 million.

Section 113 provides that the authorization shall terminate five years after enactment if incorporation has not occurred by that date.

Section 114 provides a short title.

TITLE II—CIBOLO PROJECT, TEXAS

Background

The proposed Cibolo project was first examined as part of an overall Texas Basins Project Investigation by the Bureau of Reclamation in 1954. On the basis of reconnaissance studies, the Cibolo Project was recommended for approval as part of the Texas Basins Project plan. The project was next included in the 1962 report of the U.S. Study Commission—Texas, and in the Texas Water Plan published by the Texas Water Development Board in November, 1968. The Bureau of Reclamation was authorized to undertake a feasibility study of the Cibolo project by P.L. 89-561 (80 Stat. 707) September 7, 1966. The report by the Bureau on the project was transmitted to the Congress on March 29, 1974, and recommended construction of the project as described in the report.

The three cities to be served by the project presently receive their water supply from ground water; San Antonio being the largest metropolitan area in the United States depending exclusively on ground water for its municipal and industrial water supply. Karnes City and Kenedy desire water supplies of better quality and San Antonio wishes to diversify its source of water.

Construction of the project would require the acquisition of 22,220 acres, the relocation of 75 families, protection and improvement of the city of Stockdale's sewage plant, and relocation of a highway, powerlines, and other facilities.

The San Antonio River Authority has indicated a willingness to advance funds pursuant to a contract with the Secretary of the Interior for post authorization planning and construction of the Cibolo project. The amount of funds to be advanced annually would be in proportion to the total annual fund requirements for the project as the construction cost allocated to M & I water is to the total cost of the project, thereby negating the need for initial total Federal financing of the project.

Major provisions

Section 201 authorizes construction of the Cibolo project.

Section 202 establishes that the interest rate for the return of reimbursable costs shall be determined by the Secretary of the Treasury in accordance with a formula which was first set forth in the Water Supply Act of 1958.

Section 203 authorizes the Secretary of the Interior to enter into a contract for delivery of water and repayment of reimbursable costs. In addition, the Secretary shall, upon execution of the aforementioned

contract and completion of construction, transfer to a qualified entity or entities the care, operation, and maintenance of the project works. Upon completion of the project, the contracting entity shall have a permanent right to the use of the reservoir.

Section 204 provides that fish and wildlife and recreation development and enhancement will be in accord with the Federal Water Project Recreation Act.

Section 205 authorizes expenditure of \$24,160,000 for Federally related costs of the project subject to the agreement by the San Antonio River Authority to advance funds for allocated municipal and industrial water supply costs.

TITLE III—MOUNTAIN PARK PROJECT, OKLAHOMA

Background

Construction of the Mountain Park Project was authorized by the Act of September 21, 1968.

The project is located in Jackson and Kiowa Counties in southwestern Oklahoma. It will develop the waters of tributaries of the Red River. The purposes of the project are provision of a municipal and industrial water supply for the Cities of Altus and Snyder and the Altus Air Force Base, and recreation and fish and wildlife conservation. Project features include the Mountain Park Dam and Reservoir on Otter Creek, a diversion dam on Elk Creek with a feeder canal to the reservoir. The Act authorized appropriations in the amount of \$19,978,000 (1965 prices) for construction of the project with provision for cost increases due to inflation.

The Mountain Park Dam is presently under construction, and is scheduled to be completed in 1975. The pipelines to Altus and Snyder are scheduled to be completed in 1976.

At the time of the authorization of the Mountain Park Project, the City of Frederick withdrew its interest in participation. The cost of water to the City was considered to be too high, principally because of the requirement for a 13-mile pipeline. The City expected to meet projected demands for water by developing ground water supplies and other surface sources. Development of ground water supplies by the City has been restricted by the Oklahoma Supreme Court causing the City to review its position regarding participation in the Mountain Park Project.

Major provisions

Section 301 amends Public Law 90-503 to include the City of Frederick among those municipalities to be served by the project.

Section 302 increases the authorization of the original Act by \$6,057,000 of which \$4,734,000 is for construction of the water supply facilities for the City of Frederick and \$1,323,000 is to complete the originally authorized features of the project.

TITLE IV—CASITAS RESERVOIR OPEN SPACE, CALIFORNIA

Background

The Act of March 1, 1956 authorized the construction of Casitas Dam on Coyote Creek in Ventura, California. Lake Casitas, formed behind Casitas Dam, has a surface area of approximately 2,700

acres and is an important recreational feature of the area as well as a vital source of municipal and industrial water for the City of Ventura.

Approximately 1,800 acres of land adjacent to Lake Casitas were acquired at project expenses to provide for recreational opportunities and, in effect, have served to preserve the quality of the reservoir waters. Increased recreational and residential development within the Lake Casitas watershed threaten to degrade the quality of the waters of Lake Casitas so as to limit recreational use and preclude its use as a source of water for the City of Ventura. Acquisition of the privately owned lands within the watershed would assure additional public recreational opportunities and the preservation of the high degree of water quality presently found in the reservoir.

Major provisions

Section 401 authorizes the acquisition of certain lands in the watershed by the Secretary of the Interior.

Section 402 authorizes the Secretary to acquire the lands by donation, purchase, or exchange. State or local governmentally owned lands may be acquired by donation only.

This section also provides that occupants of single family residences so acquired may retain their use for 25 years or life estate if such occupancy is determined by the Secretary to be without undue interference with administration and public use of the area.

Section 403 authorizes the Secretary to contract with a non-Federal public body for administration of the openspace area.

Section 404 authorizes appropriations in the amount of \$10,000,000.

TITLE V—KLAMATH PROJECT RIGHT-OF-WAY, OREGON

Background

The Klamath Project in Oregon was authorized in 1905 and construction began in 1906. In 1912, additional lands were acquired for the project as right-of-way for a canal and drain which were never-constructed. During the 60 years since the land was acquired, developments have encroached upon the right-of-way. Approximately 3.0 acres of the right-of-way remain in Federal ownership and have been encroached upon by approximately 20 separate holdings.

Conveyance of the property would benefit adjacent land owners for titling purposes and would also reduce Federal administrative costs associated with responsibility for the land.

Major provisions

Section 501 authorizes and directs the Secretary of the Interior to convey certain identified lands to contiguous land owners requiring a payment of not more than \$100 per parcel in addition to conveyance costs.

Section 502 acceptance of the conveyance would constitute a waiver of any and all claims against the United States arising from use of the land.

TITLE VI—SOLANO PROJECT RECREATIONAL FACILITIES, CALIFORNIA

Background

This Title would authorize the development of recreation facilities associated with Lake Berryessa, a feature of the Solano Project in California. When originally authorized in 1948, recreation was not

included as a project purpose and funds were not available for a Federal role for development and management of recreation facilities. Subsequent development was undertaken by Napa County under agreement with the Secretary of the Interior and long-term leases were granted to concessioners to develop and manage the major resort areas adjacent to the reservoir. Facilities for use by the general public are limited as emphasis was placed on leasing the land areas for use as mobile home sites.

The County of Napa intends to terminate the agreement with the Federal Government for development and management of the area for recreation use in 1975. This Title would provide the authority for the Secretary of the Interior to assume related responsibilities when this occurs.

The Committee recognizes the interest in a long-term solution to providing recreational facilities and opportunities at Lake Berryessa such as is expressed in S. 1740, legislation sponsored by Senators Tunney and Cranston to create a Lake Berryessa National Recreation Area. Therefore, the Committee expects that any activities which may be undertaken pursuant to the authorities granted to the Secretary by Sec. 601 of H.R. 15736 will be consistent to the extent practicable with plans for more extensive recreation development which may be authorized in the future.

Major provisions

Section 601 would authorize the construction and operation of day-use facilities and a review of all existing uses on Federal lands at Lake Berryessa.

Section 602 provides for rule making to carry out the provisions of Section 1 and also includes authority for entry into a management agreement with an appropriate authority.

Section 603 authorizes the appropriation of \$3,000,000 for construction and such sums as may be necessary for administration of existing facilities and for operation and maintenance of facilities authorized by the Title.

Section 604 provides that all funds authorized by this Title would be nonreimbursable.

TITLE VII—MISCELLANEOUS DRAINAGE CONSTRUCTION, UTAH

Background

Participation by the Vernal Unit and the Emery County Project in the Colorado River Storage Project was authorized by the Act of April 11, 1956. Construction of the Vernal Unit began in 1959 with the first water deliveries taking place in 1962. The Emery County Project was begun in 1962 with water deliveries commencing in 1966. Subsequent to water delivery, acreage needing drainage has increased and related construction costs have also increased. Agricultural production is now and will be further jeopardized by the lack of drainage facilities with a resultant inability for water users to continue making full payments under existing contracts. Ceilings on expenditures for drainage facilities have already been reached and further efforts are precluded unless the original contracts are amended.

Often the full extent of drainage works required for a project can only be determined after water has been delivered to the acreage in question. In the case of the Vernal Unit and the Emery County Project,

investigation indicates that without the additional drainage facilities, the farming operations associated with the projects may fail.

Major provisions

Section 701 authorizes the construction of additional drainage facilities for the Vernal Unit and the Emery County Project and amending of the repayment contracts with repayment based on the ability of irrigation water users to repay, as determined by the Secretary. Such costs as the Secretary may determine are beyond the ability of water users to repay shall be repaid from the Colorado River Storage Project Basin Fund.

TITLE VIII—BELLE FOURCHE DAM REHABILITATION, SOUTH DAKOTA

Background

The Belle Fourche Reclamation project in western South Dakota was an early reclamation development authorized for construction by the Secretary of the Interior in 1904. Construction of the original project was completed in 1914.

The Belle Fourche dam on Owl Creek near the town of Belle Fourche, is an earthfill structure 122 feet high, protected on its upstream slope by precast concrete slabs. The spillway is an uncontrolled concrete overflow section.

The availability of additional hydrologic records since completion of the dam and experience with the spillway have indicated that it is unsafe. Its capacity by modern design standards is only 20 percent of the design flood discharge. Furthermore, extreme wave action during high winds has damaged the embankment of the dam on many occasions. The Bureau of Reclamation has stated that either of these conditions could result in catastrophic failure of the structure with extreme danger to life and property downstream. Two Indian communities and several ranches are endangered by this situation.

Major provisions

Section 801 authorizes the Secretary of the Interior to rehabilitate the spillway and undertake protection of the upstream slope of Belle Fourche Dam.

Section 802 states that the work to be undertaken is for the purpose of the safety of Belle Fourche Dam.

Section 803 authorizes amendment of the repayment contract with the Belle Fourche Irrigation District to provide for the reimbursement at costs associated with the improvement of upstream slope protection equal to the estimated annual operation and maintenance costs savings resulting from such work.

Section 804 authorizes the appropriation of \$3,620,000 for the work to be undertaken.

TITLE IX—GLENDO UNIT, ROAD RECONSTRUCTION, WYOMING

Background

The Glendo Unit of the Pick-Sloan Missouri Basin program was reauthorized for construction in 1954. The road referred to in this title to replace a county road which was inundated by the Glendo Reservoir. Construction of the road relocation was completed by the Bureau of Reclamation in 1958. The county assumed the responsibility for maintenance of the relocated road upon completion of construction.

Since the road has been in service, about 1,000 feet near the left abutment of the Glendo Dam has been affected by slides. Repairs have been required on several occasions. In 1966 and 1967, major work was done by the Bureau at Federal expense with the approval of the Comptroller General.

The Wyoming Highway Department has now proposed a permanent solution to the problem.

Major provisions

Section 901 would authorize the Secretary of the Interior to proceed with the permanent repair of the defective section of the road. It is contemplated that the Secretary would transfer the funds to an appropriate State agency which would carry out the repair.

Section 902 would authorize appropriations in the amount of \$284,000 to fund the repair work. The costs would be treated as project costs of the Glendo Unit and repaid accordingly.

TITLE X—NUECES RIVER PROJECT, TEXAS

Background

The proposed Nueces River Project is located along the Frio River, a tributary of the Nueces River, in southeastern Texas. The project plan includes the proposed Choke Canyon Dam and Reservoir on the Frio River and development at the reservoir for sport fishing and outdoor recreation including land acquisition for the latter purposes.

The principal purpose of the project is municipal and industrial water supply for the "Coastal Bend" area of Texas, primarily the City of Corpus Christi. The reservoir will also provide fish and wildlife conservation and outdoor recreation benefits and some incidental flood control.

The total estimated construction cost of the Nueces River Project is \$64,330,000 (January 1974 prices), of which \$4,596,000 would be deferred costs associated with second stage recreation facilities. The allocation of project costs among the project purposes is as follows:

	Amount	Percent
Municipal and industrial water supply	\$35,959,000	56
Recreation	26,347,000	41
Fish and wildlife conservation	2,024,000	3
Total	64,330,000	100

Annual operation and maintenance costs are estimated to be \$79,700.

The financing program proposed in S. 3513 is an unusual arrangement which has been negotiated with local interests. Prior to the appropriation of any Federal funds, a qualified local entity must agree to advance not less than \$15 million under arrangements approved by the Secretary of the Interior. This amount would be credited against the project repayment obligations. Costs allocated to municipal and industrial water supply would be repaid by water users within 40 years with interest. Costs allocated to fish and wildlife conservation and outdoor recreation would be repaid under the provisions of the Federal Water Projects Recreation Act.

Based upon a 100-year period of analysis and a discount rate of 5.625 percent, the Nueces River Project has a ratio of benefits to costs of 1.48 to 1.00.

Project data

Choke Canyon Dam:	
Type: Rolled earthfill	
Maximum height (feet)-----	116
Crest length (miles)-----	3.5
Choke Canyon Reservoir:	
Capacity (acre-feet):	
Conservation storage-----	677,300
Sediment storage-----	22,700
Subtotal-----	700,000
Surcharge-----	383,000
Total-----	1,083,000
Area (top of conservation pool) (acres)-----	26,000
River length (miles)-----	34
Average water surface fluctuation (feet)-----	8.5
Project land acquisition (acres):	
Dam and reservoir-----	30,500
Recreation taking-----	2,360
Total-----	32,860

Water service—Maximum annual water supply (after year 17). Cost—139,000 acre-feet (\$16.72 per acre-foot; 5.1 cents per 1,000 gal.)

Major provisions

Section 1001 authorizes the Secretary to construct, operate, and maintain the project and describes its purposes.

Section 1002 provides for the repayment of the project water supply costs under conventional reclamation policies.

Section 1003 outlines the terms of the repayment contract to be entered into between the Secretary and the local contracting entity representing the water users.

Section 1004 provides for the repayment of project costs allocated to fish and wildlife conservation and outdoor recreation in conformance with conventional policy.

Section 1005 authorizes an appropriation of \$50 million for the construction of the project with the proviso that local entities must agree to advance not less than \$15 million toward the cost of the project. The section also provides for termination of activities on the project at the request of the local contracting entity. The Committee understands, however, that the contract would not provide a unilateral right of termination to the local entity after Federal funds are expended on the project.

TITLE XI—FRYINGPAN-ARKANSAS PROJECT, COLORADO

Background

The Fryingpan-Arkansas project was authorized by the Act of August 16, 1962 (76 Stat. 389). The project consists of a water collection system in the Colorado River Basin on the west side of the Continental Divide with a diversion tunnel to Turquoise Lake behind Sugar Loaf Dam in the Arkansas River Basin on the east side of the divide. The water is transported via the Mount Elbert Canal to the Mount Elbert Forebay where it enters the intake for the Mount Elbert pumped storage powerplant located on Twin Lakes Reservoir.

From Twin Lakes Reservoir, the water flows through the Otero Canal and powerplant into Clear Creek Reservoir where it is returned to the Arkansas River. Downstream, the Fountain Valley Conduit diverts flows to the City of Colorado Springs and nearby communities and the Arkansas Valley conduit diverts water from below Pueblo Dam and reservoir to serve several communities downstream. The project purposes are municipal and industrial water supply, supplemental irrigation water, flood control, electrical power and recreation and fish and wildlife enhancement. At the time of authorization, the project plan included seven powerplants; the Mount Elbert Plant, the Otero Plant; four additional small plants served by canals flowing from Clear Creek Reservoir, and a powerplant at Pueblo Dam with a total installed capacity for the system estimated at 123,900 kilowatts. It was originally estimated that about 59,000 acre feet of project water would be devoted to supplemental irrigation and about 20,500 acre feet would be for municipal and industrial water supply.

Post authorization studies indicated the advisability of consolidating power production at the Mount Elbert site with provision for a second 100 megawatt pumped storage unit at the Mount Elbert powerplant. Increased needs for municipal and industrial water have also developed.

The Act of August 16, 1962, authorized an amount of \$170 million for the construction of the Fryingpan-Arkansas project based on June 1961 prices. Application of the cost index factor for January 1974, price levels raises the total authorized appropriations to \$342 million. The installation of the second 100 megawatt unit at Mount Elbert and construction of an expanded municipal and industrial water supply system would require an additional increase in the authorization of \$90 million for a total authorized cost of \$432 million. The allocation of project costs affected by Title XI are as follows:

Installation of the second 100 megawatt unit-----	\$28,000,000
Construction of M & I system-----	62,000,000
Total-----	90,000,000

Costs allocated to the municipal and industrial water supply portion of the project are reimbursable with operation and maintenance costs to be assumed by the contracting authority. Operation, maintenance and replacement costs for the second 100 megawatt unit are estimated to be \$323,000 (June 1973 prices).

The original benefit/cost ratio for the project was 1.48 to 1.0. Adding power features alone, the new benefit/cost ratio would be 1.57 1.0. If the expanded municipal and industrial water supply facilities are included, the benefit/cost ratio would be 1.49 to 1.0.

A summary of the physical features related to Title XI is as follows:

Mount Elbert Second Unit:	
Installed capacity-----	100 megawatts.
Rated head-----	390 feet.
Length of penstock-----	3,000 feet.
Penstock diameter-----	15 feet.
Fountain Valley Conduit:	
Trunkline-----	38 miles.
Diameter-----	54 to 33 inches.
Type-----	Pipe.
Capacity-----	36,000 acre-feet.
Laterals-----	10 miles.

Arkansas Valley Conduit:

Trunkline.....	110 miles.
Diameter.....	42 to 21 inches.
Type.....	Pipe.
Capacity.....	18,000 acre-feet.
Laterals.....	108 miles.

Major provisions

Section 1101 amends the Act of August 16, 1962, which authorized the construction of the Fryngpan-Arkansas project to increase the amount of the appropriations authorized by that Act from \$170 million based upon June 1961 price levels to \$432 million based upon January 1974 price levels.

The existing authorized appropriation ceiling, if indexed to January 1974 price levels using applicable construction costs indices, as is authorized by the provisions of the 1962 Act, would result in a ceiling \$342 million. The addition of the authority of \$90 million results in the new total of \$432 million.

Section 1102 provides authority to include a second 100 megawatt unit in the Mount Elbert powerplant.

TITLE XII—SAVAGE RAPIDS FISHWAY, OREGON

Background

Savage Rapids Dam was built in 1921 and included fish passage facilities. However, the facilities have proven to be inadequate. The Rogue River is world reknown for its anadromous fishery resources. The inadequacy of present facilities at the Dam for fish passage has a significant adverse impact on fishery resources. In addition, two Corps of Engineers impoundments are under construction upstream from Savage Rapids Dam which have been designed to conserve and enhance the fishery resources of the river. The improvement of fish passage facilities at Savage Rapids Dam would be complementary to the ongoing Federal investment at the two Corps' projects.

Public Law 92-199 authorized the Bureau of Sport Fisheries and Wildlife and the Bureau of Reclamation to conduct a feasibility study of the problems associated with fish passage at Savage Rapids Dam. The suggested interim fish passage facilities are the result of phase one of the study with phase two of the study to consider a more permanent solution to the problem.

Major provisions

Section 1201 authorizes the Secretary of the Interior to construct the fish passage facilities at the Savage Rapids Dam which were recommended in the joint technical report of the Bureau of Reclamation and Sport Fisheries and Wildlife. Operation and maintenance of the facilities are to be performed by non-Federal agencies.

Section 1202 authorizes an appropriation of \$851,000 to carry out the construction.

TITLE XIII—FEASIBILITY STUDY AUTHORITIES

Background

Section 8 of the Federal Water Project Recreation Act (Public Law 89-72, 79 Stat. 213) provides:

SEC. 8. Effective on and after July 1, 1966, neither the Secretary of the Interior nor any bureau nor any person acting under his authority shall engage in the preparation of any feasibility report under reclamation law with respect to any water resource project unless the preparation of such feasibility report has been specifically authorized by law, any other provision of law to the contrary notwithstanding.

Title XIII authorizes the Secretary of the Interior to engage in feasibility studies of three potential reclamation undertakings as follows:

Water Management Plan—Solano County, California.—This study will result in a total water management plan for Solano County. It will involve analysis and definition of water needs to meeting changing patterns of land use and water requirements for all water resource purposes. All sources of potential water supply, including reclamation of waste water will be considered to meet growing municipal and industrial requirements and to preserve wetlands and other wildlife habitat such as the Suisun Marsh—an important element of the migratory waterfowl flyway in California.

Municipal Water Supply Delivery System, Yuma, Arizona.—This study will investigate a plan for delivering Yuma's contracted water supply from the Colorado River to the City. Salinity intrusion and channel losses make the Colorado River channel unusable as a conveyance for delivering the water to Yuma. Alternative measures that have been studied preliminarily are the use of the Yuma Main Canal on a cooperative basis with the irrigators and the construction of a connecting aqueduct from the All-American Canal to the City.

Apple Creek Project, North Dakota.—This study will examine the potential for irrigation of an area lying southerly from the McCluskey Canal of the Garrison Diversion unit in Burleigh, Emmons and Kidder Counties, North Dakota. There are several hundred thousand acres of land that can be served with relift pumping of varying amounts. The return flows from this development would return to the Missouri River system for subsequent reuse in the United States.

Adequate reconnaissance level studies of these projects have been made and indicate that feasibility investigations are warranted. The total cost of the studies is estimated to be \$1,100,000. The appropriation of funds would be made pursuant to general authority for the investigation program.

Major provisions

Section 1301 provides the authority to engage in the studies named.

V. ESTIMATE OF COSTS

H.R. 15736 as reported by the Committee would authorize the appropriation of the following total amounts:

Title	Description	Appropriations authority	Other costs	Total
I.....	Incorporation of Page, Ariz.....	\$4,000,000	¹ \$8,318,000	\$12,318,000
II.....	Cibola project, Texas.....	24,160,000		24,160,000
III.....	Mountain Park project, Oklahoma.....	6,057,000		6,057,000
IV.....	Casitas Reservoir open space, California.....	10,000,000		10,000,000
V.....	Klamath project, right-of-way, Oregon.....			
VI.....	Solano project recreational facilities, California.....	3,000,000		3,000,000
VII.....	Miscellaneous drainage construction, Utah.....	(²)	2,535,000	2,535,000
VIII.....	Belle Fourche Dam rehabilitation, South Dakota.....	3,620,000		3,620,000
IX.....	Glendo Road relocation Wyoming.....	284,000		284,000
X.....	Nueces River project, Texas.....	50,000,000		50,000,000
XI.....	Fryingpan-Arkansas project, Colorado.....	90,000,000		90,000,000
XII.....	Savage Rapids Fishway, Oregon.....	851,000		851,000
XIII.....	Feasibility study authorities.....	(²)	1,100,000	1,100,000

¹ Represents value of property authorized to be transferred to city of Page, Ariz.

² Appropriations authorized by other legislation.

VI. COMMITTEE RECOMMENDATIONS

The Committee on Interior and Insular Affairs, by unanimous vote of a quorum present at an open markup, recommends that H.R. 15736, as amended, be enacted.

VII. EXECUTIVE COMMUNICATIONS

The formal comments of the executive agencies regarding the Senate bills associated with H.R. 15736 are set forth in full as follows:



United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

JUN 6 - 1974

Dear Mr. Chairman:

This responds to your request for the views of this Department on S. 767 and S. 1261, both bills "To facilitate the incorporation of the reclamation townsite of Page, Arizona, Glen Canyon unit, Colorado River storage project, as a municipality under the laws of the State of Arizona, and for other purposes."

We recommend that the attached substitute bill be enacted in lieu of either S. 767 or S. 1261.

I. BACKGROUND

The Reclamation Townsite of Page, Arizona, was established in late 1958 as a facility of the Glen Canyon Unit of the Colorado River Storage Project. Its basic purpose was to provide essential accommodations and community facilities for workers engaged in the construction, operation, and maintenance of Glen Canyon Dam and Powerplant.

From the very outset, it has been anticipated that the Federal Government would withdraw from the administration of that community as soon as it had attained adequate growth and stability to support status as an incorporated municipality under Arizona law. Page has now reached the point in its development where it can properly assume and maintain the administrative and financial self-sufficiency of a viable independent community. All of the bills under consideration in this report have been designed to effect an orderly transition from Federal administration to self-governed municipal status.

II. S. 767 and S. 1261

Because the two bills are lengthy, complex, and rather similar, we shall concentrate on the provisions of S. 767 in this section of the report, noting major differences between it and S. 1261 where they occur. S. 767 would direct the Secretary of the Interior, upon the incorporation of Page, Arizona, to transfer without cost to that municipality all Federal lands within its boundaries which are not needed for Federal purposes. As other Federal lands and real and personal property in Page were no longer needed they, too, would



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be transferred to the municipality. (S. 1261 lacks a section which would transfer Federal property when no longer needed.) All municipal functions and facilities currently under control of the United States would likewise be transferred. (S. 1261 would specifically transfer certain lands to the appropriate school district; S. 767 has no such provision.) The bill would reserve for the Glen Canyon unit, Colorado River Storage Project, the consumptive use of 6,000 acre-feet of water per year from Lake Powell, of which 5,740 acre-feet would be assigned to Page. The bill states that this reservation is consistent with Navajo Tribal Council resolution CJN-50-69, dated June 3, 1969. (S. 1261 would reserve 3,000 acre-feet per year to the Glen Canyon Unit from Lake Powell and would assign 2,740 acre-feet to Page itself.)

The 2,740 acre-feet assignment of water would be subject to the municipality's entering into a contract satisfactory to the Secretary covering payment for and delivery of such water pursuant to the Colorado River Storage Project Act of June 11, 1956 (70 Stat. 105). Among other things, such a contract would provide that the assignment of water to the municipality would be subject to apportionments of water to the State of Arizona in article III of the Colorado River Compact and article III (a)(1) of the Upper Colorado River Basin Compact. After incorporation of the community, the Secretary would be authorized to complete several tasks, including taking a census of its population and paving certain of its streets. Upon incorporation the Secretary would be authorized to make one lump-sum payment of \$500,000 to the municipality for various purposes and another payment of \$50,000 for improvements to the Page Hospital. (S. 1261 would make a lump-sum payment of \$330,000 to Page; and \$50,000 would go to the hospital.)

Upon the incorporation of Page, the United States would provide no more than 10 Federal employees at any time to assist the municipality in the transition to a self-governing body. The Secretary would be authorized to pay annually to the municipality a sum equal to 150 percent of the taxes that would have been paid on property retained by the United States for administrative purposes had this property been transferred to private ownership. The bill would loan the municipality, from the Upper Colorado River Basin Fund, the amount necessary to purchase the electric distribution facilities in Page. (S. 1261 has no comparable section providing for the transfer of such facilities.) The bill would authorize to be appropriated \$2,000,000 to carry out its purposes. (S. 1261 would authorize \$1,000,000.)

III. The Substitute Bill-Navajo Land Transfer

In this section of the report, we shall highlight the approach to the incorporation of Page which we prefer, as embodied in the attached draft bill. One important feature of this bill is a provision which is not found in either S. 767 or S. 1261. For some time the

Navajo Tribe of Indians has sought restoration to its reservation of an 808-acre tract of land near Page, which was withdrawn for reclamation purposes but is now no longer needed by the United States. In addition, the tribe claims certain water rights which pertain to the 50,000 acre-feet of water per year allocated to the State of Arizona under the Upper Colorado River Basin Compact. In consideration of the Navajos' agreement not to contest the use of 3,000 acre-feet per year, 2,740 of which the substitute bill (and S. 1261) would allocate to Page (see Navajo Tribal Council resolutions CD-108-68 and CJN-50-69, copies of which are enclosed), section 8 of the substitute bill would transfer the tract in question in trust to the tribe.

Section 9 of the substitute bill would direct the Secretary of the Interior to facilitate the Navajo Tribal Council Resolutions mentioned above. (This is in response to the request of the tribe, as set out in resolution CD-108-68.) This Department is in accord with these resolutions, which concern such matters as preferential hiring of Navajos for the Navajo power plant, acquisition of coal used by the plant exclusively from Indian lands, and an annual contribution of \$25,000 to the Navajo Community College in each of five years beginning July 1, 1969. It should be noted, however, that the agency primarily involved in their implementation is the Salt River Project Agricultural Improvement and Power District. It is our understanding that the district has taken actions to comply with those resolutions.

As to one of the terms, however, we must point out that we have no authority. Resolution CD-108-68 provides, inter alia:

"The Secretary of the Interior shall take the necessary action to assure the Navajo Tribe of Indians that if any water is imported into the Upper Colorado River Basin that the Navajo Tribe shall share proportionately in that water, and that the first 34,100 acre-feet of water imported yearly shall be assigned to the Navajo Tribe for its exclusive use and benefit."

Title II, Section 202 of the Colorado River Basin Project Act of September 30, 1968, (82 Stat. 885), provides that ".....satisfaction of the requirements of the Mexican Water Treaty.....shall be the first obligation of any water augmentation project" planned in the Western United States pursuant to that Act. This provision would apply to the importation of water into the Upper Colorado River Basin. Moreover, section 201 of the Act establishes a statutory prohibition on any study of water import into the Colorado River Basin for a period of ten years. Accordingly, the Secretary of the Interior can neither make any guarantees nor take any "necessary action" with respect to possible water import into the Basin or its allocation. For this reason, section 9 of the substitute bill subjects the Secretary's obligation to carry out the Navajo tribal resolutions to the terms of that Act.

We also note with regard to these resolutions that they are unclear as to the precise amount of water use which the Navajos are agreeing not to contest. (See particularly the first "in consideration" paragraph on p. 2 of Resolution CD-108-68.) We believe that the resolutions should be interpreted as committing the Navajos to refraining from contesting the use of 37,100 acre-feet of water allocated to Arizona under the Upper Colorado River Basin Compact.

IV. The Substitute Bill--Other Provisions

In addition to the new sections dealing with the Navajo land transfer, the attached substitute bill differs from S. 767 and S. 1261 in several other ways.

S. 767 (but not S. 1261) contains a provision which would transfer Federal real and personal property to the municipality of Page as such property was no longer needed. We object to this provision, both because "personal property" lacks a precise definition and because we believe that, with few exceptions, after it is incorporated, Page, Arizona, should be dealt with by the Federal Government the same as any other local government entity. Accordingly, we would recommend that the normal surplus property procedures administered by the General Services Administration apply to Page after it is incorporated.

S. 767 lacks a provision which both S. 1261 and the substitute bill contain: this provision (section 3(d) of the substitute bill) would transfer all Federal interest in certain lands to "the appropriate school district." We believe that such a provision is necessary to eliminate certain reversionary clauses applicable to lands which have already been transferred to the local school district. The net result will be to give the school district unencumbered title to these lands.

One of the most important differences between S. 767 and the substitute bill is that the former would reserve 6,000 acre-feet of water per year from Lake Powell to the Glen Canyon unit and 5,740 acre-feet of that amount to Page itself, whereas the substitute bill (as well as S. 1261) would reserve 3,000 and 2,740 acre-feet, respectively. The figure of 2,740 acre-feet is believed to be sufficient to provide water for a total population of 10,000 people (at present the population of Page appears to have peaked at about 9,000). It also constitutes the maximum amount of water which, in light of existing and projected uses, can be allocated to Page from the 50,000 acre-feet Arizona entitlement of Upper Basin water. Any increase would cause water tentatively allocated for Indian community or irrigation use to be reduced proportionately. Finally, the Navajo Tribe has accepted this 2,740 acre-feet figure.

Both S. 1261 and the substitute bill fix the lump-sum payment to the incorporated town of Page at \$330,000. S. 767 fixes this payment at \$500,000. We believe that the lower amount is adequate for the purpose of enabling Page to meet initial costs of municipal services.

In addition to the several items of work which both S. 767 and S. 1261 authorize to be done at Federal expense, we believe that certain work on Hopi Avenue should also be done. Section 5, item 5, of the substitute bill describes this work.

Both S. 767 and S. 1261 contain a provision which requires payments out of the Upper Colorado River Basin Fund in lieu of taxes on property retained for Federal purposes within the municipality in an amount equal to 150 percent of the comparable tax rate on private property. We note that in addition to Federal property under the jurisdiction of the Bureau of Reclamation, the municipality includes Federal property of the National Park Service and the Bureau of Indian Affairs. We see no justification for such payment for any of these properties. A grant of the "in lieu" tax payments is inconsistent with the generally prevailing practice in other areas where Federal installations are situated and could establish an undesirable precedent. Furthermore, Bureau of Reclamation activities will for all practical purposes be removed from the municipal area and conducted from the Glen Canyon Dam headquarters. In addition to requiring such "in lieu" payments, both bills prohibit use of the Fund subsequent to incorporation for purposes other than those specifically identified. We believe, however, that it is appropriate to use monies in the Fund for all of the purposes of the Act. (This would be consistent with treatment accorded in the Coulee Dam Community Act of August 30, 1957 (71 Stat. 524) and the Boulder City Act of September 2, 1958 (72 Stat. 1716)). Section 10 of the substitute bill would permit the fund to "be utilized as appropriate for carrying out the provisions of this Act." Moreover, that section authorizes total expenditures of \$1,500,000 to be made from the Fund, rather than the \$2,000,000 which S. 767 would make available from the Treasury. We consider the lower figure to be adequate.

Unlike both S. 767 and S. 1261, the substitute bill contains no section which would direct the Secretary to increase charges for municipal services furnished to Page in the event that incorporation does not occur by December 31, 1974. We believe that such a requirement is impractical and unwise because of the possibility of delays in incorporation which may result from any number of unforeseen causes. Plans for gradual increases in such charges without imposing an unrealistic burden on the community have been developed by the Bureau of Reclamation and will be implemented to encourage reasonable progress toward local self-sufficiency.

Finally, the substitute bill does not contain a provision found in S. 767 (but not S. 1261) which would appropriate from the Fund the amount necessary to enable the municipality to acquire the electric distribution facilities in Page, Arizona, with the municipality repaying this amount in 20 annual installments at the lowest available


simple interest rate. On the contrary, section 3(f) of the substitute bill establishes a basis for the municipality's acquiring such facilities by providing, inter alia, for assignment of the contract between the United States and the electric utility to Page upon its request. The municipality could then exercise an option in this contract to purchase the facilities. Should this option prove desirable to the municipality, issuance of municipal bonds would be one possible method of financing the acquisition of the facilities.

V. Conclusion

The proposal embodied in the attached substitute bill has been the subject of numerous developmental discussions among the Page Advisory Council and other residents of the community, representatives of the Bureau of Reclamation, and members of my staff. Those discussions have indicated that the community's residents and leaders favor incorporation of Page. We enclose the report of the Bureau of Reclamation which discusses the proposal in detail. We believe it offers the most practical, equitable, and mutually beneficial means of providing Page with autonomy and self-sufficiency. Therefore, we recommend its enactment in lieu of either S. 767 or S. 1261.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program nor to the enactment of the proposed substitute bill.

Sincerely yours,


Assistant Secretary of the Interior

Honorable Henry M. Jackson
Chairman, Committee on Interior
and Insular Affairs
United States Senate
Washington, D. C. 20510

Enclosures

A B I L L

To facilitate the incorporation of the Reclamation Townsite of Page, Arizona, Glen Canyon Unit, Colorado River Storage Project, as a municipality under the laws of the State of Arizona.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the purpose of this Act to facilitate the orderly transition of that unincorporated area in Conconino County, in the State of Arizona, commonly known as Page, Arizona, now a part of the Glen Canyon Unit of the Colorado River Storage Project, from the status of a federally operated facility to that of a self-governing municipal corporation under the laws of the State of Arizona, and to otherwise facilitate the establishment and operation of said municipal corporation consistent with the Government's continuing responsibility for the Glen Canyon Unit.

SEC. 2. The following definitions shall apply to terms used in this Act:

(a) The area referred to herein as Page, Arizona, includes the following described land:

Page Townsite, Arizona

Gila and Salt River Meridian, Arizona

	<u>Acres</u>
T. 40 N., R. 8 E.,	
Sec. 1 - All	638.94
Sec. 2 - E1/2SW1/4, SE1/4	240.00
Sec. 11 - E1/2	320.00
Sec. 12 - All	639.68
T. 41 N., R. 8 E.,	
Sec. 25 - S1/2SW1/4SE1/4, SE1/4SE1/4	60.00
Sec. 36 - E1/2, S1/2NE1/4NW1/4, E1/2SW1/4NW1/4, NE1/4SW1/4, E1/2NW1/4SW1/4, S1/2SW1/4, SE1/4/NW1/4	540.00
T. 40 N., R. 9 E.,	
Sec. 4 - All	639.48
Sec. 5 - All	639.84
Sec. 6 - All	622.74
Sec. 7 - All	623.68
Sec. 8 - All	640.00
Sec. 9 - All	640.00
T. 41 N., R. 9 E.,	
Sec. 19 - E1/2SW1/4, SE1/4	240.00
Sec. 20 - S1/2	320.00
Sec. 21 - W1/2SW1/4, W1/2SE1/4SW1/4, SE1/4SE1/4SW1/4, SW1/4SW1/4SE1/4	120.00
Sec. 28 - W1/2NE1/4, NW1/4SE1/4NE1/4, S1/2SE1/4NE1/4, W1/2, SE1/4	590.00
Sec. 29 - All	640.00
Sec. 30 - All	641.20
Sec. 31 - All	642.00
Sec. 32 - All	640.00
Sec. 33 - All	640.00
TOTAL	10,717.56

The boundary of Page, Arizona, is shown on the attached drawing No. 557-431-83, "Page, Arizona, Townsite Boundary".

(b) The term "municipality" shall mean Page, Arizona, after its incorporation as a municipality under the laws of the State of Arizona.

(c) The term "Secretary" shall mean the Secretary of the Interior.

(d) The term "municipal facilities" shall mean certain land, and the improvements thereon in Page, Arizona, such as hospital, police and fire protection systems, sewage and refuse disposal plants, water treatment and distribution facilities, streets and roads, parks, playgrounds, airport, cemetery, municipal government buildings, and other properties suitable or usable for local municipal purposes, including any fixtures, equipment, or other property appropriate to the operation, maintenance, replacement, or repairs of the foregoing, which are owned by the United States and under the jurisdiction of the Department of the Interior, Bureau of Reclamation, on the date of incorporation of Page, Arizona.

SEC. 3. Upon incorporation of Page, Arizona, as a municipality under the statutes of the State of Arizona, the Secretary shall:

(a) Transfer to the municipality without cost, subject to any existing leases granted by the United States, all right, title, and interest of the United States to such improved or unimproved lands within Page, Arizona, as the Secretary determines are not required in the administration,

operation, and maintenance of Federal activities within or near Page, Arizona, and can properly be included within the municipality under the laws of the State of Arizona, except the land to be transferred pursuant to subsection (d) hereof, and to assign to the municipality without cost any leases granted by the United States on such land.

(b) Transfer to the municipality without cost all rights, title, and interest of the United States in and to any land, and the improvements thereon, which may be contained in any reversionary clause of any dedication deed for land in Page, Arizona, issued by the United States.

(c) Transfer all activities and functions of a municipal character being performed by the United States to the municipality subject to the provisions of sections 4 and 7 of this Act.

(d) Transfer to the appropriate school district without cost all right, title, and interest of the United States to the land in Block 14-A and Lot 1, Block 16, as shown on United States Department of the Interior, Bureau of Reclamation drawing No. 557-431-87, April 29, 1971, together with improvements thereon owned by the United States at the date of such transfer.

(e) Transfer to the municipality without cost the municipal facilities, as defined in subsection 2(d) of this Act, except as provided under subsection 4(b).

(f) Assign to the municipality without cost those contracts to which the United States is a party, and which pertain to activities

or functions to be transferred under subsection (c) of this section and are properly assignable. This shall include contracts for furnishing water outside the boundaries of Page, Arizona, utilizing the municipal system: Provided, That the contract which the United States has executed with a private utility for furnishing and distributing electrical energy to the municipality shall be assigned to the municipality upon its request: And Provided further, That in the assignment of the contract for the operation of the Page Hospital the \$50,000 operating fund under said contract shall be transferred to the municipality for the same purpose as a part of the assignment of said contract.

SEC. 4. There is hereby reserved for the Glen Canyon Unit, Colorado River Storage Project, the perpetual consumptive use of up to 3,000 acre-feet of water per year from Lake Powell, of which 2,740 acre-feet are for the city of Page, Arizona, consistent with the Navajo Council Resolution No. CJN-50-69, dated June 3, 1969: Provided, That upon incorporation the municipality shall enter into a contract satisfactory to the Secretary covering payment for and delivery of such water pursuant to the Act of April 11, 1956 (70 Stat. 105), which contract shall, among other things, provide that:

(a) The reservation and assignment of the consumptive use of water from Lake Powell under this section is an apportionment of consumptive use of water to the State of Arizona in Article III of the Colorado River Compact and Article III(a)(1) of the Upper Colorado River Basin Compact.

(b) Title to the water supply pumping and conveyance system within Glen Canyon Dam and Powerplant, as necessary to supply water to the municipality for culinary, industrial, and municipal purposes, shall be retained by the United States until the Congress otherwise provides.

(c) Such retained facilities shall be operated and maintained by the Secretary at the expense of the United States during the first five years immediately following the date of incorporation. Not to exceed 2,740 acre-feet of water per annum, or 3,000,000 gallons of water in any 24-hour period, will be pumped by the United States from Lake Powell to the water treatment plant, or to such intermediate points of delivery as shall be mutually agreed upon by the municipality and the United States for use by the municipality.

(d) Beginning with the sixth year following the date of incorporation and continuing through the tenth year, the municipality shall in each year pay to the United States proportionately increasing increments of the annual costs, including depreciation of the pumping equipment, involved in item (b) above, with the objective that following the close of said tenth year the municipality shall thereafter bear such costs in total according to the following schedule:

<u>Year Following Incorporation</u>	<u>Percentage of Cost to Paid to the United States Each Year by the Municipality</u>
6th	20%
7th	40%
8th	60%
9th	80%
10th	80%
Thereafter	100%

(e) Upon incorporation and at all times thereafter, the municipality shall bear all costs for operation, maintenance, and replacement of the municipal water system beyond Glen Canyon Dam and Powerplant, including but not limited to filtration, treatment, and distribution of water supplied pursuant to the water service contract with the United States.

SEC. 5. Upon incorporation of the community, there is hereby authorized for expenditure from the Upper Colorado River Basin Fund an amount necessary to complete all or any part of the following work which has not been completed at the date of incorporation:

Repair existing 12-inch water supply line, if inspection determines this is necessary.

Paint interior of water storage reservoir.

Seal coat paved streets in municipality.

Install water sprinkler system in Page cemetery.

Improve streets, install curbs, gutters, and sidewalks as follows:

1. North Navajo Drive

(a) Pave streets to 70-foot width from 9th Avenue to relocated intersection of Aero Avenue and 61-foot width from Aero Avenue to 10th Avenue.

(b) Place curb, gutter, and sidewalk on east side of North Navajo Drive from Aero Avenue to 10th Avenue.

2. Aero Avenue from North Navajo Drive to Future Street

- (a) Widen existing 30-foot paved width to 70-foot paved width.
 (b) Place curb, gutter, and sidewalk on both sides of street.

3. Tenth Avenue from Future Street to Sandstone Street

- (a) Construct new pavement on north half of street and overlay south half of street.
 (b) Place curb and gutter only on north side of street.

4. Future Street--Approximately 2,150 feet beginning at 10th Avenue and bordering east side of Block 101 as shown on Page townsite and Block plats.

- (a) Pave street to 52-foot width.
 (b) Place curb, gutter, and sidewalk on west side of street and curb and gutter only on east side of street.

5. Hopi Avenue from Oak Avenue to west boundary of Block 101

- (a) Pave street to 42-foot width.
 (b) Place curb, gutter, and sidewalk on north side but curb and gutter only on south side.

Take census of population of Page, Arizona, within one year following incorporation: Provided, funds for this purpose may be expended by the Secretary in the performance of this work, or may be transferred to the municipality for this purpose.

SEC. 6. Upon incorporation, the Secretary is authorized:

- (a) To make a lump-sum payment in the amount of \$330,000 from

(b) Place curb, gutter, and sidewalk on east side of North Navajo Drive from Aero Avenue to 10th Avenue. From the Upper Colorado River Basin Fund to the municipality as assistance to the municipality in meeting the expenses of police and fire protection facilities and services, sewerage system, refuse disposal, electrical distribution system, water treatment and distribution, street and roads, library, parks, playgrounds and other recreational facilities, municipal government buildings, and other properties and services required for municipal purposes.

(b) To make a lump-sum payment in the amount of \$50,000 from the Upper Colorado River Basin Fund to the municipality for use in performing improvements to the Page Hospital.

SEC. 7. Upon incorporation, the United States will provide to the municipality, upon its request, the services of available Federal personnel while they are employed by the United States in the operation and maintenance of the Glen Canyon Unit of the Colorado River Storage Project to assist in the transition from a federally administered community to a self-governing municipal corporation: Provided, That such assistance shall be for a maximum of six months following the date of incorporation: And Provided further, That the total number of such employees shall be limited to ten at any time.

SEC. 8. The Secretary of the Interior is authorized to transfer to the United States to be held in trust for the Navajo Tribe all right, title, and interest to a tract of land situated within the Southeast Quarter of the Southeast Quarter (SE $\frac{1}{4}$ SE $\frac{1}{4}$), Section 8, the Southwest Quarter (SW $\frac{1}{4}$), Section 9, Section 16, the East Half of the Northeast Quarter (E $\frac{1}{2}$ NE $\frac{1}{4}$), Section 17, Section 21, and the Northeast Quarter of the Northeast

Quarter (NE¹/₄NE¹/₄), Section 28, all in Township 41 North, Range 9 East, Gila and Salt River Meridian, Coconino County, Arizona, and containing 808 acres, more or less, of which the particular description and drawing (No. 557-431-38 "Navajo Tribe -- Antelope Creek Recreation Development Area Survey Traverse" dated May 22, 1969) are on file and available for public inspection in the office of the Bureau of Reclamation, Department of the Interior. The transfer of title to such land is made in consideration of Navajo Council Resolution No. CJN-50-69 dated June 3, 1969, and with the understanding that the land so transferred shall thereafter constitute a part of the Navajo Reservation and shall be subject to all laws and regulations applicable to that reservation.

SEC. 9. The Congress hereby directs the Secretary of the Interior to facilitate the effectuation of Navajo Tribal Council Resolutions CD-108-68 and CJN-50-69, subject to the provisions of P.L. 90-537.

SEC. 10. The Upper Colorado River Basin Fund established pursuant to section 5 of the Act of April 11, 1956 (70 Stat. 105), shall be utilized as appropriate for carrying out the provisions of this Act: Provided, That the total expenditures from the Fund shall not exceed \$1,500,000. Payments made under the provisions of section 5 and section 6 will be made from revenues accruing to the Storage Project under the Basin Fund. The total expenditures for carrying out the purposes of this Act shall not be in excess of \$1,500,000 or such additional amount as may be justified by reason of ordinary fluctuations in costs associated therewith as indicated by cost indexes applicable to the work or operation involved.

RESOLUTION OF THE
NAVAJO TRIBAL COUNCIL

Approving the Use of 3,000 Acre-Feet of Water from the 50,000 Acre-Feet of Water Per Year Allocated to the State of Arizona Under Article III(a) of the Upper Colorado River Basin Compact to be Used for Recreation and by the City of Page, Arizona

WHEREAS:

1. The Navajo Tribe, by Resolution CD-108-68, approved the use of 34,100 acre-feet of water from the 50,000 acre-feet of water per year allocated to the State of Arizona under Article III(a) of the Upper Colorado River Basin Compact in a coal fuel power plant to be located on the Reservation, and
2. It was the intent and understanding of CD-108-68 to preserve all present or prospective water rights of the Navajo Tribe, and
3. Said action was taken by the Tribe in consideration of the Secretary of the Interior executing a contract between the United States and the Salt River Project Agricultural Improvement and Power District, and
4. A bill has been submitted to the United States Congress, providing for the transfer to the Navajo Tribe of the following lands:

"That portion of Sections 8, 9, 16, 17, and 21, T. 41 N., R. 9 E., Gila and Salt River Meridian, Arizona, located above elevation 3,720 feet above mean sea level (U.S. Coast Geodetic Coast Survey Datum) and lying southerly and easterly of the Colorado River, containing approximately 750 acres, more or less, and more particularly described on maps and plats on file in the Department of Interior," and
5. The bill referred to stipulates that the transfer of title of the lands described in Paragraph 3 above shall not be made until the Navajo Tribe makes a commitment by a formal resolution of its governing body, and
6. The Navajo Tribe is desirous of receiving said transfer and is willing to make the commitment herein contained, provided, the conditions specified in the Tribe's Resolution CD-108-68 are met.

NOW THEREFORE BE IT RESOLVED THAT:

1. In consideration for the transfer of title to the lands described in Whereas Paragraph 3 above, the Tribe agrees that of the 50,000 acre-feet per year allocated to the State of Arizona, pursuant to Article III(a) of the Upper Colorado River Basin Compact, 34,100 acre-feet shall be used for a coal-fired power plant to be located on the Navajo Reservation for the life time of the proposed power plant or for 50 years, whichever occurs first, and an estimated 3,000 acre-feet per year that may be used for the Glen Canyon Unit of the Colorado River Storage Project along with its associated community and recreation developments in Arizona.

2. The terms of Resolved Paragraph 1 and the terms of Resolution CD-108-68 constitute an agreement of the Navajo Tribe with regard to the 50,000 acre-feet of water per year and does not constitute a waiver or relinquishment of the present or prospective water rights of the Navajo Tribe and that resolution is hereby amended by adding this paragraph to the same as a part thereof.

3. The terms of this resolution shall not become effective until such time as the terms and conditions of Resolution CD-108-68 has been fully complied with, and the bill referred to has been duly enacted by the House and the Senate of the United States Congress, and signed into law by the President of the United States.

4. The active support of the Salt River Project for the development of the south shore of Lake Powell is hereby requested and enlisted.

CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by the Navajo Tribal Council at a duly called meeting at Window Rock, Navajo Nation (Arizona), at which a quorum was present and that same was passed by a vote of 46 in favor and 0 opposed, this 3rd day of June, 1969.

Nelson Damon
Nelson Damon
 Vice Chairman
 Navajo Tribal Council

CD-108-68

RESOLUTION OF THE NAVAJO TRIBAL COUNCIL

Approving the Allocation of 34,100 Acre-Feet of Water From the Upper Colorado River Basin and Promising to Limit the Navajo Tribe's Claim for Water from the Upper Colorado River Basin to 50,000 Acre-Feet Per Year

WHEREAS:

1. The Navajo Tribe, by Resolution CJY-95-66, supported the construction of a large coal-fuel power plant on the Navajo Reservation near Page, Arizona, and
2. By Resolution CJY-95-66, the Navajo Tribe requested that the Secretary of the Interior take all necessary steps, advisable and incidental, to affirm the right of the Navajo Tribe to 50,000 acre-feet of water allocated to the State of Arizona under the Upper Colorado River Basin Compact, and
3. Resolution CJY-95-66 supported the proposal that a portion of the 50,000 acre-feet of water, allocated by the Upper Colorado River Basin Compact, be used for a power plant located on the Navajo Reservation near Page, Arizona, and
4. The Salt River Project Agricultural Improvement and Power District has proposed to locate a coal-fuel power plant on the Navajo Reservation near Page, Arizona, and to operate said power plant for at least 35 years, and
5. Because the establishment of such a coal-fuel power plant requires the investment of many million dollars, the Salt River Project Agricultural Improvement and Power District needs to be assured of sufficient water to operate said power plant in the amount of 34,100 acre-feet of water per year before making such an investment, and
6. Because the 34,100 acre-feet of water per year must come from the 50,000 acre-feet of water allocated to the State of Arizona by the terms of the Upper Colorado River Basin Compact, the Salt River Project Agricultural Improvement and Power District must be assured that the Navajo Tribe will not assert, for the lifetime of the proposed coal-fuel power plant, or for the next 50 years, or whichever occurs first, claims for water in excess of 50,000 acre-feet per year, and
7. The present water used in the Western Navajo Reservation is estimated to be 13,300 acre-feet per year, and

8. The best estimates of the Bureau of Reclamation and the Resources Division of the Navajo Tribe is that during the foreseeable future the yearly usage of water on the Navajo Reservation will never exceed 17,000 acre-feet per year, and

9. The establishment of the coal-fuel power plant on the Navajo Reservation near Page, Arizona, will provide a market for large amounts of Navajo coal from Black Mesa; and will provide a market for construction material available from the Reservation; and will provide employment opportunities for Navajos; and will provide additional source of electrical power needs for municipal, industrial and domestic developments on the Navajo Reservation, and

10. Because this proposed coal-fuel power plant on the Navajo Reservation near Page, Arizona, at the present time, appears to be the best use of the water of the Upper Colorado River Basin, it appears that approval of this resolution is in the best interest of the Navajo people.

NOW THEREFORE BE IT RESOLVED THAT:

1. In consideration of the Secretary of the Interior executing a contract between the United States and Salt River Project Agricultural Improvement and Power District, operator of the coal-fuel power plant, committing the use of approximately 34,100 acre-feet of water per year for the power plant to be located on the Navajo Reservation near Page, Arizona, the Navajo Tribe of Indians agrees that they will not make demands upon the 50,000 acre-feet of water per year allocated to the State of Arizona, pursuant to the Upper Colorado River Basin Compact, in excess of 50,000 acre-feet of water per year, of which 34,100 acre-feet of water per year shall be used by the coal-fuel power plant to be located on the Navajo Reservation near Page, Arizona.

2. In consideration of the foregoing promise, as stated in Resolved Clause 1 of this resolution, the Secretary of the Interior, his agents and officers and the Salt River Project Agricultural Improvement and Power District, and its agents, officers and assignees, make the following promises to the Navajo Tribe:

- A. The Salt River Project Agricultural Improvement and Power District promises to give job preference to all resident Navajos for any position within the power plant or the mine from which the coal is brought for use in the coal-fuel power plant and in any and all facilities related to the production of power by the proposed coal-fuel power plant.
- B. The Salt River Project Agricultural Improvement and Power District promises, except during interruptions and curtailment of delivery, that all coal used in the coal-fuel power plant located on the Navajo Reservation

near Page, Arizona, shall be purchased from the Black Mesa mines or mines located on Indian lands.

- C. The Salt River Project Agricultural Improvement and Power District promises that it shall lease lands from the Navajo Tribe and locate the coal-fuel power plant on said lands. The terms and conditions of the lease to be determined at a later date, and approved by the Advisory Committee of the Navajo Tribal Council. If such a lease is not executed within the next 12 months, this resolution may be rescinded at the election of the Navajo Tribe of Indians.
 - D. The Salt River Project Agricultural Improvement and Power District shall enter into an agreement with the Navajo Tribe of Indians to provide electrical power to Navajo Tribal Utility Authority to be used on or near the Navajo Reservation. The terms and conditions of this agreement shall be approved by the Advisory Committee of the Navajo Tribal Council. If such an agreement is not reached by the time water is to be used to operate the proposed power plant, this resolution may be rescinded at the election of the Navajo Tribe of Indians.
 - E. The Secretary of the Interior shall take the necessary action to assure the Navajo Tribe of Indians that if any water is imported into the Upper Colorado River Basin that the Navajo Tribe shall share proportionately in that water, and that the first 34,100 acre-feet of water imported yearly shall be assigned to the Navajo Tribe for its exclusive use and benefit.
 - F. The Salt River Project Agricultural Improvement and Power District and others shall contribute to the Navajo Tribe of Indians, on or before July 1st of each year, for the purpose of developing and assisting the Navaho Community College, \$25,000.00 in money for five years, beginning July 1, 1969, for the purpose of establishing a professorial chair at the Navaho Community College.
3. It shall be understood that the Navajo Tribe's promise to limit its claim to 50,000 acre-feet of water per year shall only be for the term of the lifetime of the proposed power plant, or for 50 years, whichever shall occur first, commencing with the date of enactment of this resolution and that this promise shall not be binding on the Navajo Tribe if the first unit of the proposed coal-fuel power plant is not in operation by December 31, 1976.
4. It shall be further understood that the promise made by the Navajo Tribe, pursuant to this resolution, shall only be binding if the promises made by the Secretary of the Interior and the Salt River Project Agricultural Improvement

and Power District, pursuant to this resolution, shall be kept by them.

5. The Navajo Tribe shall have the exclusive right to waive or enforce all conditions of this resolution. A waiver by the Navajo Tribe of any condition or promise made to the Navajo Tribe, pursuant to this resolution, shall not be deemed to be waiver of any future or past forfeitures.

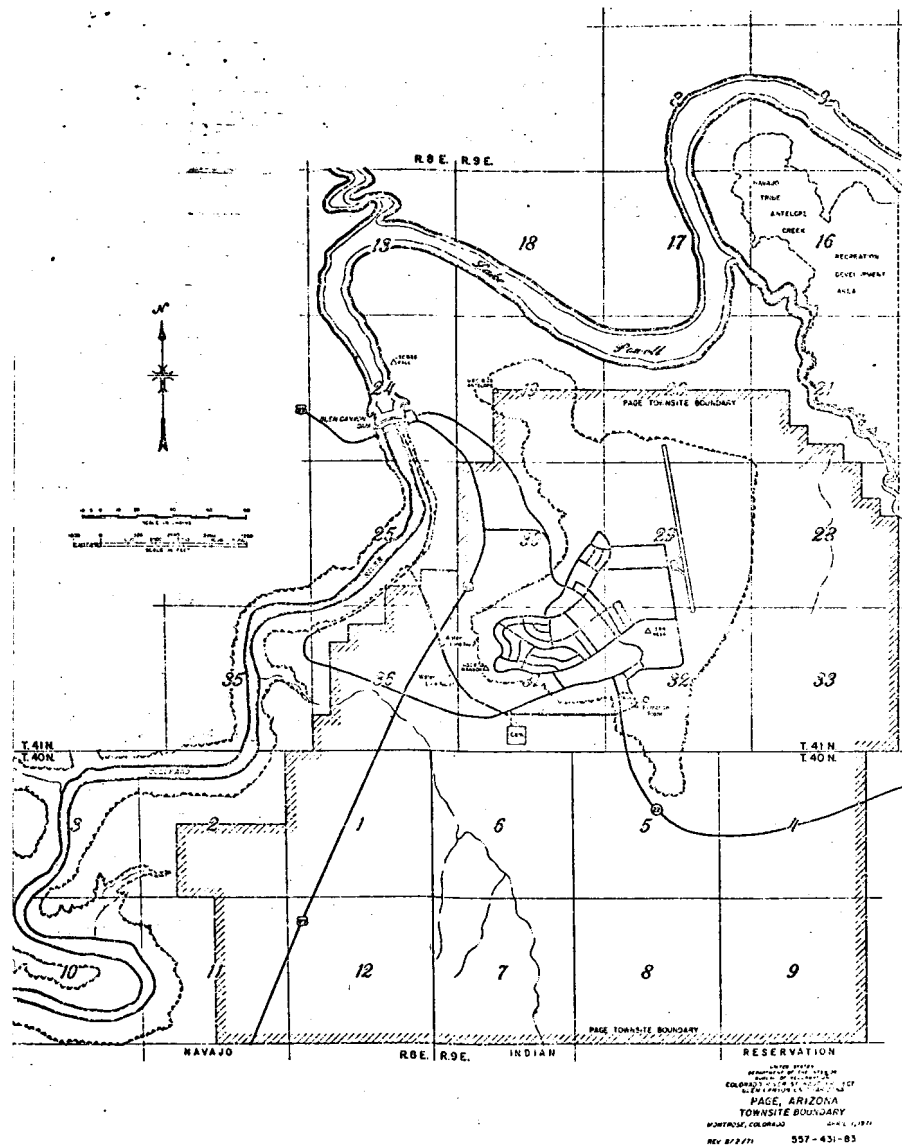
6. If, for any reason, this resolution is terminated or expires by reason of the terms and conditions contained in this resolution, the Secretary of the Interior shall take the necessary action to have the 34,100 acre-feet of water per year, allocated to the coal-fuel power plant on the Navajo Reservation near Page, Arizona, returned to the Navajo Tribe for their exclusive use and benefit.

7. The Chairman of the Navajo Tribal Council is hereby authorized and directed to take whatever steps he deems necessary and appropriate to place this resolution into effect.

CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by the Navajo Tribal Council at a duly called meeting at Window Rock, Arizona, at which a quorum was present and that same was passed by a vote of 57 in favor and 3 opposed, this 11th day of December, 1968.

Nelson Cannon
Nelson Cannon
 Vice Chairman
 Navajo Tribal Council



Bureau of Reclamation Report on
Legislative Proposal to Facilitate
the Incorporation of Page, Arizona

The legislative proposal will facilitate the orderly transition of the Reclamation townsite of Page, Arizona, from Federal administration to self-government through incorporation under Arizona law and eliminate, as soon as practicable, obligations against the Upper Colorado River Basin Fund of the Colorado River Storage Project for Federal administration of this community area. It is generally consistent with precedents established by the Coulee Dam Community Act of August 30, 1957 (71 Stat. 574), and the Boulder City Act of September 2, 1958 (72 Stat. 1728). Those acts enabled the Reclamation townsites of Coulee Dam, Washington, and Boulder City, Nevada, to become incorporated municipalities under applicable State laws.

Sectional Synopsis of the Proposal

Section 1 of the proposal sets forth the purpose of the bill which is to facilitate the orderly transition of Page from the status of a federally operated facility to that of a self-governing municipal corporation under the laws of the State of Arizona.

Section 2 gives the definitions of terms used in the proposal.

Section 3 provides for the Secretary of the Interior to transfer without cost to Page, Arizona, upon incorporation, all improved and unimproved lands within Page owned by the United States, which are not required in the administration of Federal activities; the transfer of municipal facilities; and the assignment without cost of any leases granted by the United States on such land.

It also provides that the Secretary of the Interior shall transfer to the appropriate school district the land in Block 14-A and Lot 1, Block 16.

It provides for the assignment without cost of contracts to which the United States is a party, including contracts for furnishing water outside the boundaries of Page through the municipal system; and, at the option of the municipality, the contract for furnishing and distributing electrical energy to the municipality.

Section 3(f) establishes the basis for possible acquisition of the electric distribution facilities in Page by the municipality. The present contract between the United States and the Arizona Public Service Company contains an option to purchase clause. It is intended that the contract would be assigned if the incorporated municipality so desires. The municipality could then, in its discretion, exercise the option to purchase when it becomes effective at the termination of

the contract term. The earliest date on which the option could be exercised is August 1, 1974, or at intervals of one year thereafter for not to exceed two years under provisions for contract extension. Should the option be thus exercised, the municipality could probably finance the purchase through municipal bonding. Recent discussions among our field personnel, members of the Page Advisory Council, and representatives of the Arizona Public Service Company have indicated that the estimated present depreciated value of the facilities that would be involved in such a purchase is approximately \$1,500,000 - \$2,000,000

Section 4 reserves 3,000 acre-feet of water per year from Lake Powell for the Glen Canyon Unit, Colorado River Storage Project and allocates 2,740 acre-feet thereof for the municipality's consumptive use. It also provides that the United States will pump the water from the point of withdrawal from Lake Powell to the point of connection with city facilities at no cost for the first 5 years after incorporation. After the first 5 years, the city would be required to pay to the United States proportionately increasing increments of the annual costs of such pumping with the objective that following the 10th year the city would bear the costs in total.

Section 5 authorizes the Secretary of the Interior to complete certain specified streets in the platted area of the city. Other improvements are also provided in this section, such as repair of 12-inch waterline if required, a sprinkler system to the cemetery.

Section 6 authorizes a lump-sum payment to the municipality to assure availability of funds for essential municipal expenses during the initial years following incorporation.

It also provides for a lump-sum payment to the municipality for necessary improvements to the local hospital.

Section 7 authorizes the utilization by the municipality of a minimum number of experienced Federal employees to assist in the initial transition.

Section 8 authorizes the Secretary to transfer to the United States to be held in trust for the Navajo Tribe title to a tract of undeveloped land containing about 808 acres which was transferred to the United States under P.L. 85-868 as a part of the land required for the Glen Canyon Unit of the Colorado River Storage Project, which is no longer needed for that purpose. The Tribe, in turn, agrees to subordinate its uses to 3,000 acre-feet of water per year for the Glen Canyon Unit of the Colorado River Storage Project along with its associated community and recreational development in Arizona.

Section 9 directs the Secretary to facilitate the effectuation of Navajo Tribal Resolutions CD-108-68 and CJN-50-69, subject to the provisions of P.L. 90-537. These two resolutions deal with the use of the 50,000 acre-feet of water allocated to Arizona under the Upper Colorado River Basin Compact for the Navajo generating station and the Glen Canyon Unit and the terms under which the Tribe subordinates its uses of such water.

Section 10 authorizes utilization of the Upper Colorado River Basin Fund to carry out the provisions of the Act.

Section 11 authorizes the Secretary of the Interior to delegate authority to carry out the proposed act and to perform such acts as are necessary to carry out its provisions.

Section 12 terminates all authority of the Secretary of the Interior under the proposed Act 5 years following its enactment unless incorporation of Page shall have previously been achieved.

Section 13 establishes the short title of the Act.

Background

Construction of the Reclamation townsite of Page, Arizona, began in late 1958 under authority of section 2(a) of the Act of September 2, 1958 (72 Stat. 1686). It was established to provide accommodations and community facilities of Government and contractors' employees engaged in the construction, operation, and maintenance of Glen Canyon Dam and Powerplant. Population reached 6,100 in November 1962. With the completion of construction, the population declined to 1,280 in December 1967. However, since that time, accelerated development of the recreational potential, as well as the power and fuel resources of the area, has stimulated a resurgence in the population to where it now stands at 9,000.

With the continuing impetus of construction activities associated with the Navajo Powerplant and related facilities, it is quite likely that the population will continue at seven to eight thousand during the next few years. Thereafter, it will probably decline somewhat. However, it will probably stabilize at around 5,000. Changes thereafter will, in all likelihood, be those resulting from recreation and retirement oriented interest in the community and normal growth.

Looking to such community development, section 4 of the proposed legislation provides an allocation of 2,740 acre-feet of water annually for Page. This amount, based on estimated consumption, is expected to be sufficient for the needs of a population of 10,000-15,000 people. Accordingly, the availability of an adequate municipal water supply should pose no problem for some time to come. Extensive investigations have been made to determine if a higher allocation is possible. It became apparent, however, that under present compacts and other allocations of Colorado River water, no increase is feasible. This finding, of course, does not preclude the possibility of expedients such as recycling waste water and returning it to the river for credit which in turn could be applied against some increase in the basic allocation.

It should also be noted, with regard to the water supply, that the legislative proposal would provide for the United States to pump water from the point of withdrawal from Lake Powell to the point of connection with city facilities at no cost to the municipality for the first 5 years following incorporation. Thereafter, the municipality would assume increasingly greater amount of such costs during the next 5 years, with the objective of completely eliminating all Federal financing for such purposes after the 10th year. The estimated costs to the Government of such assistance are shown on the following tabulation;

ESTIMATED COST OF PUMPING WATER
UNDER SECTIONS 4(b) & 4(e)
PAGE INCORPORATION LEGISLATION

<u>Assuming Incorp. Early in 1973</u>	<u>Est. Cost</u>	<u>Est. Population</u>
1st Year from date of Incorp.	\$32,000	7,000 - 8,000
2nd Year	32,000	7,000 - 8,000
3rd Year	27,000	6,000 - 7,000
4th Year	22,000	5,000 - 6,000
5th Year	20,000	4,000 - 5,000
6th Year	16,000 80% of Est. Cost	" "
7th Year	12,000 60% of Est. Cost	" "
8th Year	8,000 40% of Est. Cost	" "
9th Year	4,000 20% of Est. Cost	" "
10th Year	4,000 20% of Est. Cost	" "
Thereafter	-0-	4,000 - 5,000
TOTAL	\$177,000	

Section 5(a) of the proposed legislation enumerates certain street and water system improvements and some miscellaneous work items that are to be completed at the expense of the United States. Looking especially to the street improvements work, completion of this work at United States expense is believed justified inasmuch as in some cases the adjoining land has been sold at appraised values established with the expectation that such streets, sidewalks, curbs, gutters, etc., would be installed by the Government, and the completion of this work is essential to a practical and workable street system in the community. The total estimated cost of the various work items enumerated under section 5 is approximately \$618,000. It is entirely possible, however, that this total figure may be significantly reduced by the time the municipality achieves incorporated status. This anticipated reduction will result from the fact that the work contemplated is being budgeted for completion as rapidly as possible during the current fiscal year. Uncompleted work will be carried forward in our budgeted work as funds permit.

Section 6 of the proposed bill is designed to insure that Page has the financial ability to effectively carry out essential municipal functions during the initial years of its independent existence. Under this section, two lump-sum payments are contemplated. The first, in the amount of \$330,000, is for general municipal functions. The second, in the amount of \$50,000 is an improvement fund for the local hospital.

Studies of the proposed incorporation justify such early years financial assistance. A study completed in December of 1967, under contract between the United States and the Arizona State University by Mr. Samuel E. Vickers, Director of the University Center for Urban Studies, demonstrated that the community could and should become incorporated under Arizona law at the earliest opportunity. Mr. Vickers reviewed his estimates of revenues, expenditures, and other findings and recommendations, and updated them in March 1972 on a basis of 4,500-5,000 populations. The economic analysis of anticipated revenues and expenditures of the resultant incorporated municipality demonstrated that, except during the early years of incorporation, adequate sources of revenues would probably be available to provide for continuing municipal solvency.

The problem associated with early years financing arises from the probable impracticability of the actual implementation of incorporation at a time when the new community could receive an initial year's apportionment of State and county funds. Additionally, the municipality would likely desire to implement certain schedules of charges, taxes, permit fees, and so forth essential to raising additional revenues under incorporated municipal financing processes, but this would not be possible under the Federal administrative procedures now applicable. Such actions could not be initiated immediately on incorporation, but would probably be taken in stages over several years.

Looking specifically to the \$330,000 segment of the section 6 assistance payments, it would be noted that, during the period of fiscal years 1960 through 1971, the annual total funded Operation and Maintenance Expense of the United States, in connection with Page and closely related project facilities, ranged from a low of about \$383,200 to a high of \$803,800, averaging slightly over \$573,000 annually throughout the period. During the same period, income from municipal service charges, etc., averaged about \$253,200 with an average annual deficit of approximately \$319,800. These expenditures cannot be attributed exclusively to the municipality inasmuch as General Operations costs are not separately specified for project and municipal facilities nor is utility income credited with the value of water and sewer service utilized by project facilities. Since the project facility component of such costs is negligible, however, such data is reasonably indicative of the magnitude of the municipal administration costs and corollary obligations being incurred against the Upper Colorado River Basin Fund. In the absence of incorporation, and with no ensuing adjustment in municipal service charges, it is assumed that there would be no significant reduction in those costs in future years.

The updated Vickers study estimates base initial year General Fund Revenues on the Bureau's estimates of current receipts. This yields a total of \$337,700 without revenues from State, county, or other special fund sources. It should be noted that Mr. Vickers anticipated a significant income to the General Fund in the amount of \$99,000 from sale of real estate. It is quite likely that funds in this latter amount would not be realized until at least the second year following incorporation at the earliest. This could result from an understandable desire on the part of the municipality to review zoning and related ordinances with the view of modifying some aspects of community developmental trends resulting

from property sales. Should this prove to be the case, total available revenues could well drop below the estimate, while administrative and municipal function costs remained at the \$393,600 figure projected in the same estimates. Any appreciable reduction in the revenues from land sales and so forth in the initial year, could be detrimental to the financial stability of the new municipality. Additionally, possible revenues from the electrical distribution facilities if acquired by the municipality could not be expected prior to 1975 inasmuch as the option to purchase cannot be exercised before August 1, 1974, at the earliest, even though the contract was assigned to the city at an early date. The availability of the \$330,000 fund authorized by section 6 of the proposal would insure against such deficits as might thus develop.

Mr. Vickers estimated, after the initial year, an average of about \$351,700 per year in the basic General Fund together with the possibility that as much as \$169,000 per year, in addition, could accumulate to the General Fund from other revenue sources not available to the Federal Government. Whether or not the full \$169,000 could be realized in the second year is problematical because of the possibility of stage implementation. If it could be accomplished, the Vickers study estimates an average total revenue availability in the neighborhood of \$520,700 per year thereafter with annual expenditures approximating \$394,000 per year. Such a financial situation would, of course, yield an average annual surplus of revenues over expenditures in the amount of about \$126,700. Here again, any delay in reaching all or part of the \$169,000 in additional revenues, could be offset by the availability of monies available from the unexpended balance of the \$330,000 fund.

The additional \$50,000 fund contemplated under section 3 represents a perpetuation of the fund in the same amount that has been maintained under Federal administration as a reserve for hospital operations since the operation of that facility was transferred by agreement to the Hospital Sisters of the Third Order of St. Francis. It is generally conceded that the hospital has been effectively operated under that arrangement, and it is the consensus view that it should continue. Accordingly, with the United States withdrawing from administration of the hospital, that specific fund should be formally transferred to the new municipality and earmarked for continued availability for hospital operational reserve and improvement purposes.

Section 7 of the proposal recognizes that during initial period of transition from Federal administration assistance of experienced personnel may be needed to continue municipal functions without disruption. Accordingly under the authority of this section, the services of a maximum of 10 experienced employees of the Federal Government may be made available to the new municipality for not to exceed a 6-month period immediately following the date of incorporation. It is presently anticipated that the personnel involved will

include a General Clerk, Chief Ranger and Ranger Sergeant, and a City Engineer, together with appropriate operation and maintenance personnel. Estimates of the costs associated with this phase of assistance suggest a total expenditure of approximately \$90,000.

In summary, if the proposal were to be enacted into law, the ensuing financial obligations of the United States under the separate sections as above discussed would be significantly less than the cost of continued Federal administration.

Estimated Costs under the Legislative Proposal

First Year

Section 4(b)	Pumping water	\$ 32,000
Section 5(a)	Street, curb, sidewalk completion and improvement, plus miscellaneous completion and preventative maintenance	618,000
Section 6(a)	Initial years municipal functions assistance fund	330,000
Section 6(b)	Hospital improvement fund	50,000
Section 7	Transition period employee assistance	<u>90,000</u>
	First Year Subtotal	\$1,120,000

<u>Second Year</u>	Section 4(b)	Pumping water	\$ 32,000
<u>Third Year</u>	" "	" "	27,000
<u>Fourth Year</u>	" "	" "	22,000
<u>Fifth Year</u>	" "	" "	20,000
<u>Sixth Year</u>	" "	" "	16,000
<u>Seventh Year</u>	" "	" "	12,000
<u>Eighth Year</u>	" "	" "	8,000
<u>Ninth Year & Tenth Year</u>	" "	" "(\$4,000/yr.)	<u>8,000</u>
	Ten Year Total		\$1,265,000

The table shows that, while the first year figure would run approximately \$1,120,000, ensuing years costs would be almost negligible by comparison. For the past 12 fiscal years the average annual deficit of income over obligations under Federal administration has been approximately \$319,800. At that rate, even if Federal administrative costs remained stable, by the 4th year of continued Federal administration the deficit would be in excess of the estimated total cost under the legislative proposal.

In light of the foregoing discussion, early enactment of this legislative proposal would be beneficial both to the United States and to the community of Page, Arizona. The United States would realize significant savings. The municipality would, under the conditions of self-government created by incorporation, operate more economically while developing and maintaining a state of economic solvency. Accordingly, it is urged that this legislative proposal be enacted into law at the earliest possible opportunity.



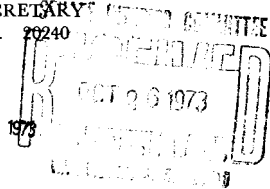
Record

United States Department of the Interior

OCT 25 1973 OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

In Reply Refer To:
LBR:330/572.

OCT 19 1973



Dear Mr. Chairman:

The Senate Committee on Interior and Insular Affairs in Senate Report No. 92-782, dated May 5, 1972, on the bill (H.R. 13435) to increase the authorization for appropriation for continuing work in the Upper Colorado River Basin by the Secretary of the Interior, requested that the Committee be advised whenever monies are proposed to be expended for the benefit of Page, Arizona.

In accordance with this request, the Committee is hereby advised that the Bureau of Reclamation will expend \$175,000 of fiscal year 1974 funds for additions and improvements to the Page Hospital in the city of Page, Arizona, and \$150,000 for resurfacing of streets in the city.

In order for the Page Hospital to meet State hospital standards and accreditation and continue to serve Medicare patients, some improvements are necessary. The ventilating system requires modification, a sprinkling system must be added for fire protection, and additional storage space is required so that other space can be utilized for pharmacy areas.

The streets in the city have deteriorated substantially in the past year, and it has now been determined that they must be seal coated in the near future to avoid further breakouts in the road surfacing. These streets have not been resurfaced for the past 9 years and now require extensive maintenance.

Sincerely yours,

W. R. Wilson

Living
Deputy Assistant Secretary of the Interior

Honorable Henry M. Jackson
Chairman, Committee on Interior
and Insular Affairs
United States Senate
Washington, D.C. 20510



United States Department of the Interior

OFFICE OF THE SECRETARY
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Bureau of Reclamation Report on
Legislative Proposal to Facilitate
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Section 2 gives the definitions of terms used in the proposal.

Section 3 provides for the Secretary of the Interior to transfer without cost to Page, Arizona, upon incorporation, all improved and unimproved lands within Page owned by the United States, which are not required in the administration of Federal activities; the transfer of municipal facilities; and the assignment without cost of any leases granted by the United States on such land.

It also provides that the Secretary of the Interior shall transfer to the appropriate school district the land in Block 14-A and Lot 1, Block 16.

It provides for the assignment without cost of contracts to which the United States is a party, including contracts for furnishing water outside the boundaries of Page through the municipal system; and, at the option of the municipality, the contract for furnishing and distributing electrical energy to the municipality.

Section 3(f) establishes the basis for possible acquisition of the electric distribution facilities in Page by the municipality. The present contract between the United States and the Arizona Public Service Company contains an option to purchase clause. It is intended that the contract would be assigned if the incorporated municipality so desires. The municipality could then, in its discretion, exercise the option to purchase when it becomes effective at the termination of

the contract term. The earliest date on which the option could be exercised is August 1, 1974, or at intervals of one year thereafter for not to exceed two years under provisions for contract extension. Should the option be thus exercised, the municipality could probably finance the purchase through municipal bonding. Recent discussions among our field personnel, members of the Page Advisory Council, and representatives of the Arizona Public Service Company have indicated that the estimated present depreciated value of the facilities that would be involved in such a purchase is approximately \$1,500,000 - \$2,000,000

Section 4 reserves 3,000 acre-feet of water per year from Lake Powell for the Glen Canyon Unit, Colorado River Storage Project and allocates 2,740 acre-feet thereof for the municipality's consumptive use. It also provides that the United States will pump the water from the point of withdrawal from Lake Powell to the point of connection with city facilities at no cost for the first 5 years after incorporation. After the first 5 years, the city would be required to pay to the United States proportionately increasing increments of the annual costs of such pumping with the objective that following the 10th year the city would bear the costs in total.

Section 5 authorizes the Secretary of the Interior to complete certain specified streets in the platted area of the city. Other improvements are also provided in this section, such as repair of 12-inch waterline if required, a sprinkler system to the cemetery.

Section 6 authorizes a lump-sum payment to the municipality to assure availability of funds for essential municipal expenses during the initial years following incorporation.

It also provides for a lump-sum payment to the municipality for necessary improvements to the local hospital.

Section 7 authorizes the utilization by the municipality of a minimum number of experienced Federal employees to assist in the initial transition.

Section 8 authorizes the Secretary to transfer to the United States to be held in trust for the Navajo Tribe title to a tract of undeveloped land containing about 808 acres which was transferred to the United States under P.L. 85-868 as a part of the land required for the Glen Canyon Unit of the Colorado River Storage Project, which is no longer needed for that purpose. The Tribe, in turn, agrees to subordinate its uses to 3,000 acre-feet of water per year for the Glen Canyon Unit of the Colorado River Storage Project along with its associated community and recreational development in Arizona.

Section 9 directs the Secretary to facilitate the effectuation of Navajo Tribal Resolutions CD-108-68 and CJN-50-69, subject to the provisions of P.L. 90-537. These two resolutions deal with the use of the 50,000 acre-feet of water allocated to Arizona under the Upper Colorado River Basin Compact for the Navajo generating station and the Glen Canyon Unit and the terms under which the Tribe subordinates its uses of such water.

Section 10 authorizes utilization of the Upper Colorado River Basin Fund to carry out the provisions of the Act.

Section 11 authorizes the Secretary of the Interior to delegate authority to carry out the proposed act and to perform such acts as are necessary to carry out its provisions.

Section 12 terminates all authority of the Secretary of the Interior under the proposed Act 5 years following its enactment unless incorporation of Page shall have previously been achieved.

Section 13 establishes the short title of the Act.

Background

Construction of the Reclamation townsite of Page, Arizona, began in late 1958 under authority of section 2(a) of the Act of September 2, 1958 (72 Stat. 1686). It was established to provide accommodations and community facilities of Government and contractors' employees engaged in the construction, operation, and maintenance of Glen Canyon Dam and Powerplant. Population reached 6,100 in November 1962. With the completion of construction, the population declined to 1,280 in December 1967. However, since that time, accelerated development of the recreational potential, as well as the power and fuel resources of the area, has stimulated a resurgence in the population to where it now stands at 9,000.

With the continuing impetus of construction activities associated with the Navajo Powerplant and related facilities, it is quite likely that the population will continue at seven to eight thousand during the next few years. Thereafter, it will probably decline somewhat. However, it will probably stabilize at around 5,000. Changes thereafter will, in all likelihood, be those resulting from recreation and retirement oriented interest in the community and normal growth.

Looking to such community development, section 4 of the proposed legislation provides an allocation of 2,740 acre-feet of water annually for Page. This amount, based on estimated consumption, is expected to be sufficient for the needs of a population of 10,000-15,000 people. Accordingly, the availability of an adequate municipal water supply should pose no problem for some time to come. Extensive investigations have been made to determine if a higher allocation is possible. It became apparent, however, that under present compacts and other allocations of Colorado River water, no increase is feasible. This finding, of course, does not preclude the possibility of expedients such as recycling waste water and returning it to the river for credit which in turn could be applied against some increase in the basic allocation.

It should also be noted, with regard to the water supply, that the legislative proposal would provide for the United States to pump water from the point of withdrawal from Lake Powell to the point of connection with city facilities at no cost to the municipality for the first 5 years following incorporation. Thereafter, the municipality would assume increasingly greater amount of such costs during the next 5 years, with the objective of completely eliminating all Federal financing for such purposes after the 10th year. The estimated costs to the Government of such assistance are shown on the following tabulation;

ESTIMATED COST OF PUMPING WATER UNDER SECTIONS 4(b) & 4(c) PAGE INCORPORATION LEGISLATION

<u>Assuming Incorp. Early in 1973</u>	<u>Est. Cost</u>	<u>Est. Population</u>
1st. Year from date of Incorp.	\$32,000	7,000 - 8,000
2nd Year	32,000	7,000 - 8,000
3rd Year	27,000	6,000 - 7,000
4th Year	22,000	5,000 - 6,000
5th Year	20,000	4,000 - 5,000
6th Year	16,000 80% of Est. Cost	" "
7th Year	12,000 60% of Est. Cost	" "
8th Year	8,000 40% of Est. Cost	" "
9th Year	4,000 20% of Est. Cost	" "
10th Year	4,000 20% of Est. Cost	" "
Thereafter	-0-	4,000 - 5,000
TOTAL	\$177,000	

Section 5(a) of the proposed legislation enumerates certain street and water system improvements and some miscellaneous work items that are to be completed at the expense of the United States. Looking especially to the street improvements work, completion of this work at United States expense is believed justified inasmuch as in some cases the adjoining land has been sold at appraised values established with the expectation that such streets, sidewalks, curbs, gutters, etc., would be installed by the Government, and the completion of this work is essential to a practical and workable street system in the community. The total estimated cost of the various work items enumerated under section 5 is approximately \$618,000. It is entirely possible, however, that this total figure may be significantly reduced by the time the municipality achieves incorporated status. This anticipated reduction will result from the fact that the work contemplated is being budgeted for completion as rapidly as possible during the current fiscal year. Uncompleted work will be carried forward in our budgeted work as funds permit.

Section 6 of the proposed bill is designed to insure that Page has the financial ability to effectively carry out essential municipal functions during the initial years of its independent existence. Under this section, two lump-sum payments are contemplated. The first, in the amount of \$330,000, is for general municipal functions. The second, in the amount of \$50,000 is an improvement fund for the local hospital.

Studies of the proposed incorporation justify such early years financial assistance. A study completed in December of 1967, under contract between the United States and the Arizona State University by Mr. Samuel E. Vickers, Director of the University Center for Urban Studies, demonstrated that the community could and should become incorporated under Arizona law at the earliest opportunity. Mr. Vickers reviewed his estimates of revenues, expenditures, and other findings and recommendations, and updated them in March 1972 on a basis of 4,500-5,000 populations. The economic analysis of anticipated revenues and expenditures of the resultant incorporated municipality demonstrated that, except during the early years of incorporation, adequate sources of revenues would probably be available to provide for continuing municipal solvency.

The problem associated with early years financing arises from the probable impracticability of the actual implementation of incorporation at a time when the new community could receive an initial year's apportionment of State and county funds. Additionally, the municipality would likely desire to implement certain schedules of charges, taxes, permit fees, and so forth essential to raising additional revenues under incorporated municipal financing processes, but this would not be possible under the Federal administrative procedures now applicable. Such actions could not be initiated immediately on incorporation, but would probably be taken in stages over several years.

Looking specifically to the \$330,000 segment of the section 6 assistance payments, it would be noted that, during the period of fiscal years 1960 through 1971, the annual total funded Operation and Maintenance Expense of the United States, in connection with Page and closely related project facilities, ranged from a low of about \$383,200 to a high of \$803,800, averaging slightly over \$573,000 annually throughout the period. During the same period, income from municipal service charges, etc., averaged about \$253,200 with an average annual deficit of approximately \$319,800. These expenditures cannot be attributed exclusively to the municipality inasmuch as General Operations costs are not separately specified for project and municipal facilities nor is utility income credited with the value of water and sewer service utilized by project facilities. Since the project facility component of such costs is negligible, however, such data is reasonably indicative of the magnitude of the municipal administration costs and corollary obligations being incurred against the Upper Colorado River Basin Fund. In the absence of incorporation, and with no ensuing adjustment in municipal service charges, it is assumed that there would be no significant reduction in those costs in future years.

The updated Vickers study estimates base initial year General Fund Revenues on the Bureau's estimates of current receipts. This yields a total of \$337,700 without revenues from State, county, or other special fund sources. It should be noted that Mr. Vickers anticipated a significant income to the General Fund in the amount of \$99,000 from sale of real estate. It is quite likely that funds in this latter amount would not be realized until at least the second year following incorporation at the earliest. This could result from an understandable desire on the part of the municipality to review zoning and related ordinances with the view of modifying some aspects of community developmental trends resulting

from property sales. Should this prove to be the case, total available revenues could well drop below the estimate, while administrative and municipal function costs remained at the \$393,600 figure projected in the same estimates. Any appreciable reduction in the revenues from land sales and so forth in the initial year, could be detrimental to the financial stability of the new municipality. Additionally, possible revenues from the electrical distribution facilities if acquired by the municipality could not be expected prior to 1975 inasmuch as the option to purchase cannot be exercised before August 1, 1974, at the earliest, even though the contract was assigned to the city at an early date. The availability of the \$330,000 fund authorized by section 6 of the proposal would insure against such deficits as might thus develop.

Mr. Vickers estimated, after the initial year, an average of about \$351,700 per year in the basic General Fund together with the possibility that as much as \$169,000 per year, in addition, could accumulate to the General Fund from other revenue sources not available to the Federal Government. Whether or not the full \$169,000 could be realized in the second year is problematical because of the possibility of stage implementation. If it could be accomplished, the Vickers study estimates an average total revenue availability in the neighborhood of \$520,700 per year thereafter with annual expenditures approximating \$394,000 per year. Such a financial situation would, of course, yield an average annual surplus of revenues over expenditures in the amount of about \$126,700. Here again, any delay in reaching all or part of the \$169,000 in additional revenues, could be offset by the availability of monies available from the unexpended balance of the \$330,000 fund.

The additional \$50,000 fund contemplated under section 3 represents a perpetuation of the fund in the same amount that has been maintained under Federal administration as a reserve for hospital operations since the operation of that facility was transferred by agreement to the Hospital Sisters of the Third Order of St. Francis. It is generally conceded that the hospital has been effectively operated under that arrangement, and it is the consensus view that it should continue. Accordingly, with the United States withdrawing from administration of the hospital, that specific fund should be formally transferred to the new municipality and earmarked for continued availability for hospital operational reserve and improvement purposes.

Section 7 of the proposal recognizes that during initial period of transition from Federal administration assistance of experienced personnel may be needed to continue municipal functions without disruption. Accordingly under the authority of this section, the services of a maximum of 10 experienced employees of the Federal Government may be made available to the new municipality for not to exceed a 6-month period immediately following the date of incorporation. It is presently anticipated that the personnel involved will

include a General Clerk, Chief Ranger and Ranger Sergeant, and a City Engineer, together with appropriate operation and maintenance personnel. Estimates of the costs associated with this phase of assistance suggest a total expenditure of approximately \$90,000.

In summary, if the proposal were to be enacted into law, the ensuing financial obligations of the United States under the separate sections as above discussed would be significantly less than the cost of continued Federal administration.

Estimated Costs under the Legislative Proposal

First Year

Section 4(b)	Pumping water	\$ 32,000
Section 5(a)	Street, curb, sidewalk completion and improvement, plus miscellaneous completion and preventative maintenance	618,000
Section 6(a)	Initial years municipal functions assistance fund	330,000
Section 6(b)	Hospital improvement fund	50,000
Section 7	Transition period employee assistance	<u>90,000</u>
	First Year Subtotal	\$1,120,000

<u>Second Year</u>	Section 4(b)	Pumping water	\$ 32,000
<u>Third Year</u>	" "	" "	27,000
<u>Fourth Year</u>	" "	" "	22,000
<u>Fifth Year</u>	" "	" "	20,000
<u>Sixth Year</u>	" "	" "	16,000
<u>Seventh Year</u>	" "	" "	12,000
<u>Eighth Year</u>	" "	" "	8,000
<u>Ninth Year & Tenth Year</u>	" "	" "(\$4,000/yr.)	<u>8,000</u>
	Ten Year Total		\$1,265,000

The table shows that, while the first year figure would run approximately \$1,120,000, ensuing years costs would be almost negligible by comparison. For the past 12 fiscal years the average annual deficit of income over obligations under Federal administration has been approximately \$319,800. At that rate, even if Federal administrative costs remained stable, by the 4th year of continued Federal administration the deficit would be in excess of the estimated total cost under the legislative proposal.

In light of the foregoing discussion, early enactment of this legislative proposal would be beneficial both to the United States and to the community of Page, Arizona. The United States would realize significant savings. The municipality would, under the conditions of self-government created by incorporation, operate more economically while developing and maintaining a state of economic solvency. Accordingly, it is urged that this legislative proposal be enacted into law at the earliest possible opportunity.



Dem/return

United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

In Reply Refer To:
LBR 739/123.14

ACTING SECRETARY PRO TEMPORE
Int. & Ins.
EX-

MAR 29 1974

APR 8 1974

Dear Mr. President:

The report of the Secretary of the Interior on the Cibolo Project, Texas, is transmitted herewith as provided by section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187).

The report presents a plan of development for a multiple-purpose project involving construction of a dam and reservoir to provide a municipal and industrial water supply for the cities of San Antonio, Kenedy, and Karnes City. The project would also provide flood control, fish and wildlife, and recreational benefits. The project is engineeringly feasible, environmentally sound, and economically justified.

The Secretary's proposed report on this project was transmitted to the affected States and interested Federal agencies for review as required by law and Presidential instructions. Comments received as a result of the review are attached to the report.

The report and copies of the comments received were submitted to the President on March 1, 1974. Enclosed is a copy of a letter dated March 6, 1974, from the Associate Director, Office of Management and Budget (OMB), which states that OMB has no objection to the submission of this report to the Congress.

It is recommended that construction of the Cibolo Project, Texas, be authorized as set forth in the attached report.

Sincerely yours,

Jack Horton
Assistant Secretary of the Interior

Honorable Gerald Ford
President of the Senate
Washington, D.C. 20510

Enclosures

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

MAR 6 1974

Honorable Rogers C.B. Morton
Secretary of Interior
Washington, D. C. 20240

Dear Mr. Secretary:

This responds to Assistant Secretary Horton's letter of March 1, 1974, transmitting the feasibility report on the Cibolo project in Texas, and requesting advice as to the relationship of this project to the program of the President.

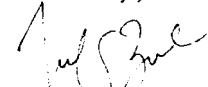
The proposed Cibolo project will regulate the flows of Cibolo Creek for the purposes of providing municipal and industrial water supply to the City of San Antonio, Karnes City, and Kenedy, flood protection to downstream areas along Cibolo Creek and the San Antonio River, and recreation and fish and wildlife enhancement. We believe that further study to determine the most effective flood plain management program for the project area, including consideration of non-structural measures, is needed during the preconstruction planning of the project, if authorized. Also, the timing of construction of the Cibolo project should take into consideration any future action by the State of Texas toward implementation of proposals to recharge the Edwards Underground Reservoir or changes in State water rights laws, which may affect the availability of existing groundwater supplies.

We are pleased to note that the San Antonio River Authority, representing the local interests, has expressed a willingness to advance funds toward the construction of the project. Financial arrangements of this kind between the Federal Government and the beneficiaries of water resource projects provide an excellent approach for reducing the existing backlog of authorized but unfunded Reclamation projects to a more manageable level.

Subject to the above considerations, you are advised that the Office of Management and Budget has no objection to

the submission of the Cibolo project report to the Congress. No commitment, however, can be made as to when any estimate of appropriation would be submitted for the project, since this would be governed by the President's budgetary objectives as determined by the then prevailing fiscal situation.

Sincerely,



Frank G. Zarb
Associate Director



United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

In Reply Refer To:
LBR 730/123.14

MAR 1 1974

Dear Mr. President:

Through: Office of Management and Budget

My report on a plan of development for the Cibolo Project, Texas, is transmitted herewith as provided by Section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187) and Section III-E-3 of the procedures approved by the President on May 15, 1962 (S. Doc. 97, 87th Congress).

The Cibolo Project would be located on Cibolo Creek in the San Antonio River Basin in south-central Texas.

The project is a multipurpose proposal to provide a new municipal and industrial water supply for the cities of San Antonio, Karnes City and Kenedy, Texas; flood control; conservation of fish and wildlife resources; and outdoor recreation opportunities.

My proposed report was transmitted to the State of Texas and to interested Federal agencies for review as required by law and Presidential instructions. All comments were favorable or offered no objection.

The project is included in the Texas Water Plan published by the Texas Water Development Board in November 1968 and in the plan presented in the 1962 report of the U.S. Study Commission - Texas. The project is strongly supported by the San Antonio River Authority, representing the local interests, and the Texas Water Development Board, representing the State of Texas.

As an alternative to total Federal financing, the San Antonio River Authority has indicated a willingness to advance funds pursuant to a contract with the Secretary of the Interior for postauthorization planning and construction of the Cibolo Project. The amount of funds to be advanced annually would be in proportion to the total annual fund requirements for the project as the construction cost allocated to municipal and industrial water is to the total cost of the project.

The sum of funds advanced would not exceed the total project cost allocated to municipal and industrial water. All nonreimbursable project costs and the reimbursable costs allocated to fish and wildlife and recreation would be obtained through appropriation of Federal funds. Reimbursement of fish and wildlife and recreation costs would be in accordance with Public Law 89-72.

I recommend that the Cibolo Project, Texas, be authorized for construction as set forth in the report. I further recommend that funding of construction be accomplished through joint local-Federal participation as described above. I shall appreciate your advice concerning the relationship of the project to your program before transmitting the report to the Congress as provided in the Reclamation Project Act of 1939.

Sincerely yours,

Jack Horton
Assistant Secretary of the Interior

The President
The White House
Washington, D.C. 20503

Enclosures



United States Department of the Interior

BUREAU OF RECLAMATION
WASHINGTON, D.C. 20240

IN REPLY
REFER TO: 730
123.14

FEB 22 1974

The Secretary
of the Interior

Sir:

This is my report on the Cibolo Project, Texas. It is based on and includes our proposed report of March 15, 1972, which was approved and adopted as the proposed report of the Secretary of the Interior on March 27, 1972. The proposed report is modified by the attached reevaluation report entitled, "Reevaluation Statement for the Cibolo Project, Texas," dated December 1973.

Copies of the proposed report were transmitted on March 29, 1972, to the State of Texas, to the Secretary of the Army, and to interested Federal agencies for review, as required by law and Presidential instructions. In accordance with the Fish and Wildlife Coordination Act, the report also was sent to the State of Texas for comments from the head of the agency exercising administration over the wildlife resources of that state. Copies of all the review comments received are attached to and made a part of this report.

By letter dated May 31, 1972, the Governor of Texas advised that he approves the Cibolo Project subject to the conditions of the Texas Water Rights Commission which were included in an order enclosed with his letter. He recommended that the conditions be adopted and specifically included in legislation authorizing the project. The commission stated that the project is feasible and it would serve the public interest. The conditions recommended by the commission are as follows:

1. That congressional authorization of this project not preclude the development by public agencies of the State of Texas of a water-supply reservoir on Cibolo Creek in lieu of the proposed Cibolo Project, Texas, in the event the designated local sponsors determine that a water-supply reservoir is needed before the Cibolo Project, Texas, can be funded and constructed by the Federal Government.



Save Energy and You Serve America!

2. That in order to maximize beneficial yield without impairment of cost benefits credited to the project, in lieu of the proposed interim release of up to 6,000 acre-feet of water per annum to enhance sport fishing, passage of inflows and releases of water from the reservoir to provide for domestic and livestock uses, downstream water rights, and for stream maintenance shall be in accordance with a schedule as determined by the Texas Water Rights Commission.

3. That consideration be given to congressional authorization that would provide for Federal participation in the possible non-Federal water-supply reservoir and funding of the nonreimbursable construction costs for the Federal interests, determined in accordance with the usual procedures for computing these costs in Federal projects, in the event an alternative water-supply reservoir in Cibolo Creek is constructed by one or more public agencies of the State of Texas.

A discussion of these items related to proposed legislation will be made a part of the Department's report on legislation to authorize the project.

The Governor further recommends that the Federal effort in final planning and development of the project be coordinated fully with the Texas natural resources agencies and the sponsors of the project. Our efforts would continue to be coordinated fully with Federal, State, and local interests.

The Chief of Engineers, Department of the Army, advises that our proposed plan does not conflict with existing or authorized plans of the Corps of Engineers.

The Environmental Protection Agency suggests that a variable level outlet be provided in the dam to allow selected levels of withdrawals of high quality water. Funds for a variable-level outlet structure have been included in the project construction cost estimate. This will be considered further during advance planning studies and will be coordinated with other local, State, and Federal interests.

The Department of Agriculture questions the population projections which indicate expected increases of 85 percent from 1960 to 1990. That Department points out that recent projections jointly made by the Office of Business Economics of the Department of Commerce and the Economic Research Service of the Department of Agriculture indicate a 45 percent increase between 1960 and 1990. The population projections used in our report were those prepared by the Bureau of Business Research, University of Texas, for the Texas Water Development Board, for use in preparation of the Texas Water Plan. Those

projections were made on the basis that water supplies of acceptable quality would be made available in sufficient quantities when needed to meet municipal and industrial water requirements. We have no basis on which to question the estimate of future population which was developed by the University of Texas and used in our analysis, or to believe that it is less accurate than that of the Office of Business Economics and the Economic Research Service.

The Department of Agriculture also mentioned that examination of alternative sources of water may indicate that a combination of a smaller reservoir and ground-water recharge would be less expensive than the proposed plan. As stated in the report, the dependability of available ground-water supplies, whether naturally or artificially recharged, is questionable because Texas laws provide no effective control over ground-water use. The landowner has the right to the waters in the aquifer underlying his property.

The Department of Labor indicated concern about displacement of people and the impact on their ability to earn a living. Acquisition of project lands would involve movement of 75 families and their personal possessions, livestock, and farm equipment. Many of these families, however, would lose only a portion of their holdings. Although this would reduce the size of their families' operation, they would not necessarily have to move off their land or be deprived of a livelihood, and would be compensated for their lands, consistent with existing law and policy.

The Department also mentioned the requirement for construction labor and the adjustment problems that could cause. Manpower requirements during the construction stage are not expected to present a problem because of the proximity of the large labor supply in the San Antonio metropolitan area.

The Department of Commerce cited section 4 of Public Law 90-454, an act "To authorize the Secretary of the Interior, in cooperation with the States, to conduct an inventory and study of the Nation's estuaries and their natural resources and for other purposes." That section states, in part, that

"In planning for the use or development of water and land resources, all Federal agencies shall give consideration to estuaries and their natural resources, and their importance for commercial and industrial developments, and all project plans and reports affecting such estuaries and resources submitted to the Congress shall contain a discussion by the Secretary of the Interior of such estuaries and such resources and the effects of the project on them and his recommendations thereon."

The effects of the proposed development on the San Antonio estuary are discussed in the following locations: On page 4 of our proposed report of March 15, 1972; on pages 38, 58, and 59 of the February 1971 report of our Regional Director which is attached to our proposed report; and on pages 6, 7, 8, and 9 of the report by the Bureau of Sport Fisheries and Wildlife which is appended to the Regional Director's report. We cannot expand on that discussion at this time.

Comments received from the other Federal agencies either are favorable or offer no objection to the proposed development. Comments pertaining to the draft environmental impact statement have been accommodated in the final statement. After full consideration of the views and recommendations received, we conclude that revision of our proposed report is not necessary as a result of the reviews.

The Executive Director, Texas State Historical Survey Committee, advised that no sites on the National Register of Historic Places are within the project area, nor are any sites in the project area in the process of nomination to the National Register.

Subsequent to the review of our proposed report by the State of Texas and interested Federal agencies, the economic and financial aspects of the plan of development were reevaluated to reflect more recent price levels and a discount rate of 6-7/8 percent. As mentioned earlier, a copy of the reevaluation statement is attached.

The estimated total Federal construction cost of the Cibolo Project on the basis of July 1973 prices, as shown in the enclosed December 1973 reevaluation statement, is \$50,242,000, which compares to \$40,151,000 (April 1970 prices) in our proposed report. This increase results from increased price levels and an addition for a variable-level outlet structure. Deducting second-stage recreation costs of \$1,083,000, the total estimated construction cost for economic analysis is \$49,159,000.

The construction and annual operation, maintenance, and replacement costs are tentatively allocated as follows:

Purpose	Cost	Annual Operation
		Maintenance and Replacement Cost
Municipal & Industrial		
Water Supply	\$30,739,000	\$45,100
Flood Control	11,077,000	23,000
Recreation	5,295,000	169,100
Fish & Wildlife	2,048,000	42,100
Total	\$49,159,000	\$ 279,300

The annual benefits of the proposed development, based on a 100-year period of analysis and a discount rate of 6-7/8 percent, are evaluated at \$5,243,600. The annual equivalent costs are computed to be \$4,088,000. The ratio of the evaluated annual benefits to the computed annual equivalent costs is 1.3 to 1. A summary of the changes in costs and benefits resulting from the December 1973 reevaluation is shown on page 5 of the attached reevaluation statement.

Of the total construction cost (\$49,159,000), \$31,611,000 would be reimbursable.

The total investment cost, including \$30,739,000 of construction cost and \$2,391,000 interest during construction (based upon the rate prevailing in fiscal year 1974 of 4.012 for repayment purposes), allocated to municipal and industrial water supply (\$33,130,000) would be reimbursable by the San Antonio River Authority with interest within 50 years as required by Reclamation law and policy. Interest on \$5,300,000 of the investment cost would not be charged for a period of 10 years from the first year water is used, as provided by the Water Supply Act of 1958 (72 Stat. 297). The remaining \$27,830,000 of the reimbursable municipal and industrial water supply costs would be repayable and would bear interest dating from completion of the project. Based on projected usage, a constant charge of \$70.83 per acre-foot, or 22 cents per 1,000 gallons, would be required to repay the total project investment and annual operation, maintenance, and replacement costs allocated to municipal and industrial water supply. The San Antonio River Authority has stated that it would assure repayment of these reimbursable costs with revenues from sale of project water to San Antonio, Karnes City, and Kenedy.

As an alternative to total Federal financing, the San Antonio River Authority has indicated a willingness to advance funds pursuant to a contract with the Secretary of the Interior for postauthorization planning and construction of the Cibolo Project. The amount of funds to be advanced annually would be in proportion to the total annual fund requirements for the project as the construction cost allocated to municipal and industrial water is to the total cost of the project.

The sum of funds advanced would not exceed the total project cost allocated to municipal and industrial water. All nonreimbursable project costs and the reimbursable costs allocated to fish and wildlife and recreation would be obtained through appropriation of Federal funds.

One-half of the separable costs, including \$872,000 of construction cost and \$37,000 of interest during construction, allocated to first-stage recreation and fish and wildlife (\$909,000) and all separable first-stage operation, maintenance, and replacement costs (\$201,700)


would be repaid in accordance with provisions of the Federal Water Project Recreation Act (79 Stat. 213). By letter dated June 8, 1967, the San Antonio River Authority indicated its intent to agree to bear these first-stage costs and to administer the land and water areas for outdoor recreation and fish and wildlife enhancement as required by the act. Such an agreement would be prerequisite to commencement of construction of the project.

The remaining construction cost (\$6,471,000) allocated to these functions, consisting of one-half of the separable costs and all of the joint costs allocated to outdoor recreation and fish and wildlife enhancement, and the construction costs allocated to flood control (\$11,077,000) would be Federal costs, and would be nonreimbursable as provided by law. The estimated nonreimbursable annual operation, maintenance, and replacement costs allocated to those purposes are \$32,500.

A draft environmental impact statement, in compliance with section 102(2)(C) of the National Environmental Policy Act of 1969, has been coordinated with other agencies and furnished to the Council on Environmental Quality pursuant to the Council's guidelines as published in the Federal Register on April 23, 1971. A copy of the final environmental impact statement also is being furnished to the Council.

I recommend that you approve and adopt this report as your report on the Cibolo Project, Texas, and that you transmit it, together with the attached comments, to the President and subsequently to the Congress, in accordance with the Reclamation Project Act of 1939. I further recommend that funding of construction be accomplished through joint local-Federal participation as described above.

Respectfully,



Commissioner

Enclosures

Approved and adopted:


 Assistant Secretary of the Interior

MAR 1 1974
 Date



United States Department of the Interior

OFFICE OF THE SECRETARY
 WASHINGTON, D.C. 20240

JUL 15 1974

Dear Mr. Chairman:

This responds to your request for the views of this Department on S. 3704, a bill "To amend Section 1 of Public Law 90-503 (82 Stat. 853)."

We recommend that the bill be enacted.

The bill would extend facilities of the Mountain Park reclamation project in Oklahoma so as to provide a supply of water to the town of Frederick. The estimated cost of this work would be \$6,057,000 based on January 1974 prices, which would be fully repayable with interest to the United States in accordance with usual reclamation practice.

We understand that the town of Frederick did not wish to obtain water from the project at the time it was authorized since the town concluded that other supplies were available at lower cost. The conclusion has been changed and present circumstances indicate that the Mountain Park reclamation project is the most desirable alternative source of water for Frederick. The water is available if the project facilities are extended and we find this to be an appropriate modification of the original project.

It is our view that the proper interest rate for the facilities extending a water supply to Frederick, Oklahoma, is that specified by formula in Public Law 90-503, the Mountain Park reclamation project authorizing legislation, applied in the year which construction of these facilities commences. That formula would yield a 4% rate if construction commenced in Fiscal Year 1974. It may be advisable to modify the bill so as to clarify that it permits the Secretary to establish this interest rate for the new facilities authorized.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely yours,


 Assistant Secretary of the Interior

Honorable Henry M. Jackson
 Chairman, Committee on
 Interior and Insular Affairs
 United States Senate
 Washington, D.C. 20510



United States Department of the Interior

BUREAU OF RECLAMATION
WASHINGTON, D.C. 20240

IN REPLY
REFER TO: 100
131.2.93

JUL 12 1974

Honorable Frank Church
Chairman, Subcommittee on Water
and Power Resources
Committee on Interior and Insular Affairs
United States Senate
Washington, D. C. 20510

Dear Frank:

Once a year the Secretary of the Interior schedules a series of program discussions at Camp David with his assistants and bureau chiefs. Attendance is expected. This year I have been asked to be there on Friday, July 19, which conflicts with scheduled hearings of your committee on two bills of considerable significance to the Bureau of Reclamation.

Assistant Commissioner James J. O'Brien, the most logical choice to testify in my stead, will be recovering from surgery on that date.

I want to assure you that we will have knowledgeable witnesses at the hearings and to ask your forbearance in the circumstances.

Sincerely yours,

Commissioner



Save Energy and You Serve America!

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

SEP 26 1974

Honorable Henry M. Jackson
Chairman, Committee on Interior
and Insular Affairs
United States Senate
3106 New Senate Office Building
Washington, D. C. 20510

Dear Mr. Chairman:

This is in reply to your request of September 24, 1974 for the views of the Office of Management and Budget on S. 3813, a bill "To authorize the Secretary of the Interior to acquire private lands in California for water quality control, recreation, and fish and wildlife enhancement, and for other purposes."

In its letter to your Committee, the Department of the Interior states that it opposes enactment of this proposal because there are several alternatives which would be preferable to direct Federal funding of the land acquisition contemplated by the bill. Two of the alternatives mentioned are local land use planning and public acquisition with Federal assistance under existing legislation, including that provided by the Land and Water Conservation Fund Act.

The Office of Management and Budget agrees with the views of the Department, and, accordingly, would also be opposed to the enactment of S. 3813.

Sincerely,

Wilfred H. Rommel
Assistant Director for
Legislative Reference



United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

SEP 27 1974

Dear Mr. Chairman:

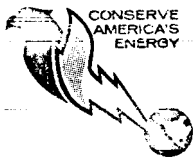
This responds to your request for our views concerning S. 3813, a bill "To authorize the Secretary of the Interior to acquire private lands in California for water quality control, recreation, and fish and wildlife enhancement, and for other purposes."

Although we concur in the view that action should be taken to protect recreational values and the water quality of Lake Casitas, we oppose enactment of S. 3813 because there are several alternatives which are preferable to direct Federal funding of the land acquisition contemplated by the bill.

S. 3813 authorizes the Secretary of the Interior to acquire specified private lands in the Lake Casitas area of California to provide water quality protection and preservation and enhancement of public outdoor recreation, fish and wildlife and the environment. The land could be acquired by donation, purchase, condemnation or exchange. The bill permits natural persons to retain non-transferable life interests in property to be acquired where this will not unduly interfere with the administration, development or public use of the area. The price paid where such interests are retained would be reduced by the fair market value thereof and the Secretary could terminate any such interest being used in a manner not consistent with the bill's purposes.

Lake Casitas, the impoundment behind Casitas Dam, is a feature of the Ventura River Reclamation Project in California providing municipal and industrial water for the city of Ventura and adjacent areas served by the Casitas Municipal Water District. The lake itself has a water surface of approximately 2,700 acres with a federally acquired land area of slightly over 1,800 acres surrounding it. Recreational use in that area is administered by the Casitas Municipal Water District under agreement with the United States. During 1972 such use amounted to 1,532,760 visitor days.

40-000-01



Save Energy and You Serve America!

This area generally encompasses that portion of the Coyote Creek watershed between Casitas Dam and the Los Padres National Forest boundary. The remaining upper portion of the watershed lies, for the most part, within the Los Padres National Forest. There are, however, about 3,100 acres of privately owned land within the watershed, most of which is contiguous to but to the north of the federally owned reservoir area and outside the national forest.

With the intensified interest in semirural residential development that has become evident in recent years, the 3,100 acres have become quite attractive to those who would undertake such development. Independent studies made for the Ventura County Planning Department and the Casitas Municipal Water District have indicated that substantial development in the area under consideration would probably have noticeably detrimental effects on the quality of water in Lake Casitas. This potential stems from the fact that the soils of the area, for the most part, do not possess the permeability characteristics essential to septic tank disposal systems. There is no municipal sewerage collection and disposal system in the area and septic tank disposal, the only alternative, is physically impossible. Thus, severe pollution and eutrophication of Lake Casitas would ensue and this would in turn result in serious consequences to the municipal water supply.

To forestall such deterioration, as well as to insure against accelerated erosion with corresponding reservoir siltation that would probably also attend development of the 3,100 acres, several alternatives not requiring direct Federal involvement are available. Local land use planning, implemented through zoning or otherwise, may be an appropriate solution. Public acquisition of the land as an addition to the present Lake Casitas protective landholdings is also a practical solution which might be accomplished with Federal assistance under existing legislation, including that provided by the Land and Water Conservation Fund Act.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely yours,

Assistant Secretary of the Interior

Honorable Henry M. Jackson
Chairman, Committee on
Interior and Insular Affairs
United States Senate
Washington, D.C.

02 (pl 97 feb)



United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

OCT 9 - 1973

Dear Mr. Chairman:

This responds to your request for the views of this Department on S. 1582, a bill "To provide for the conveyance of certain public lands in Klamath Falls, Oregon, to the occupants thereof, and for other purposes."

We recommend that the bill be enacted, if amended as set forth herein.

The bill authorizes and directs the Secretary of the Interior to convey property owned by the United States, the "Klamath Reclamation Project 'B' Lateral Canal right-of-way", to owners of lots in designated subdivisions of Klamath, Oregon, contiguous to the right-of-way. The conveyances would be made by quitclaim deed for a consideration not in excess of \$100 plus costs of conveyance upon application by record lot owners, supported by adequate proof of ownership and an adequate description of the Federal land applied for. The conveyances would reserve mineral interests to the United States and acceptances thereof would constitute complete releases of claims against the United States resulting from use of the land by the applicant or his successors in interest.

The land to be conveyed is part of a right-of-way acquired by the United States in 1912 by donation or through token payments for location of a canal and drain on the Klamath Project in Oregon. Subsequent changes resulted in the abandonment of plans for the canal and drain. Accordingly, the right-of-way has never been used and there are no foreseeable future Federal uses for it. The entire right-of-way extends for a distance of approximately 10,250-feet, varying in width from 30 feet to 17 feet including a total of about 5.4 acres of land (about 3 acres of which would be conveyed under S. 1582). The land to be conveyed traverses areas which have been subdivided and developed during the 60 years since the right-of-way was first acquired. Lots and improvements associated with such subdivisions have, to varying degrees, encroached on the right-of-way.

As a general policy, unneeded Federal land is conveyed to individuals upon payment to the Federal Government of its current fair market value plus the administrative costs of making the conveyance. Conveyance under general Federal property disposal laws would be based on this principle. In accordance with this principle, we do not object to transferring parcels of the right-of-way to contiguous lot owners upon payment of their fair market value plus the cost of conveyance. To accomplish this, we recommend deletion of the last sentence of section 1 of the bill and insertion of the following in lieu thereof:

The Secretary shall require payment of the current appraised fair market value of each parcel, plus administrative costs of making the conveyance, as determined by the Secretary, within not to exceed one year after notification by the Secretary of the amount due. In determining the fair market value of the land, the Secretary shall not include any value for improvements placed thereon by the applicant or his predecessors in interest.

Conveyance of the property is desirable from the Federal standpoint since it would reduce administrative costs associated with responsibility for the land. We would expect the administrative cost of the transfers contemplated by the bill to be relatively modest.

The unique shape and nature of the right-of-way makes it impractical in our judgement for the United States to reserve oil and gas rights (or other mineral or geothermal interests) in conveying the right-of-way and the bill's language beginning with the word "except" in line 10, page 1, through the word "gas" in line 1, page 2, should therefore be deleted.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely yours,

Assistant

Jack O. Horton
Secretary of the Interior

Hon. Henry M. Jackson
Chairman, Committee on
Interior and Insular Affairs
United States Senate
Washington, D.C. 20515

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

OCT 10 1973

Honorable Henry M. Jackson
Chairman, Committee on Interior
and Insular Affairs
United States Senate
3106 New Senate Office Building
Washington, D. C. 20510

Dear Mr. Chairman:

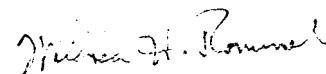
This is in response to your requests for the views of the Office of Management and Budget on the following bills:

1. S. 184, "To authorize and direct the Secretary of the Interior to sell interests of the United States in certain lands located in the State of Alaska to the Gospel Missionary Union" (requested March 8, 1973);
2. S. 194, "To authorize the Secretary of the Interior to convey to the city of Anchorage, Alaska, interests of the United States in certain lands" (requested June 14, 1973);
3. S. 1111, "To quitclaim the interest of the United States to certain lands in Bonner County, Idaho" (requested September 25, 1973);
4. S. 1582, "To provide for the conveyance of certain public lands in Klamath Falls, Oregon, to the occupants thereof, and for other purposes" (requested September 25, 1973);
5. S. 2125, "To amend the Act entitled 'An Act granting land to the city of Albuquerque for public purposes', approved June 9, 1906" (requested July 24, 1973); and,

6. S. 2343, "To authorize the Secretary of the Interior, by quitclaim deed, all right, title, and interest of the United States in and to certain lands in Coeur d'Alene, Idaho, in order to eliminate a cloud on the title to such lands" (requested September 25, 1973).

The Office of Management and Budget concurs in the views of the Department of the Interior in its reports on these bills and accordingly has no objection to the enactment of S. 184. We have no objection to the enactment of S. 194, S. 1582, and S. 2343 if amended as suggested by the Department. However, we recommend against the enactment of S. 1111 and S. 2125.

Sincerely,



Wilfred H. Rommel
Assistant Director for
Legislative Reference



United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

AUG 19 1974

Dear Mr. Chairman:

This responds to your request for this Department's views on S. 1740, a bill "To establish the Lake Berryessa National Recreation Area in the State of California, and for other purposes."

We oppose enactment of S. 1740 and instead recommend enactment of the attached draft bill.

S. 1740 would establish the Lake Berryessa National Recreation Area consisting of lands described in a map on file with the National Park Service and dated January 1972. The Secretary would be authorized to revise the boundaries as long as the total acreage did not exceed 33,000 acres and he would be authorized to acquire land by donation, purchase or exchange. The bill directs the Secretary to appoint an advisory commission to advise on the development and implementation of plans for the area and on proposed land use or zoning for surrounding lands when they are likely to have an influence on the recreation area. And, it authorizes to be appropriated such funds as are necessary to accomplish the purposes of the bill.

Lake Berryessa is part of the Solano Project which was authorized in 1948 to provide flood control and to supply water for irrigation, municipal, and industrial use. Monticello Dam, forming Lake Berryessa, was completed in 1957. The lake is located near urban communities exceeding 5 million people.

Recreation was not one of the authorized functions of the project. However, public demand for recreational use of Lake Berryessa developed immediately. Because the Bureau of Reclamation lacked specific authority to provide for recreation, it contracted in 1958 with Napa County for management of recreation at the lake. The 1958 contract was subsequently amended in 1962. The contractual concept conforms with the Federal Water Project Recreation Act of 1965, 79 Stat. 213, 16 U.S.C. §4601-12 to 4601-21, insofar as a non-Federal agency manages the recreation resource of a Federal water project.

Napa County arranged for recreational development through concessionaires, who provided private financing for most of the facilities. The concessionaires occupy sites of various size on the west shoreline of Lake Berryessa and have invested over \$9.5 million in facilities. Through this arrangement, part of the Berryessa recreation needs have been met.



Let's Clean Up America For Our 200th Birthday

There is, however, widespread public dissatisfaction regarding certain aspects of this program. The basic problem at Lake Berryessa relates to the shortage of public short-term facilities and a lack of adequate public access to the lake. The concessionaires maintain that they cannot provide the needed short-term facilities because the cost of developing and maintaining them would exceed revenues even if fees were charged. Consequently, the concessionaires have turned to long-term facilities including primarily mobile home sites, boat ramps, etc. With over 1,600 developed mobile home sites, pollution and other environmental problems, the shortage of public short-term facilities, and the lack of adequate public access have become intolerable.

Napa County maintains that it should not be expected to use county funds to finance any significant portion of the needed short-term facilities, because over 90 percent of the use is by nonresidents of the county. The problems have grown progressively worse as the demand for recreation has increased. The recreation use now amounts to 1.1 million visitor days annually, including an estimated 450,000 visitor days of use from the public using the undeveloped areas with only minimal sanitation or inadequate day-use facilities.

The Federal Water Project Recreation Act of 1965 would normally be the most likely source of funds to solve the problem, but because Lake Berryessa was completed prior to 1965, it must be treated as an "existing" reservoir under the Act and it would be eligible for only \$100,000 in Federal matching funds. This amount is totally inadequate to meet the need.

A Lake Berryessa Recreation Management Task Force, consisting of Federal and local representatives, was established in June 1973 to recommend a plan to meet the difficulties described above. The report of that task force was reviewed by the Interior Department. The Department concluded that Lake Berryessa presented a problem which would require a unique solution not necessarily applicable to other situations requiring additional recreational facilities. More particularly, it was concluded the Federal Government should provide up to \$3 million to construct short-term facilities on a nonreimbursable basis. However, because development of recreation facilities is of value primarily to the region and the State, the funding should be contingent upon Napa County or some other non-Federal public agency such as the State of California accepting recreation management responsibility through an appropriate agreement. The agreement should provide for the establishment of appropriate user fees and development of a management plan to be concurred in by the Secretary.

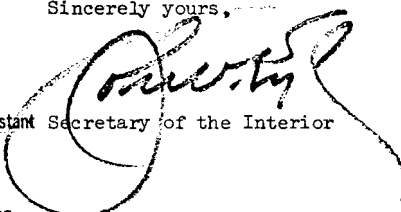
Consistent with these conclusions, we recommend enactment of the attached draft bill instead of S. 1740. The draft bill would authorize the Secretary of the Interior to develop, operate and maintain short-term recreation facilities in the area associated with Lake Berryessa. It would authorize to be appropriated not to exceed \$3 million for development costs on the condition that the construction of facilities shall not be started until non-Federal agencies agree to bear fifty percent of the cost of the facilities and to bear the cost for operation and maintenance.

The \$3 million authorized to be appropriated in the draft bill would provide for development over a 4-year period of potable water, sanitation facilities, access roads, parking, and appurtenant public short-term use facilities in a complex large enough to accommodate 1,000 family groups at one time.

An environmental impact statement will be prepared pursuant to the National Environmental Policy Act of 1969 prior to any decision of the Secretary to proceed under the authority of this legislation to approve a recreation management plan or to expend funds for construction.

The Office of Management and Budget has advised that there is no objection to the presentation of this report or to enactment of the enclosed draft bill from the standpoint of the Administration's program.

Sincerely yours,



Assistant Secretary of the Interior

Honorable Henry M. Jackson
Chairman, Committee on
Interior and Insular Affairs
United States Senate
Washington, D. C. 20510

Enclosure

A B I L L

To provide for the establishment of short-term public recreational facilities at Lake Berryessa on the Solano reclamation project in the State of California and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to provide for the protection, use and enjoyment of the esthetic and recreational values inherent in the Federal lands and waters at Lake Berryessa, Solano project, California, the Secretary of the Interior is hereby authorized to develop, operate, and maintain such short-term recreation facilities as he deems necessary for the safety, health, protection, and outdoor recreational use of the visiting public; to undertake a thorough and detailed review of all existing developments and uses on Federal lands to determine their compatibility with preservation of environmental values and their effectiveness in providing needed public services; to implement corrective procedures when necessary; and to otherwise administer the Federal land and water areas associated with said Lake Berryessa in such a manner that, in his opinion, will best provide for the public recreational use and enjoyment thereof, all to such an extent that said use is not incompatible with other authorized functions of the Solano project.

SEC. 2. The Secretary of the Interior shall make such rules and regulations as are necessary to carry out the provisions of this Act and may enter into an agreement or agreements with a non-Federal agency or agencies or organizations for the development of a recreation management plan, and for the management of recreation including the operation and maintenance of the facilities within the area. The agency performing the recreation management functions is authorized to establish and collect fees for the use of recreation facilities.

SEC. 3. There are authorized to be appropriated to the Secretary of the Interior such amounts as may be necessary for the development of short-term recreation facilities as provided for by this Act, but not to exceed \$3,000,000 based on estimated costs as of April 1974, plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in development costs as indicated by cost indexes applicable to the types of development involved herein; provided that the construction of the facilities authorized in this section shall not be undertaken until the agreement or agreements required pursuant to section 2 hereof have been entered into. Non-Federal interests must agree to bear fifty percent of the cost of such facilities and to bear the operation and maintenance cost associated with them as a condition precedent to the use of these funds.

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

AUG 20 1974

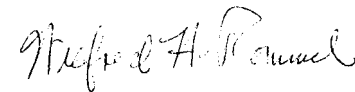
Honorable Henry M. Jackson
Chairman, Committee on Interior
and Insular Affairs
United States Senate
3106 New Senate Office Building
Washington, D. C. 20510

Dear Mr. Chairman:

This is in response to your request of July 19, 1974 for the views of the Office of Management and Budget on S. 1740, a bill "To establish the Lake Berryessa National Recreation Area in the State of California, and for other purposes."

The Office of Management and Budget concurs in the views of the Department of the Interior in its report on S. 1740, and accordingly we recommend enactment of the Department's proposed substitute bill in lieu of S. 1740. The Department of the Interior's substitute proposal is a bill "To provide for the establishment of short-term public recreational facilities at Lake Berryessa on the Solano reclamation project in the State of California and for other purposes."

Sincerely,



Wilfred H. Rommel
Assistant Director for
Legislative Reference



United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

JUN 17 1974

Dear Mr. Chairman:

This responds to your request for our views concerning S. 2779, a bill "To authorize the Secretary of the Interior to construct necessary drainage works for the Vernal unit of the Central Utah project and the Emery County project, participating projects, Colorado River storage project."

We recommend enactment of the bill amended as suggested herein.

The bill would authorize the Secretary of the Interior to construct drainage facilities for the Vernal Unit of the Central Utah project and the Emery County project to the extent he determines necessary for sustained crop production on the irrigable lands of these projects. The Secretary would also be authorized to negotiate and execute amendments to the repayment contracts for the two districts without increasing the repayment obligation of the water users of either project.

The work authorized by the bill would protect the productive capacity of existing Reclamation irrigation projects. While our preliminary review indicates that the irrigation water users have limited, if any, ability to repay the costs of the work contemplated by the bills, we recommend that the bill be amended to provide for such repayment based on ability to repay as determined by the Secretary. Costs not repaid by irrigation water users would be repaid from power revenues.

The Vernal Unit of the Central Utah Project and the Emery County Project are participating projects in the Colorado River Storage Project (CRSP) which provides for comprehensive development of the Upper Colorado River Basin under the act of April 11, 1956 (70 Stat. 105), and other Federal Reclamation laws.

Vernal Unit

Construction of the Vernal Unit began in 1959, and water delivery features were completed for the originally planned unit to supplement existing water supplied to 14,700 irrigable acres. The first supply of irrigation water was delivered in 1963.

The repayment contract of July 14, 1958, with the Uintah Water Conservancy District established the repayment obligation of the water users at \$1,500,000, including drainage facilities at a cost not to exceed \$675,000. The remaining irrigation cost of \$7,531,985 is to be paid by power and other revenues from the Upper Colorado River Basin Fund (UCRBF). Adequate drainage facilities have been completed for about 1,250 acres within the contract limitations of \$675,000. Further construction has now stopped pending development of a way to underwrite the cost of additional work. Additional drainage facilities estimated at \$1,325,000 are needed. There are several reasons for the increase in cost over the original estimate. The lands requiring drainage have increased to 3,700 acres as determined under actual operating condition. The spacing of drains on part of the area must be at intervals of 800 feet rather than 1,600 feet as originally planned. Construction cost indices have increased substantially since 1957.

If the drainage facilities are not provided for the remaining drainage deficient area, it is estimated that about 1,050 acres of land will lose productivity in about 5 years and that about 1,400 acres of land now in wet pasture will be limited to that kind of forage production rather than being developed for higher productivity. These factors have seriously reduced the ability of the water users to pay their present obligation for construction and annual operation and maintenance costs, and will jeopardize continuity of the water resource investment totaling about \$9 million for this irrigation resource.

Emery County Project

Construction of the Emery County Project began in 1962. Water delivery features were completed for works originally planned to serve supplemental water to 18,775 irrigable acres. The first supply of irrigation water was delivered in 1966. The existing repayment contract of May 15, 1962, as amended, with the Emery Water Conservancy District established the repayment obligation of the water users at \$2,433,600. That amount included drainage facilities necessary for project purposes, but not to exceed \$990,000. The remaining irrigation cost of \$7,302,368 is to be paid by power and other revenues from the UCRBF.



Let's Clean Up America For Our 200th Birthday

Drainage facilities have been completed for about 900 acres within the contract limitation. Additional facilities are needed but have not been constructed because the cost would exceed the drainage limitation of \$990,000 in the repayment contract. It is estimated that the remaining drainage system to provide adequate drainage for the project, as originally intended, will cost approximately \$1,210,000 at current prices.

The increase in the estimated cost of the drainage system is due to the increase of the lands requiring drainage to 2,500 acres, (an area which will continue to increase unless drainage is accomplished). In addition, the construction cost index has increased by a factor of 152 since the repayment contract was signed, and the overhead cost has continued to increase because of delays in an orderly construction program.

Unless the drainage facilities are provided for the remaining 1,600 acres, the production capability of the lands will continue to decline and will jeopardize the ability of the water users to meet their construction obligation and to pay annual operation and maintenance costs associated with delivery of project water.

Discussion

These incremental project costs for drainage works represent a relatively modest investment to sustain agricultural productivity on the 33,475 irrigable lands on both projects having an irrigation allocation of about \$19 million.

The additional proposed drainage costs average about \$75 an irrigable acre, which would result in a total cost for drainage of about \$125 per acre on all irrigable lands as compared with the original estimate of about \$50 per acre.

It is estimated also that unless the drainage works are provided, serious productivity losses would occur on about 4,050 acres on the two projects. The loss of productivity on these lands, totaling about 12 percent of the project lands, is widely scattered over the project areas and would seriously affect the existing economy of individual farm operations. The adverse economic effects on farm net incomes would, in turn, adversely affect the capability of the water users and the districts' abilities to repay the outstanding repayment obligations to the United States. These obligations are \$1,288,567 for the Vernal Unit and \$2,238,400 for the Emery County Project. If the drainage facilities are not provided and the farm operations fail, the outstanding repayment obligations would

become a burden of repayment to the Colorado River Storage Project Basin Fund. Failure of the farm operations on each of the projects would also affect adversely the local agricultural economy, associated business communities and the local tax base.

Construction of the needed drainage facilities should be completed in order to provide benefits that support the \$19 million irrigation allocation for the two projects. The lands were certified as irrigable, on the basis that drainage would be provided after the impact of the project operation had been observed and the drainage requirements are more closely defined. The water users do not have additional payment capacity to repay the increased drainage costs, and unless the drains are provided the water users probably will be unable to continue making full payments under the existing contracts. However, required rights-of-way for the drainage system should be provided by the water users at no cost to the United States on the Emery County Project and on the Vernal Unit.

Our review of the projects indicates that the proposed drainage facilities are necessary to sustain crop production on those areas that are being adversely affected by perched water tables and the lack of water movement through the relatively impermeable soils. We have also made preliminary payment capacity studies for each of the projects, and in view of the current and expected price relationships for agricultural products, find that the individual water users and the districts have limited, if any, capacity to repay the additional drainage costs of \$1,325,000 for the Vernal Unit and \$1,210,000 for the Emery County Project. Prior to commencement of construction we would make final repayment capacity determinations with a view to determining what part of such costs should be repaid by the water users and what part from power revenues. To provide flexibility to make this determination, the bill should be amended by deleting the words on line 6 and 7 of page 2 "without increasing the repayment obligation of the water users of either project" and inserting "with repayment to be made based on ability of irrigation water users to repay as determined by the Secretary." Beyond this, the cost of the drainage work would be repaid from available revenues in the Upper Colorado River Basin Fund. With this change, we would support the proposed legislation with the understanding that rights-of-way would be provided at no cost to the United States, and the extent of the drainage program would be reviewed carefully and limited to those lands that are in critical need and should be drained to protect the Federal investment.

The Bureau of Reclamation has made an environmental assessment for the proposed drainage work and determined that the drainage construction activities would not constitute a major Federal action pursuant to the National Environmental Policy Act and an environmental impact statement pursuant to section 102(2)(C) thereof is not required.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely yours,


Assistant Secretary of the Interior

Hon. Henry M. Jackson
Chairman, Committee on
Interior and Insular Affairs
United States Senate
Washington, D. C. 20510

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

JUN 27 1974

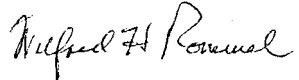
Honorable Henry M. Jackson
Chairman, Committee on Interior
and Insular Affairs
United States Senate
3106 New Senate Office Building
Washington, D. C. 20510

Dear Mr. Chairman:

This is in reply to your request of May 28, 1974 for the views of the Office of Management and Budget on S. 2779, a bill "To authorize the Secretary of the Interior to construct necessary drainage works for the Vernal Unit of the Central Utah project and the Emery County project, participating projects, Colorado River storage project."

The Department of the Interior, in its report to your Committee, recommends enactment of the bill if it is amended in certain respects. The Office of Management and Budget concurs with the views of the Department, and, accordingly, recommends enactment of S. 2779 if amended as suggested in the Department's report.

Sincerely,



Wilfred H. Rommel
Assistant Director for
Legislative Reference



United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

JUN 6 - 1974

Dear Mr. Chairman:

This responds to your request for our views concerning S. 2403 a bill "To authorize the Secretary of the Interior to construct, operate and maintain a larger and adequate spillway, and to improve the upstream slope protection on Belle Fourche Dam, Belle Fourche project, Belle Fourche, South Dakota, and for other purposes."

We recommend that the bill be enacted if revised as suggested herein.

The bill would authorize the Secretary of the Interior to construct operate and maintain a larger and adequate spillway and to improve the upstream slope protection on Belle Fourche Dam in South Dakota. Construction would be in accordance with a plan developed by the Secretary for flood control and safety of dam purposes and not for the purpose of providing additional storage capacity or developing benefits beyond those provided by the original dam and reservoir. Costs would be non-reimbursable and a \$3.25 million construction authorization (October 1972 prices) is provided.

A wide variety of circumstances are relevant to determining what the Federal responsibility should be for assuring that dams built or operated by the Federal Government continue to have adequate safety characteristics, after initial construction. Because of this, safety issues such as those presented by S. 2403 must be considered on a case-by-case basis. With respect to the Belle Fourche Dam, we recognize a Federal responsibility to carry out work contemplated by the bill, subject however to sharing such responsibility with project beneficiaries.

Recently developed meteorological techniques, current hydrological data, plus additional years of experience in precipitation and runoff studies, have revealed that the design inflow flood at Belle Fourche Dam is greater than was estimated when the structure was designed and constructed. Based upon this information, it has been concluded that failure of Belle Fourche Dam could result from the occurrence of floods approaching the magnitude of the design inflow flood, or from unusually severe wave action against the concrete slab protection on the upstream face of the dam.

Failure of the dam would cause a major disaster in the area downstream, including possible loss of life. Located within the downstream flood zone are: the town of Nisland, South Dakota; two Indian villages (Bridger and Cherry Creek); and a number of farmsteads and ranch headquarters. These communities would either be partially or completely inundated.

The Bureau of Reclamation is preparing a report on Belle Fourche Dam to indicate alternative solutions, interim operating criteria, an analysis of repayment capability, and possible cost allocations.

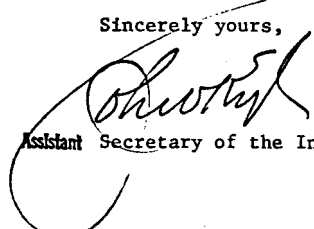
When the report has been completed, it would be desirable if enabling legislation existed to authorize the construction of the facilities necessary to insure the safety of Belle Fourche Dam. We believe that S. 2403 would provide the required authority if it were revised as follows:

1. Page 2, line 2, to read ". . . Act and the plan set out in a report to be issued by the Secretary on this"
2. Page 2, lines 12 and 13, to read ". . . thORIZED by this Act shall be reimbursable to the extent that the Secretary of the Interior determines to be appropriate. Nothing in this Act shall be construed to reduce the"

These changes will permit the needed work to go forward on an appropriate basis of shared responsibility between the Federal government and project beneficiaries.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely yours,


Assistant Secretary of the Interior

Hon. Henry M. Jackson
Chairman, Committee on
Interior and Insular Affairs
United States Senate
Washington, D.C. 20510

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

JUN 14 1974

Honorable Henry M. Jackson
Chairman, Committee on Interior
and Insular Affairs
United States Senate
3106 New Senate Office Building
Washington, D. C. 20510

Dear Mr. Chairman:

This is in reply to your request of January 15, 1974, for the views of the Office of Management and Budget on S. 2403, a bill "To authorize the Secretary of the Interior to construct, operate, and maintain a larger and adequate spillway, and to improve the upstream slope protection on Belle Fourche Dam, Belle Fourche Project, Belle Fourche, South Dakota, and for other purposes."

The Department of the Interior, in its letter to your Committee, recommends that the bill be enacted if revised in certain respects. The Office of Management and Budget concurs with the views of the Department and, accordingly recommends enactment of S. 2403 if amended as the Department suggests.

Sincerely,



Wilfred H. Rommel
Assistant Director for
Legislative Reference



United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

JUN 6 - 1974

Dear Mr. Chairman:

This responds to your request for our views concerning S. 3223 a bill "To expand the Glendo unit of the Pick-Sloan Missouri Basin program to provide for the rehabilitation of a road relocated by the Bureau of Reclamation in the vicinity of Glendo Dam and Reservoir, Platte County, Wyoming."

We cannot support enactment of S. 3223 since the road which the bill would authorize funds to relocate and repair is more properly a local rather than Federal responsibility.

The bill authorizes the Secretary of the Interior to repair and rehabilitate a road, which was relocated by this Department's Bureau of Reclamation in connection with construction of Glendo Dam and reservoir and which has become subject to slides, seepage and undue weathering. The bill authorizes appropriation of \$284,000 for this work with certain cost adjustments, on a non-reimbursable basis.

The section of the relocated road that requires rehabilitation is about 1,000 feet of the 16 miles of a former Platte County road, which occupies a sidehill site in the vicinity of the left abutment of the Glendo Dam. Construction of the relocated road was carried out by the Bureau of Reclamation between November 1956 and September 1958. Upon completion of construction, the road was turned over to Platte County for administration and maintenance on September 14, 1958, in accordance with the terms of the relocation contract. On February 6, 1973, the operation and maintenance responsibilities of the Platte County road within Glendo State Park were transferred by a memorandum of understanding to the Wyoming Recreation Commission.

Within a few years after completion of construction weaknesses began to occur in a section of the road on a sidehill location a short distance from the left abutment of the Glendo Dam. The county made repairs to the road in 1964 and again in 1965 which were relatively minor in nature, costing only a total of approximately \$7,000. However, heavy rains in June 1965 caused a major slide on the roadway near the left abutment of Glendo Dam which required emergency repairs. The Comptroller General in Decision B-159372 dated June 28, 1966, approved the expenditure by the Bureau of \$149,000 for these emergency repairs. Subsequently, in 1967 about \$63,000 was spent on repairing the road due to another heavy slide near the left abutment, and other expenditures were made to raise the guardrail at another location and to modify a curve in the road. Additional slides occurred during the spring and summer of 1971 and in the spring of 1973. The recent slides of 1973 have reduced the roadway width to a one-lane traffic way and increased the drainage across the roadway, thereby creating a serious hazard to traffic use and public safety.

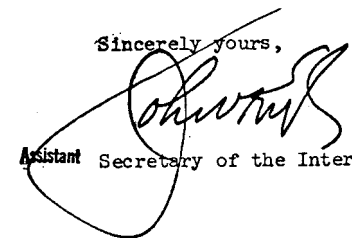
The Bureau of Reclamation in 1973 made studies on four alternate plans for reconstructing the roadway where slides and other weaknesses have been encountered. Estimates of cost for the various plans, which involved extensive relocations of sections of the road, ranged from \$990,000 to \$1,850,000. The Bureau has, however, no authority to spend additional funds of the magnitude necessary to provide a permanent solution to the slide conditions that have occurred over the years.

The Wyoming Highway Department also made a study of the problem and has submitted a proposal to rehabilitate about 1,000 feet of the road through the slide area without relocating any substantial portion of the road. The initial estimated cost to implement the proposal was about \$175,000. This estimate was updated by the Highway Department as of February 27, 1974, to \$236,000. By adding a 20 percent contingency for inflation and administration, that estimate has been increased to \$284,000, the amount stated in S. 3223.

Notwithstanding the fact that the Bureau of Reclamation was responsible for relocating the road in connection with construction of the Glendo Reservoir and has made certain emergency repairs, continuing responsibility for the road properly rests with the State and local governments in accordance with well-established general principles. In light of this, we cannot support enactment of S. 3223.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely yours,



Assistant Secretary of the Interior

Hon. Henry M. Jackson
Chairman, Committee on
Interior and Insular Affairs
United States Senate
Washington, D.C. 20510

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

JUL 16 1974

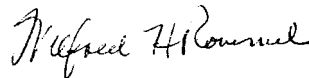
Honorable Henry M. Jackson
Chairman, Committee on Interior
and Insular Affairs
United States Senate
3106 New Senate Office Building
Washington, D. C. 20510

Dear Mr. Chairman:

This is in reply to your request of May 13, 1974 for the views of the Office of Management and Budget on S. 3223, a bill "To expand the Glendo unit of the Pick-Sloan Missouri Basin program to provide for the rehabilitation of a road relocated by the Bureau of Reclamation in the vicinity of Glendo Dam and Reservoir, Platte County, Wyoming."

In its report to your Committee, the Department of the Interior stated that it does not support enactment of S. 3223. The Office of Management and Budget concurs in the views of the Department, and, accordingly, would be opposed to enactment of S. 3223 for the reasons set forth in the Department's letter.

Sincerely,



Wilfred H. Rommel
Assistant Director for
Legislative Reference



Dun
United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

JUL 15 1974

Dear Mr. Chairman:

This responds to your request for the views of this Department on S. 3513, a bill "To authorize the Secretary of the Interior to construct, operate, and maintain the Nueces River project, Texas, and for other purposes."

We recommend that action on the bill be deferred pending the completion of certain actions by this Department as set forth below.

S. 3513 would authorize the Secretary of the Interior to construct, operate and maintain the Nueces River project in Texas. The principal features of the project would be the Choke Canyon Dam and Reservoir on the Frio River in Live Oak and McMullen Counties, Texas and facilities for public outdoor recreation and sport fishing. The primary purpose of the project would be to supply water for the municipal and industrial needs of the Coastal Bend area of Texas, which includes Corpus Christi and neighboring communities. Costs of the project allocated to municipal and industrial water supply would be repayable to the United States with interest over not more than forty years under either the provisions of the Federal reclamation laws or under the Water Supply Act of 1958. The bill would authorize appropriations of \$50 million (January 1974 prices) for construction with customary cost adjustments, subject to the proviso that prior to appropriation of Federal funds a qualified local entity must agree to advance not less than \$15 million under arrangements approved by the Secretary of the Interior. The \$15 million advanced would be credited to the local entities repayment obligation. At any time following the first advance of funds by the local entity, the local entity could require the Secretary to halt activities in progress and assign to the local entity contract and property rights, data, drawings or other items of value acquired with the advance funds.



Let's Clean Up America For Our 200th Birthday

The Department of the Interior has not yet completed the customary feasibility study of the Nueces project. A draft environmental impact statement has been filed with the Council on Environmental Quality, and the final statement is in the process of preparation.

Additionally, we believe it essential that an onsite mineral evaluation be made of the area covered by the project. Known mineral resources of the area include petroleum, natural gas and sand and gravel. Mineral installations include oil and gas wells, pipelines, and portable facilities as well as oil storage tanks and gravel plants. Carrying out the proposal would require the purchase and plugging of ninety-three active oil and gas wells. In addition to the need for a mineral survey, it is uncertain what amounts would be required to pay for acquiring or subordinating mineral rights in the area and construction would not be undertaken until more is known about the mineral commitment.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely yours,

Jack Horton
 Assistant Secretary of the Interior

Hon. Henry M. Jackson
 Chairman, Committee on
 Interior and Insular Affairs
 United States Senate
 Washington, D.C. 20510



United States Department of the Interior

BUREAU OF RECLAMATION
 WASHINGTON, D.C. 20240

IN REPLY
 REFER TO:
 131.2.93-

AUG 1 1974

Honorable Frank Church
 Chairman, Subcommittee on Water and
 Power Resources
 Committee on Interior and Insular Affairs
 United States Senate
 Washington, D.C.

Dear Senator Church:

The following is submitted in compliance with the Subcommittee's request at the hearing on July 18 for an opinion for the record concerning the last paragraph of section 5 of S. 3513. That bill would authorize the Secretary of the Interior to construct, operate, and maintain the Nueces River Project, Texas.

After consulting with the Solicitor, and consistent with the Department's testimony, the Department of the Interior concurs in the testimony presented by Mr. Marvin Townsend, city manager of Corpus Christi, Texas.

Our understanding of the meaning of the last paragraph of section 5 is that the local entity or entities could discontinue construction of the Nueces River Project at any time prior to the commitment of Federal funds to the project.

Sincerely yours,

~~W. B. STAMM~~

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

SEP 16 1974

Honorable Henry M. Jackson
Chairman, Committee on Interior
and Insular Affairs
United States Senate
3106 New Senate Office Building
Washington, D. C. 20510

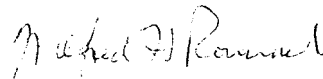
Dear Mr. Chairman:

This is in reply to your request of July 1, 1974 for the views of the Office of Management and Budget on S. 3513, a bill "To authorize the Secretary of the Interior to construct, operate and maintain the Nueces River project, Texas, and for other purposes."

In its letter to your Committee, the Department of the Interior recommends that action on the bill be deferred until the customary feasibility study has been completed, and an onsite mineral evaluation has been made.

The Office of Management and Budget agrees with the views of the Department, and likewise recommends that action on S. 3513 be deferred until those actions are completed.

Sincerely,



Wilfred H. Rommel
Assistant Director for
Legislative Reference



United States Department of the Interior

BUREAU OF RECLAMATION
WASHINGTON, D.C. 20240

IN REPLY
REFER TO: 730
123.14

APR 7 1972

The Secretary
of the Interior

Sir:

This is my proposed report on the Nueces River Project, Texas. It reflects revisions of the attached feasibility report prepared by the Regional Director, dated July 1971, which sets forth the proposed plan of development and its engineering feasibility and economic justification. The revisions include a cost estimate based on July 1971 prices, adjusted recreation and municipal and industrial water supply benefits, and the use of current interest rates, 5-3/8 percent for economic analysis and 3.502 percent for financial analysis.

Included in the material appended to the Regional Director's report are reports or letters by the Bureau of Outdoor Recreation, Bureau of Sport Fisheries and Wildlife, Geological Survey, Public Health Service, Department of Health, Education, and Welfare, and the Federal Water Quality Administration, formerly of this Department, but now the Office of Water Programs of the Environmental Protection Agency.

The report has been prepared pursuant to Federal Reclamation laws (Act of June 17, 1902, 32 Stat. 388 and acts amendatory thereof or supplementary thereto). Authority to engage in a feasibility investigation of the project was provided by the Act of September 7, 1966 (80 Stat. 708).

The primary purpose of the Nueces River Project would be to provide a water supply for municipal and industrial uses in the Coastal Bend area of Texas. Additional project purposes include enhancement of sport fishing and provision of opportunities for outdoor recreation.

The project is included in the Texas water plan published by the Texas Water Development Board in November 1968 and in the plan presented in the 1962 report of the U. S. Study Commission, Texas.

During the past 30 years, the coastal section of Texas has developed into one of the principal manufacturing areas of the Nation. This industrial growth has been concentrated principally in petroleum refining, petrochemical manufacturing, and production of aluminum and magnesium. This industrialization has been accompanied by major population growth.

The factors producing major industrialization and urbanization are still at work and are expected to produce further major urban and industrial expansion if the water supplies required to support such expansion are available. The Bureau of Business Research, University of Texas, projected the potential of long-term industrial and population growth. The projections were made on the basis that water supplies of acceptable quality will be made available as needed and at reasonable rates. These projections were provided the Texas Water Development Board for use in formulating a statewide plan for water resources development.

The Texas Water Development Board estimates that all municipal and industrial water requirements in the Upper Nueces River Basin through the year 2020 can be supplied from ground water. In the Coastal Bend area, however, the Board estimates that ground water can supply only 41,200 acre-feet of the area's projected 1990 municipal and industrial water requirements of 266,300 acre-feet and only 45,600 acre-feet of the area's projected 2020 municipal and industrial water requirements of 525,300 acre-feet. Resulting municipal and industrial requirements for surface water in the Coastal Bend area therefore are 225,100 acre-feet in 1990 and 479,700 acre-feet in 2020.

The only surface water supply now available in the Coastal Bend area is provided by the existing Lake Corpus Christi, a facility of the Lower Nueces River Water Supply District. Operation studies for this reservoir show that its dependable annual water supply will decrease from 133,000 acre-feet in 1975 to 113,000 acre-feet in 2010. The Coastal Bend area would need to obtain an additional surface supply by 1978, as all of the dependable supply of Lake Corpus Christi will be needed to meet municipal and industrial water requirements of the area in 1977 on the basis of the Texas Water Development Board projections.

The Nueces River Project would provide a dependable annual supply of 166,000 acre-feet from R&M Reservoir. The water would begin to be used in 1978 or as soon thereafter as it is available, and the total dependable supply will be fully used in 1997.

The plan for development of the Nueces River Project involves the construction of R&M Dam and Reservoir on the Nueces River and the acquisition of lands and construction of facilities for recreation and sport-fishing use.

R&M Dam and Reservoir would be constructed on the Nueces River about 5 miles west of Corpus Christi and 22 river miles above the mouth of the river. The dam would be an earthfill structure with a concrete spillway. The crest of the dam would be 16,350 feet long. The reservoir would have a controlled capacity of 986,600 acre-feet at elevation 70, consisting of 977,600 acre-feet of conservation storage and 9,000 acre-feet for 100 years of sediment deposition. At elevation 70, the reservoir would have a surface area of 31,340 acres and extend upstream about 25 river miles to Wesley Seale Dam, which creates Lake Corpus Christi. The maximum width of the reservoir would be about 5 miles. The area acquired for the dam and reservoir would be 36,500 acres.

In accordance with recommendations of the Bureau of Outdoor Recreation and the Bureau of Sport Fisheries and Wildlife, the plan of development provides for acquiring 5,280 acres of land for recreation and sport-fishing use and development of facilities for such use. The Bureau of Outdoor Recreation finds that the proposed recreation and fish and wildlife developments are in accord with the Texas Statewide Comprehensive Outdoor Recreation Plan.

As recommended by the Bureau of Sport Fisheries and Wildlife, the plan provides for a fishing platform below R&M Dam; a fishery-management program at R&M Reservoir to be conducted by the Texas Parks and Wildlife Department during the first 5 years after completion of the dam; development of a reservoir-zoning plan by concerned agencies to insure that adequate areas would be available for fishing, hunting, and other wildlife purposes without conflicting with competing recreation uses; and formulation by concerned agencies of a plan for clearing the reservoir as required for project construction and operation and achievement of optimum recreation and fish and wildlife benefits.

The Nueces River Project, including the fishery-management program, access areas, minimum reservoir clearing, and recommended reservoir zoning, is expected to provide additional freshwater fishing of 1,048,200 man-days per year. The project also is expected to provide 120,000 pounds per year of freshwater commercial fish from R&M Reservoir to match the 120,000 pounds now obtainable from Lake

Corpus Christi. Waterfowl hunting would increase from 100 man-days per year without the project to 700 man-days per year with the project.

Through inundation of the reservoir area and development of adjoining lands, the project would cause losses estimated at 5,100 man-days per year for big-game hunting (deer) and 3,000 man-days per year for upland game. The project also would cause substantial losses of estuarine sport and commercial fishing.

Texas estuaries provide suitable environment for most species that contribute to the commercial and sport harvests of fish and shellfish in Texas coastal waters. This environment normally is provided by a well-defined increase in salinity between river mouth and tidal pass, providing a broad range of conditions that can accommodate salinity requirements of a wide variety of species.

Tributary discharge controls these conditions to a very large degree. If such discharge becomes excessive, abnormally low salinity is likely to prevail over a large part of the estuary and temporarily restrict its use to species that can tolerate that condition. Conversely, major prolonged reductions in tributary discharge can cause the average level of salinity in the estuary to rise substantially and sometimes to exceed that of sea water. Under such conditions, the capacity of the estuary to support present levels of harvest would decline substantially.

As defined by the Bureau of Sport Fisheries and Wildlife, the Corpus Christi estuary consists of Corpus Christi Bay, Nueces Bay, and the 17 miles of Nueces River channel between Nueces Bay and Calallen Diversion Dam. Full diversion and use of Lake Corpus Christi's dependable yield for municipal and industrial purposes will cause a 14.4-percent reduction (from an average of 896,000 to 767,000 acre-feet per year) in freshwater inflow to the Corpus Christi estuary from historic conditions to projected conditions in the year 2010 without the Nueces Project. For the latter condition, the Bureau of Sport Fisheries and Wildlife estimates that the estuary will support 1,422,000 man-days of sport fishing per year and an annual commercial fish harvest of 20,800,000 pounds.

Operation of R&M Reservoir and diversion and use of its dependable yield for municipal and industrial purposes would cause a further reduction in Nueces River discharge into the Corpus Christi estuary, with this reduction amounting to 22.3 percent (from an average of

767,000 to 596,000 acre-feet per year) of all freshwater inflow under projected 2010 without-project conditions.

The Bureau of Sport Fisheries and Wildlife estimates that this reduction in inflow would cause annual reductions of 184,000 man-days of sport fishing and 4,490,000 pounds of commercial fish harvested from the estuary. These reductions would be about 13 percent of sport fishing and about 22 percent of the commercial fish harvest without the project. These reductions also would equal about 1.3 percent and 1.4 percent, respectively, of the combined potential of all Texas estuaries for sport and commercial fishing under projected 2010 conditions.

The Bureau of Outdoor Recreation advises that reduced flows may intensify the existing pollution problem of both Corpus Christi and Nueces Bays, resulting in reduced general recreation use.

The dependable water supply now available for municipal and industrial use from Lake Corpus Christi is inadequate to support projected future urban population growth and industrial expansion in the Coastal Bend area for more than a few years. It is certain that industrial concerns will not build new plants in the area unless they are assured that they will be able to obtain the water required for their operations. The urban population and its municipal water requirements, however, are likely to continue to grow beyond the point where such requirements can be fully supplied, thereby creating serious water shortages that will not be alleviated until a new water supply can be developed.

It is equally obvious that construction and operation of the Nueces River Project to provide a major new water supply to support future urban and industrial growth in the Coastal Bend area would reduce freshwater inflow to the Corpus Christi estuary, thereby causing reductions in sport and commercial fishing harvest from that estuary.

In order to mitigate the estuarine fishing losses forecast by the Bureau of Sport Fisheries and Wildlife, it would be necessary to replace all of the reductions in freshwater inflow to the Corpus Christi estuary attributable to the project, except in years when major floodflows occur. There is no known source from which such a replacement supply could be obtained at a cost commensurate with the actual monetary value of the estuarine fishing losses to be mitigated or in time to permit construction to be completed before the additional water supply will be needed. Temporary mitigation of

the estuarine fishery resources could be achieved by releasing to the estuary that portion of the water not now needed for project use.

Flood control would not be a purpose of the project. No problems are foreseen in respect to compliance with Executive Order No. 11296 prescribing regulations concerning the relationship of Federal projects to flood hazards.

Evaporation from R&M Reservoir would cause mineral concentrations to be slightly higher in reservoir releases than in unregulated flows.

Concentrations of various mineral constituents, however, would be well below maximum concentrations specified in Public Health Service Standards, and the Nueces River flows would be acceptable for municipal, industrial, and irrigation use. The Federal Water Quality Administration found that flow regulation for water-quality control by R&M Reservoir would not be needed in the foreseeable future. The project will comply with water-quality standards under provisions of the Federal Water Pollution Act and Executive Order 11507.

R&M Reservoir would inundate the old townsite of San Patricio, which was established in 1830 as the seat of a colony of Irish settlers. The town is not incorporated, and the 1960 census did not report its population. A monument in the townsite, erected by the Texas Centennial Commission, describes its early history. The home of James McGloin, one of the leaders of the original settlement in 1830, was built in 1855 and stands about a mile southeast of San Patricio.

R&M Reservoir also would inundate the site of Fort Lipantitlan, which was occupied by an Indian village as early as 1690 and by a Spanish fort built in 1734. The site is now occupied by picnic facilities and a marker erected by the Texas Centennial Commission.

As recommended by the National Park Service, archeological and historical values will be inventoried. Consideration will be given to a program of salvage and preservation of the archeological and historical sites. Required work would be funded by the Bureau of Reclamation.

The National Park Service reports that the proposed project will not affect any areas proposed or under study for inclusion in the National Park System nor any sites eligible or potentially eligible as Natural, Historic, or Environmental Education Landmarks. In accord with the National Historic Preservation Act (Public Law 89-665), the National

Register of Historic Places is being consulted to determine whether any historic sites would be affected. Also, the Executive Director, State Historical Survey Committee, is being contacted to determine whether any historic or archeological sites are in the process of nomination to the National Register of Historic Places.

The plan provides for purchase, relocation, or protection of improvements in the area to be acquired for the reservoir. These improvements include highways, private roads, railroads, telephone and electric power lines, oil and natural gas wells, oil storage tanks, pipelines, sand and gravel plants, buildings, cemeteries, a dairy farm, and a feedlot operation.

During advanced planning studies, an onsite examination will be made, as recommended by the Bureau of Mines, to determine the mineral involvement, including an assessment of mineral values in the area. The engineering study will also include a search for abandoned oil wells in the reservoir area to determine the possibility of oil seepage into the reservoir from improperly capped wells.

The total estimated construction cost of the project is \$118,000,000 at July 1971 prices and includes \$208,400 of preauthorization costs which are excluded from the economic analyses since they are non-reimbursable and not included in the benefit-cost analysis. The remaining estimate of \$117,791,600 includes \$97,391,600 for R&M Dam and Reservoir, \$20,250,000 for recreation and sport-fishing land and facilities at the reservoir, \$40,000 for a fishery-management program during the first 5 years after completion of construction, and \$110,000 for hydraulic instrumentation required for reservoir management, as recommended by the Geological Survey. Interest during construction at 5-3/8 percent would add \$19,017,000, making the total investment for economic analysis purposes \$136,808,600. Operation, maintenance, and replacement costs are estimated at \$1,336,000 annually.

The estimated investment and operation, maintenance, and replacement costs are allocated by the separable cost-remaining benefits method for economic analysis as follows:

<u>Function</u>	<u>Construc- tion cost</u>	<u>Interest during con- struction</u>	<u>Total</u>	<u>Annual OM&R costs</u>
Municipal & industrial water	\$ 68,630,000	\$11,803,000	\$ 80,433,000	\$ 57,000
Recreation	35,416,000	5,001,000	40,417,000	1,129,000

<u>Function</u>	<u>Construc- tion cost</u>	<u>Interest during con- struction</u>	<u>Total</u>	<u>Annual OM&R costs</u>
Fish & wildlife	\$ 9,545,600	\$ 1,536,000	\$ 11,081,600	\$ 150,000
Highway improvement	<u>4,200,000</u>	<u>677,000</u>	<u>4,877,000</u>	<u>- -</u>
Total	\$117,791,600 <u>1/</u>	\$19,017,000	\$136,808,600	\$1,336,000

1/ Excludes \$208,400 of preauthorization investigation costs.

The annual costs of the Nueces River Project for economic analysis, which include the annual equivalent of the net project investment and the annual operation, maintenance, and replacement costs, have been computed to be \$9,304,000.

The annual benefits to be derived from the municipal and industrial water-supply function have been evaluated to be \$8,468,000, from outdoor recreation \$4,087,000, from fish and wildlife conservation \$1,060,000, and from highway improvement \$264,000. The ratio of the total annual benefits (\$13,879,000) to the estimated annual costs (\$9,304,000) for a 100-year period of analysis is 1.5 to 1.

The total investment cost, including \$7,690,000 interest during construction (based upon the rate prevailing in fiscal year 1972 of 3.502 percent for repayment purposes), allocated to municipal and industrial water supply (\$76,320,000), would be reimbursable with interest within 50 years as required by Reclamation law and policy. Interest would not be charged on \$39,054,000 of the investment cost for a period of 10 years from the first year water is used, as provided by the Water Supply Act of 1958 (72 Stat. 297). The remaining \$37,266,000 of the reimbursable municipal and industrial water supply cost would be repayable and would bear interest dating from completion of the project. Based on projected usage, a constant charge of \$25.74 per acre-foot, or 7.9 cents per 1,000 gallons, would be required to repay the total project investment and annual operation, maintenance, and replacement costs allocated to municipal and industrial water supply.

It will be necessary for some local public agency, established in conformance with Texas laws and having the necessary powers and capabilities, to represent users of the project water supply in

obtaining water rights for project construction, in contracting with the United States for payment of these reimbursable project costs, in assuming operation and maintenance of R&M Dam and Reservoir, and in marketing the project water supply. The city of Corpus Christi which has been the local project sponsor during the investigation, is expected to assume these responsibilities. As the city has operated and maintained Lake Corpus Christi for many years, it is expected to be able to assume these functions for R&M Reservoir soon after construction is completed.

Facilities to divert the project water supply from R&M Reservoir, Lake Corpus Christi, or the Nueces River and to distribute it to Coastal Bend municipalities and industries would be planned, financed, constructed, operated, and maintained by those users, either directly, through the city of Corpus Christi, or through local water agencies, such as the San Patricio Municipal Water Authority, the Aransas County Conservation and Reclamation District, and the Alice Water Authority.

One-half of the separable costs allocated to recreation and fish and wildlife (\$10,893,000), including \$748,000 of interest during construction at 3.502 percent interest and all separable operation, maintenance, and replacement costs (\$1,255,600), would be repaid in accordance with provisions of the Federal Water Project Recreation Act (79 Stat. 213). By letter dated March 11, 1970, the city of Corpus Christi indicated its intent to agree to bear these costs and to administer the land and water areas for outdoor recreation and fish and wildlife enhancement as required by the act. Such an agreement would be prerequisite to commencement of construction of the project.

The remaining construction cost (\$34,816,600) allocated to these functions, consisting of one-half of the separable costs and all of the joint costs allocated to outdoor recreation and fish and wildlife enhancement and the costs allocated to highway improvement (\$4,200,000) would be Federal costs and would be nonreimbursable as provided by law. The estimated nonreimbursable annual operation, maintenance, and replacement costs allocated to those purposes are \$22,800.

Alternative to the R&M Dam and Reservoir

A project at the Choke Canyon site on the Frio River, a Nueces River tributary, about 70 miles north of Corpus Christi, consisting of a dam, reservoir, and associated recreation and sport-fishing facilities, would be an alternative to the project at the R&M site. Choke Canyon Reservoir would have a controlled capacity of 700,000 acre-feet, consisting of 22,700 acre-feet for 100 years of sediment deposition and

677,300 acre-feet for municipal and industrial water supply. The reservoir would have a surface area of 26,000 acres and would extend upstream about 34 miles. The reservoir with coordinated operation of Lake Corpus Christi would provide an increase of 139,000 acre-feet of water per year under projected 2010 conditions.

Both beneficial and adverse environmental effects would be less at the Choke Canyon site than at the R&M site. The project would support annual visitation of about 2.5 million for general recreation and less than 200,000 for sport fishing. The project would convert from private ownership and use 26,000 acres of land in the reservoir and about 7,000 acres of adjoining land.

There are no towns or historical sites in the reservoir area, about 80 percent of which is used for pasture. About 30 families would be displaced. Annual estuarine fishing losses would be 137,000 man-days of sport fishing and about 3.3 million pounds of commercial fish.

The estimated construction cost of a project at the Choke Canyon site is \$49,840,000 at July 1971 prices and includes \$208,400 of preauthorization costs, which are excluded from the economic analysis.

The remaining estimate of \$49,631,600 includes \$38,901,600 for Choke Canyon Dam and Reservoir and related general property, \$10,540,000 for recreation and sport-fishing facilities at the reservoir, \$40,000 for a fishery-management program during the first 5 years after completion of construction, and \$150,000 for hydraulic instrumentation required for reservoir management, as recommended by the Geological Survey.

Interest during construction at 5-3/8 percent would add \$5,461,000, making the total investment for economic analysis purposes \$55,092,600. Operation, maintenance, and replacement costs are estimated at \$811,000 annually.

The estimated investment and operation, maintenance, and replacement costs are allocated as follows:

<u>Function</u>	<u>Construc- tion cost</u>	<u>Interest during con- struction</u>	<u>Total</u>	<u>Annual OM&R costs</u>
Municipal & industrial water	\$25,176,000	\$2,892,000	\$28,068,000	\$ 51,000
Recreation	22,568,000	2,373,000	24,941,000	739,000

<u>Function</u>	<u>Construc- tion cost</u>	<u>Interest during con- struction</u>	<u>Total</u>	<u>Annual OM&R costs</u>
Fish & wildlife	\$ 1,887,600	\$ 196,000	\$ 2,083,600	\$ 21,000
Total	\$49,631,600 <u>1/</u>	\$5,461,000	\$55,092,600	\$811,000

1/ Excludes \$208,400 of preauthorization investigation costs.

The annual costs of the project with Choke Canyon Dam and Reservoir have been computed to be \$3,864,000. The annual benefits total \$6,049,000. The ratio of total annual benefits to annual costs for a 100-year period of analysis at 5-3/8 percent interest rate is 1.6 to 1.

The total investment cost, including \$1,844,000 interest during construction (based upon the rate prevailing in fiscal year 1972 of 3.502 percent for repayment purposes), allocated to municipal and industrial water supply (\$27,060,000), would be reimbursable with interest within 50 years as required by Reclamation law and policy. Interest on \$12,488,000 would be deferred as provided by the Water Supply Act of 1958 (72 Stat. 297). The remaining \$14,572,000 would bear interest dating from completion of the project. Based on projected usage, a constant charge of \$10.72 per acre-foot, or 3.3 cents per 1,000 gallons, would be required to repay the total project investment and annual operation, maintenance, and replacement costs allocated to municipal and industrial water supply.

One-half of the separable costs allocated to recreation and fish and wildlife (\$5,608,000 including \$318,000 of interest during construction) and all separable operation, maintenance, and replacement costs (\$731,100) would be repaid in accordance with provisions of the Federal Water Project Recreation Act (79 Stat. 213).

I recommend that you approve this report and that you or those authorized on your behalf, including the Commissioner of Reclamation, transmit copies to the State of Texas, to the Secretary of the Army, and to the interested Federal agencies for review as required by the Flood Control Act of 1944 (58 Stat. 887), the Fish and Wildlife Coordination Act (48 Stat. 401, as amended), the procedures approved

by the President on May 15, 1962 (S. Doc. 97,87th Congress), and the Water Resources Council Handbook of June 1969 for Coordination of Planning Studies and Reports.

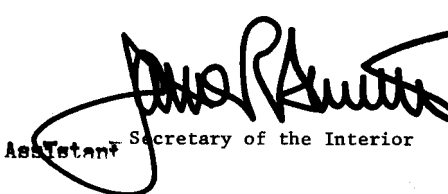
Respectfully,



Ellis L. Armstrong
Commissioner

Enclosures

Approved for transmittal to
State of Texas and interested
Federal agencies:



Assistant Secretary of the Interior APR 12 1972



United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

JUL 17 1974

Dear Mr. Chairman:

This responds to your request for the views of this Department on S. 3740 a bill "To amend the Act authorizing the Fryngpan-Arkansas Federal reclamation project, Colorado, in order to increase the amount authorized for such project (Act of August 16, 1962; 76 Stat. 389) and to authorize construction of a second one hundred-megawatt unit at the Mount Elbert pumped storage powerplant site of such project."

We recommend that the bill be enacted, if amended as set forth herein to limit the increased level of authorized appropriations to \$370 million (January 1974 prices).

The bill would increase the authorized appropriations for the Fryngpan-Arkansas Federal reclamation project in Colorado from \$170 million (June 1961 prices) to \$432 million (January 1974 prices). (In January 1974 prices, this increase would be from about \$342 million to \$432 million). The bill would also authorize the Secretary of the Interior to construct, operate and maintain a second one hundred-megawatt unit at the Mount Elbert pumped storage powerplant site of the Fryngpan-Arkansas project.

The Fryngpan-Arkansas project authorizing legislation established a \$170 million appropriation ceiling with adjustments for fluctuations in construction costs. Section 4 of that legislation also authorized appropriation of the additional sums necessary for recreation and fish and wildlife and scenery conservation. Subsequently P.L. 87-874 authorized certain highway improvements in connection with the project.

Attached hereto is a summary statement of project costs based on January 1974 prices. As it indicates, an additional appropriation authorization of \$28,000,000 is required for the installation of the second one-hundred megawatt powerplant unit and we support increasing the level of authorized appropriations to cover that amount.

The bill would, however, also include an additional \$62,000,000 appropriation authorization to cover the additional cost of municipal and industrial delivery facilities which are part of the project.



Save Energy and You Serve America!

This increase is associated with the increased capacities of the delivery systems and modifications to the systems to serve more entities than originally anticipated. The project authorizing legislation required that the Secretary of the Interior determine before proceeding with each part of the single-purpose municipal and industrial water supply works involved in the project that it would be infeasible for the communities involved to construct the works themselves, either singly or jointly. Although the Secretary of the Interior made such a finding on December 5, 1969, sufficient time has passed so that we believe it would be appropriate for the Secretary to make a new determination as to feasibility before further funds are authorized. We therefore recommend that the \$62,000,000 for the cost of additional municipal and industrial facilities not be authorized and that the bill be amended by striking the figure \$432,000,000 and inserting in lieu the figure \$370,000,000.

With respect to the second one-hundred megawatt Mt. Elbert powerplant unit, the Bureau of Reclamation has undertaken a power marketing study which concludes that a satisfactory market exists for that unit's electricity and that its orderly completion would contribute toward meeting the area's energy requirements.

In accordance with the National Environmental Policy Act of 1969, the Bureau of Reclamation has prepared a draft environmental impact statement on the overall Fryingpan-Arkansas project. This statement was released to the public on March 18, 1974, and public hearings were held in Aspen and Pueblo, Colorado in May 1974. The final statement is expected to be complete by January 1975. In addition, final environmental impact statements have been prepared and filed with the Council on Environmental Quality on three specific project features -- the Mount Elbert Pumped-Storage Powerplant (filed October 19, 1971), the Pueblo Dam and Reservoir (filed June 2, 1972) and the Northside Collection System (filed July 19, 1973). The environmental impact statement for the Mount Elbert Pumped-Storage Powerplant covers the plant facilities and installation of both the first unit which is under construction and the second unit which would be authorized by S. 3740.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely yours,

Assistant *Jack Horton*
Secretary of the Interior

Honorable Henry M. Jackson
Chairman, Committee on
Interior and Insular Affairs
United States Senate
Washington, D.C. 20510

Summary of Current Appropriations Ceiling Based on Jan 1, 1974 Prices

P.L. 87-590 Section 7

Authorized Amount (June 1961 prices)	\$170,000,000	
Additional Cost Index to January 1974 prices	<u>172,000,000</u>	
Subtotal		342,000,000

Additional Ceiling Required

Additional cost ceiling required for installation of the second 100 megawatts	28,000,000	
Additional cost ceiling required for the municipal and industrial delivery	<u>62,000,000</u>	
Subtotal		90,000,000
Project Cost Ceiling (January 1974 prices)		\$432,000,000

P.L. 87-590 Section 4

Recreation	33,000,000	
Fish and Wildlife	10,000,000	
Scenery Conservation	<u>24,000,000</u>	
Subtotal		67,000,000

P.L. 87-874

Highway Improvements		<u>2,000,000</u>
Total Estimated Project Cost		\$501,000,000

Dam

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

SEP 1 6 1974

Honorable Henry M. Jackson
Chairman, Committee on Interior
and Insular Affairs
United States Senate
3106 New Senate Office Building
Washington, D. C. 20510

Dear Mr. Chairman:

This is in reply to your request of July 12, 1974, for the views of the Office of Management and Budget on S. 3740, a bill "To amend the Act authorizing the Fryingpan-Arkansas Federal reclamation project, Colorado, in order to increase the amount authorized for such project . . . and to authorize construction of a second one hundred-megawatt unit at the Mount Elbert pumped storage powerplant site of such project."

In its letter to your committee, the Department of the Interior recommended that the bill be enacted if amended to limit the level of increased appropriations to \$370 million (January 1974 prices) in lieu of the \$432 million specified in the bill. The difference, \$62 million, was included in the bill to cover the additional cost of municipal and industrial delivery facilities which are part of the project. Although the Secretary of the Interior made the required finding in 1969 that it would not be feasible for the communities themselves to construct these facilities, the Department stated its belief that it would be appropriate for the Secretary to make a new determination as to feasibility before further funds are authorized for this purpose, and thus the \$62 million authorization should be deleted.

The Office of Management and Budget agrees with the Department's recommendation and, accordingly, recommends that the bill be enacted if amended as the Department has suggested.

Sincerely,

Wilfred H. Rommel

Wilfred H. Rommel
Assistant Director for
Legislative Reference

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

AUG 26 1974

Honorable Henry M. Jackson
Chairman, Committee on Interior
and Insular Affairs
United States Senate
3106 New Senate Office Building
Washington, D. C. 20510

Dear Mr. Chairman:

This is in reply to your request of May 28, 1974 for the views of the Office of Management and Budget on S. 3529, a bill "To authorize the Secretary of the Interior to construct necessary interim anadromous fish passage facilities at Savage Rapids Dam, Grants Pass Division, Rogue River Basin project, Oregon, under Federal reclamation laws."

In its letter to your Committee, the Department of the Interior recommends against enactment, stating that there is no basis for special Federal financing of the facilities since the dam is not Federally-owned. The Department points out, however, that Federal assistance would be available under the Anadromous Fish Conservation Act.

The Office of Management and Budget concurs with the views of the Department, and, accordingly, would also be opposed to the enactment of S. 3529.

Sincerely,

Wilfred H. Rommel

Wilfred H. Rommel
Assistant Director for
Legislative Reference

VIII. CHANGES IN EXISTING LAW

Subsection (4) of rule XXIX of the Standing Rules of the Senate requires a statement of any changes in existing law made by the bill ordered reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

ACT OF SEPTEMBER 21, 1968 (82 STAT. 853) PUBLIC LAW 90-503

SEC. 1. That the Secretary of the Interior is authorized to construct, operate, and maintain the Mountain Park reclamation project, Oklahoma, under the Federal reclamation laws (Act of June 17, 1902; 32 Stat. 388, and Acts amendatory thereof or supplementary thereto) for the principal purposes of storing, regulating, and furnishing water for municipal, domestic, and industrial uses, conserving and developing fish and wildlife resources, providing outdoor recreation opportunities and controlling floods. The principal features of the project shall consist of a dam and reservoir on Otter Creek, a diversion dam on Elk Creek, aqueducts from the storage reservoir to the cities of [Altus and Snyder, Oklahoma,] *Altus, Snyder, and Frederick, Oklahoma*, a wildlife management area, and basic public outdoor recreation facilities. Construction of the project may be undertaken in such units or stages as in the determination of the Secretary will best serve project requirements and meet water needs.

* * * * *

ACT OF AUGUST 16, 1962 (76 STAT. 389)

* * * * *

SEC. 7. There is hereby authorized to be appropriated for construction of the Fryingpan-Arkansas project, the sum of [\$170,000,000 (June 1961 prices)] *\$432,000,000 (January 1974 price levels)*, plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the types of construction involved herein. There are also authorized to be appropriated such additional sums as may be required for operation and maintenance of the project and for future costs incurred under section 4 of this Act.



Ninety-third Congress of the United States of America

AT THE SECOND SESSION

Begun and held at the City of Washington on Monday, the twenty-first day of January, one thousand nine hundred and seventy-four

An Act

To authorize, enlarge, and repair various Federal reclamation projects and programs, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act shall be known as "The Reclamation Development Act of 1974".

TITLE I

INCORPORATION OF PAGE, ARIZONA

SEC. 101. It is the purpose of this title to separate that unincorporated area in Coconino County in the State of Arizona, commonly known as the town of Page, Arizona, from the Colorado River storage project in order that the United States may withdraw from the ownership and operation of the town and the people of that area may enjoy self-government, and to facilitate the establishment by the people of a municipal corporation under the laws of the State of Arizona by the transfer of certain Federal property described in section 103 of this title.

SEC. 102. The following definitions shall apply to terms used in this title.

(a) The area referred to herein as Page, Arizona, includes the following described land:

PAGE TOWNSITE, ARIZONA

GILA AND SALT RIVER MERIDIAN, ARIZONA

	Acres
Township 40 north, range 8 east:	
Section 1. All -----	638.94
Section 2. East half southwest quarter, southeast quarter -----	240.00
Section 11. East half -----	320.00
Section 12. All -----	639.38
Township 41 north, range 8 east:	
Section 25. South half southwest quarter southeast quarter, southeast quarter southeast quarter -----	60.00
Section 36. East half, south half northeast quarter northwest quarter, east half southwest quarter northwest quarter, southeast quarter northwest quarter, northeast quarter southwest quarter, east half northwest quarter southwest quarter, south half southwest quarter -----	540.00
Township 40 north, range 9 east:	
Section 4. All -----	639.48
Section 5. All -----	639.84
Section 6. All -----	622.74
Section 7. All -----	623.68
Section 8. All -----	640.00
Section 9. All -----	640.00
Section 19. East half southwest quarter, southeast quarter -----	240.00
Section 20. South half -----	320.00
Township 41 north, range 9 east:	
Section 21. West half southwest quarter, west half southeast quarter southwest quarter, southeast quarter southeast quarter southwest quarter, southwest quarter southwest quarter southeast quarter -----	120.00
Section 28. West half northeast quarter, northwest quarter southeast quarter northeast quarter, south half southeast quarter northeast quarter west half, southeast quarter -----	590.00

PAGE TOWNSITE, ARIZONA—Continued

GILA AND SALT RIVER MERIDIAN, ARIZONA—Continued

Township 41 north, range 9 east :—Continued	Acres
Section 29. All -----	640. 00
Section 30. All -----	641. 20
Section 31. All -----	642. 00
Section 32. All -----	640. 00
Section 33. All -----	640. 00
Total -----	10, 717. 56

The boundary of Page, Arizona, is shown on drawing numbered 557-431-83, entitled "Page, Arizona, Townsite Boundary" which is on file in the Office of the Commissioner of Reclamation, Washington, District of Columbia.

(b) The term "municipality" shall mean Page, Arizona, after its incorporation as a municipality under the laws of the State of Arizona.

(c) The term "Secretary" shall mean the Secretary of the Interior.

(d) The term "municipal facilities" shall mean certain land, and the improvements thereon, in Page, Arizona, such as hospital, police, and fire protection systems, sewage and refuse disposal plants, water treatment and distribution facilities, streets and roads, parks, playgrounds, airport, cemetery, municipal government buildings, and other properties suitable or usable for local municipal purposes, including any fixtures, equipment, or other property appropriate to the operation, maintenance, replacement, or repairs of the foregoing, which are owned by the United States and under the jurisdiction of the Department of the Interior, Bureau of Reclamation, on the date of incorporation of Page, Arizona.

SEC. 103. Upon incorporation of Page, Arizona, as a municipality under the statutes of the State of Arizona, the Secretary shall:

(a) Transfer to the municipality without cost, subject to any existing leases granted by the United States, all improved or unimproved lands within Page, Arizona, owned by the United States, which the Secretary determines are not required in the administration, operation, and maintenance of Federal activities within or near Page, Arizona, and can properly be included within the municipality under the laws of the State of Arizona, except the land to be transferred pursuant to subsection (c) hereof, and to assign to the municipality without cost any leases granted by the United States on such land.

(b) Transfer to the appropriate school district without cost all right, title, and interest of the United States to the land in block 14-A and lot 1, block 16, as shown on the United States Department of the Interior, Bureau of Reclamation drawing numbered 557-431-87, April 29, 1971, which drawing is on file in the Office of the Commissioner of Reclamation, Washington, District of Columbia, together with improvements thereon owned by the United States at the time of the transfer.

(c) Transfer to the municipality without cost all rights, title, and interest of the United States in and to any land, and the improvements thereon, which may be contained in any reversionary clause of any dedication deed for land in Page, Arizona, issued by the United States.

(d) Transfer all activities and functions of a municipal character being performed by the United States to the municipality subject to the provisions of sections 104 and 107 of this title.

(e) Transfer to the municipality without cost the municipal facilities, as defined in subsection 102(d) of this title, except as provided under subsection 104(a) of this title.

(f) Assign to the municipality without cost those contracts to which the United States is a party, and which pertain to activities or functions to be transferred under subsection (c) of this section and are

properly assignable. This shall include contracts for furnishing water outside the boundaries of Page, Arizona, utilizing the municipal system: *Provided*, That the contract which the United States has executed with a private utility for furnishing and distributing electrical energy to the municipality shall be assigned to the municipality upon its request: *And provided further*, That in the assignment of the contract for the operation of the Page Hospital the operating fund balance under said contract, together with all hospital accounts receivable, shall be transferred to the municipality for the same purpose as a part of the assignment of said contract.

SEC. 104. There is hereby reserved for the Glen Canyon unit, Colorado River storage project, the consumptive use of not to exceed three thousand acre-feet of water per year from Lake Powell, of which not to exceed two thousand seven hundred and forty acre-feet of consumptive use of water are hereby assigned to the municipality, consistent with the Navajo Tribal Council resolution numbered CJN-50-69, dated June 3, 1969: *Provided*, That upon incorporation the municipality shall enter into a contract satisfactory to the Secretary covering payment for and delivery of such water pursuant to the Colorado River Storage Project Act of June 11, 1956 (70 Stat. 105), which contract shall among other things provide that:

(a) The reservation and assignment of the consumptive use of water from Lake Powell under this section shall be subject to the apportionments of consumptive use of water to the State of Arizona in article III of the Colorado River Compact and article III(a) (1) of the Upper Colorado River Basin Compact.

(b) Title to the water pumping and conveyance systems within the Glen Canyon Dam and powerplant necessary to supply water to the municipality for culinary, industrial, and municipal purposes shall be retained by the United States until the Congress provides otherwise.

(c) Such retained facilities shall be operated and maintained by the Secretary at the expense of the United States until termination of the fifth fiscal year following the year of incorporation. Not to exceed two thousand seven hundred and forty acre-feet of water per annum or three million gallons of water in any twenty-four-hour period, will be pumped by the United States from Lake Powell to the water treatment plant, or to such intermediate points of delivery as shall be mutually agreed upon by the municipality and the United States for use by the municipality.

(d) Beginning with the sixth year following incorporation and continuing through the tenth year, the municipality shall in each year pay to the United States proportionately increasing increments of the annual costs, including depreciation of the pumping equipment, involved in subsection (c) above with the objective that following the close of said tenth year the municipality shall thereafter bear such costs in total, according to the following schedule:

Year following incorporation:	Portion of cost in subsection (c) of section 104 to be paid to United States each year by municipality (per centum)
Sixth	20
Seventh	40
Eighth	60
Ninth	80
Tenth	80
Thereafter	100

(e) Upon incorporation and at all times thereafter, the municipality shall bear all costs for operation, maintenance, and replacement of the municipal water system beyond Glen Canyon Dam and powerplant, including but not limited to filtration, treatment, and distribution of

water supplied pursuant to the water service contract with the United States.

SEC. 105. As soon as reasonably practicable after incorporation of the community, the Secretary is hereby authorized to complete all or any part of the following work which has not been completed at the date of incorporation.

(a) Take census of population of the municipality within one year following incorporation.

(b) Repair existing twelve-inch water supply line, if inspection determines this is necessary.

(c) Paint interior of water storage reservoirs.

(d) Seal coat paved streets in municipality.

(e) Install water sprinkler system in Page cemetery.

(f) Improve streets, install curbs, gutters, and sidewalks as follows:

(1) North Navajo Drive:

(i) Pave streets to seventy-foot width from Ninth Avenue to relocated intersection of Aero Avenue and sixty-one-foot width from Aero Avenue to Tenth Avenue.

(ii) Place curb, gutter, and sidewalk on east side of North Navajo Drive from Aero Avenue to Tenth Avenue.

(2) Aero Avenue from North Navajo Drive to Future Street:

(i) Widen existing thirty-foot paved width to seventy-foot paved width.

(ii) Place curb, gutter, and sidewalk on both sides of street.

(3) Tenth Avenue from Future Street to Sandstone Street:

(i) Construct new pavement on north half of street and overlay south half of street.

(ii) Place curb and gutter only on north side of street.

(4) Future Street—Approximately two thousand one hundred and fifty feet beginning at Tenth Avenue and bordering east side of block 101 as shown on Page townsite and block plats:

(i) Pave street to fifty-two-foot width.

(ii) Place curb, gutter, and sidewalk on west side of street and curb and gutter only on east side of street.

(5) Hopi Avenue from Oak Avenue to west boundary of block 101:

(i) Pave street to forty-two-foot width.

(ii) Place curb, gutter and sidewalk on north side.

(iii) Place curb and gutter only on south side.

(g) Construct paved access road from United States Highway Numbered 89 to site of new sanitary landfill to be located in the north-west quarter, section 20, township 41 north, range 8 east, Gila and Salt River meridian, Arizona: *Provided*, That in the performance of the work authorized in this section, the Secretary may either cause the work to be done or transfer funds to the municipality for this purpose after ascertaining that each segment of work will be accomplished by a date certain and to standards satisfactory to the Secretary.

SEC. 106. (a) Upon incorporation the Secretary is authorized to make a lump-sum payment of \$500,000 to the municipality as assistance to the municipality in meeting the expenses of police and fire protection facilities and services, sewage system, refuse disposal, electrical distribution system, water treatment and distribution, streets and roads, library, park, playgrounds and other recreational facilities, municipal government buildings, and other properties and services required for municipal purposes.

(b) To make a lump-sum payment of \$50,000 to the municipality for improvements to the Page Hospital.

SEC. 107. Upon incorporation, the United States will provide to the municipality, upon its request, the services of Federal personnel, while

they are employed by the United States in the operation and maintenance of the Glen Canyon unit of the Colorado River storage project, to assist in the transition from a federally administered community to a self-governing municipal corporation: *Provided*, That such assistance shall be for a maximum of six months following the date of incorporation: *And provided further*, That the total number of such employees shall be limited to ten at any time.

Sec. 108. (a) Except as herein specifically provided, no assets of the Colorado River storage projects or moneys of the Upper Colorado River Basin Fund shall be utilized after incorporation of the municipality for carrying out the provisions of this Act.

(b) At the election of the municipality, the United States shall make electric power and associated energy available to the municipality from the Colorado River storage project at the 69 kilovolt bus of the existing power substation at scheduled rates effective from time to time for resale by the municipality to an electric utility: *Provided*, That the sale agreement between the municipality and such utility is completed before August 1, 1976: *And provided further*, That in lieu of such purchase and resale, there is hereby authorized to be appropriated from the Upper Colorado River Basin Fund and thereupon transferred to the municipality the amount necessary for the municipality to acquire the electric distribution facilities in Page, Arizona, in the event the municipality decides before August 1, 1976, to acquire said facilities through the exercise of its powers of eminent domain or the amount necessary for the municipality to acquire such facilities in accordance with the terms and conditions of the contract with the utility supplying the electricity, in the event the municipality exercises the option in said contract to acquire said electric distribution facilities: *Provided*, That the municipality agrees to repay with interest the amount of the funds so transferred in twenty equal annual installments: *Provided*, That the funds so repaid and the accrued interest thereon will be deposited in the Treasury to the credit of the aforesaid Upper Colorado River Basin Fund. The interest rate used for computing interest on the unpaid balance of funds transferred to the municipality for purposes of this subsection shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which the incorporation of Page, Arizona, occurs, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations which are neither due nor callable for redemption for fifteen years from date of issue.

Sec. 109. The Secretary of the Interior is authorized to transfer to the United States to be held in trust for the Navajo Tribe title to a tract of land situated within the southeast quarter of the southeast quarter, section 8, the southwest quarter, section 9, section 16, the east half of the northeast quarter, section 17, section 21, and the northeast quarter of the northeast quarter, section 28, all in township 41 north, range 9 east, Gila and Salt River meridian, Coconino County, Arizona, and containing eight hundred and eight acres, more or less, of which the particular description and drawing (Numbered 557-431-38 "Navajo Tribe—Antelope Creek Recreation Development Area Survey Traverse" dated May 22, 1969) are on file and available for public inspection in the office of the Bureau of Reclamation, Department of the Interior. The transfer of title to such land is made in consideration of Navajo Council Resolution Numbered CNJ-50-69 dated June 3, 1969, and with the understanding that the land so transferred shall thereafter constitute a part of the Navajo Reservation and shall be subject to all laws and regulations applicable to that reservation.

Sec. 110. The Congress hereby directs the Secretary of the Interior to facilitate the effectuation of Navajo Tribal Council Resolutions

CD 108-68 and CJN-50-69, subject to the provisions of the Colorado River Basin Project Act (82 Stat. 885).

SEC. 111. The Secretary is hereby authorized, subject only to the provisions of this title to perform such acts, to delegate such authority, and to prescribe such rules and regulations, and establish such terms and conditions as he may deem necessary and appropriate for the purpose of carrying out the provisions of this title.

SEC. 112. The Upper Colorado River Basin Fund established pursuant to section 5 of the Act of April 11, 1956 (70 Stat. 105), shall be utilized as appropriate for carrying out the provisions of this title: *Provided*, That the total expenditures from the fund shall not exceed \$4,000,000. Payments made under the provisions of section 105 and section 106 of this title, and transfer, made under the provisions of subsection 108(b) will be made from revenues accruing to said basin fund from the sale of power from the Upper Colorado River storage project.

SEC. 113. All authority of the Secretary under sections 101 through 112 of this title shall terminate five years following date of enactment unless incorporation of Page, Arizona, shall previously have been achieved.

SEC. 114. This title may be cited as the "Page, Arizona, Community Act of 1974".

TITLE II

CIBOLO PROJECT, TEXAS

SEC. 201. The Secretary of the Interior is authorized to construct, operate, and maintain the Cibolo project, Texas, in accordance with the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto) and the provisions of this title and the plan set out in the report of the Secretary on this project with such modification of, omissions from, or additions to the works, as the Secretary may find proper and necessary for the purposes of storing, regulating, and furnishing water for municipal and industrial use, conserving and developing fish and wildlife resources, providing outdoor recreation opportunities, and controlling floods. The principal features of the project shall consist of a dam and reservoir on Cibolo Creek and public outdoor recreation facilities.

SEC. 202. The interest rate used for computing interest during construction and interest on the unpaid balance of the reimbursable costs of the project shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction of the project is commenced, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations which are neither due nor callable for redemption for fifteen years from date of issue.

SEC. 203. (a) The Secretary is authorized to enter into a contract with a qualified entity or entities, for delivery of water and for repayment of all the reimbursable construction costs.

(b) Construction of the project shall not be commenced until a suitable contract has been executed by the Secretary with a qualified entity or entities.

(c) Such contract may be entered into without regard to the last sentence of section 9, subsection (c), of the Reclamation Project Act of 1939.

(d) Upon execution of the contract referred to in subsection 203(a) above, and upon completion of construction of the project, the Secretary shall transfer to a qualified contracting entity or entities the

care, operation, and maintenance of the project works; and, after such transfer is made will reimburse the contractor annually for that portion of the year's joint operation and maintenance costs which, if the United States had continued to operate the project, would have been allocated to flood control, fish and wildlife, and recreation purposes. Prior to assuming care, operation, and maintenance of the project works the contracting entity or entities shall be obligated to operate them in accordance with regulations prescribed by the Secretary of the Army with respect to flood control, and by the Secretary of the Interior with respect to fish and wildlife and recreation.

(e) Upon execution of the contract referred to in subsection 203(a) above, and upon completion of construction of the project, the contracting entity or entities, their designee or designees, shall have a permanent right to use the reservoir and related facilities of the Cibolo project in accordance with said contract.

SEC. 204. The conservation and development of the fish and wildlife resources and the enhancement of recreation opportunities in connection with the Cibolo project shall be in accordance with provisions of the Federal Water Project Recreation Act (79 Stat. 213).

SEC. 205. There is hereby authorized to be appropriated to defray construction costs of the Cibolo reclamation project allocable to flood control, fish and wildlife, and recreation the sum of \$24,160,000 (July 1973 prices) plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the type of construction involved herein: *Provided*, That prior to appropriation of any Federal funds the San Antonio River Authority shall, pursuant to a contract satisfactory to the Secretary of the Interior, agree to advance funds for postauthorization planning and construction of the Cibolo reclamation project. The amount of funds to be advanced annually shall be in the proportion to the total annual fund requirements for the project as the construction cost allocated to municipal and industrial water is to the total cost of the project: *Provided further*, That the sum of funds advanced shall not exceed the total project cost allocated to municipal and industrial water. There are also authorized to be appropriated such additional sums as may be required for the operation and maintenance of the project. The discount rate to be used by the Secretary for allocating costs of the works authorized herein shall be the rate for the fiscal year of passage of this Act as derived by the Secretary of the Treasury utilizing the formula set forth in Senate Document Numbered 97, Eighty-seventh Congress, second session, as revised by the Water Resources Council announcement in the Federal Register of December 24, 1968.

TITLE III

MOUNTAIN PARK PROJECT, OKLAHOMA

SEC. 301. In order to provide for the construction, operation, and maintenance of facilities to deliver a water supply to the city of Frederick, Oklahoma, from the Mountain Park reclamation project, section 1 of Public Law 90-503 (82 Stat. 853) is amended by deleting "Altus and Snyder, Oklahoma," and substituting therefor "Altus, Snyder, and Frederick, Oklahoma."

SEC. 302. The amount which section 6 of said Act authorizes to be appropriated is hereby further increased by the sum of \$6,057,000 (January 1974 prices), plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering costs indexes applicable to the type of construction involved herein.

TITLE IV

CASITAS RESERVOIR OPEN SPACE, CALIFORNIA

SEC. 401. In order to provide for protection of the quality of water in Lake Casitas, and to provide for the preservation and enhancement of public outdoor recreation, fish and wildlife, and the environment of the area, the Secretary of the Interior is hereby authorized to acquire in the name of the United States certain privately owned lands within townships 3 and 4 north, ranges 23 and 24 west, San Bernardino base and meridian, lying outside the boundaries of the Los Padres National Forest, as generally depicted on the drawing entitled "Private Lands in Casitas Reservoir Watershed", numbered 767-208-237, and dated September 1972, which is on file and available for public inspection in the offices of the Bureau of Reclamation, Department of the Interior.

SEC. 402. (a) Within the area described in section 401 of this title, the Secretary may acquire such lands by donation, purchase with donated or appropriated funds, or exchange: *Provided*, That any lands owned by the State of California or any political subdivision thereof may be acquired only by donation.

(b) With respect to any property acquired for the purposes of this title, which is beneficially owned by a natural person and which the Secretary determines can be continued in private use for a limited period of time without undue interference with the administration and public use of the area, the owner may on the date of its acquisition by the Secretary retain a right of use and occupancy of such property for agricultural or noncommercial residential purposes for a term, as the owners may elect, ending either—

(1) at the death of the owner or spouse, whichever occurs later,

or

(2) not more than twenty-five years from the date of acquisition. Any right so retained may, during its existence, be transferred or assigned. The Secretary shall pay to the owner the fair market value of the property on the date of such acquisition less the fair market value on such date of the right retained by the owner.

(c) The Secretary may terminate the right of use and occupancy, retained pursuant to this section, upon his determination that such a right is being exercised in a manner not consistent with the purposes of this title and upon tender to the holder of the right an amount equal to the fair market value of that portion of the right which remains unexpired on the date of termination.

(d) For the purposes of this title, "noncommercial residential property" shall mean any single family residence in existence or under construction as of July 1, 1974.

SEC. 403. The Secretary shall administer the lands to be acquired in accordance with the provisions of section 4 of the Act of July 9, 1965 (79 Stat. 213), and may issue such licenses, permits, or leases, or take such other action as may be required for proper management in accordance therewith. The lands will be kept in their natural state as permanent open space and may be managed by the Casitas Municipal Water District, or any other authorized non-Federal public body, as part of the Lake Casitas Recreation Area.

SEC. 404. There is authorized to be appropriated the sum of \$10,000,000 (April 1974 price levels) plus or minus such amounts as may be justified by changes in the price indexes for agricultural and noncommercial residential property in Ventura County, California. All funds authorized to be appropriated by this title shall be nonreimbursable.

TITLE V

KLAMATH PROJECT RIGHT-OF-WAY, OREGON

SEC. 501. The Secretary of the Interior is hereby authorized and directed to convey by quitclaim deed to the respective owners of record of those certain lots situated in those subdivisions of Klamath Falls, Oregon, respectively known as Mills Addition, Enterprise Tracts, Mills Garden, Old Orchard Manor, Sixth Street Addition, and Subdivision Block 803, and as such officially shown on the recorded plats of the city records, all right, title, and interest of the United States in the specific tracts of land now owned by the United States which collectively constitute the abandoned Klamath reclamation project "B" lateral canal right-of-way, as designated for general location purposes on Bureau of Reclamation drawing numbered 12-208-338, dated March 27, 1970, and filed for reference purposes in both the Klamath County recorder's office and the corresponding records of the city of Klamath Falls, to the extent that any such tract would constitute a contiguous addition to each of the lots in the above-named subdivisions if the boundaries of each of said lots were to be extended to include the affected portion of above-cited public lands of the United States. Such conveyance shall, in each instance, be made only upon application therefor by the owner of record of one of the affected lots within one year of the date of this Act: *Provided*, That said owner of record shall, to the satisfaction of the Secretary of the Interior, support such application at time of filing same with proof of ownership and an adequate description of the exterior boundaries of the parcel of Government interest land applied for. The Secretary of the Interior is authorized, as determined appropriate by him, to require payment of not more than \$100 per parcel of Government interest land applied for in addition to the cost of such conveyance.

SEC. 502. Acceptance of any conveyance made hereunder by any applicant shall constitute a complete and unconditional waiver and release by said applicant or applicants individually or collectively of any and all claims against the United States arising from or occasioned by use of the land by said applicant or his successors in interest.

TITLE VI

SOLANO PROJECT RECREATIONAL FACILITIES, CALIFORNIA

SEC. 601. In order to provide for the protection, use, and enjoyment of the esthetic and recreational values inherent in the Federal lands and waters at Lake Berryessa, Solano project, California, the Secretary of the Interior is hereby authorized to develop, operate, and maintain such short-term recreation facilities as he deems necessary for the safety, health, protection, and outdoor recreational use of the visiting public; to undertake a thorough and detailed review of all existing developments and uses on Federal lands to determine their compatibility with preservation of environmental values and their effectiveness in providing needed public services; to implement corrective procedures when necessary; and to otherwise administer the Federal land and water areas associated with said Lake Berryessa in such a manner that, in his opinion, will best provide for the public recreational use and enjoyment thereof, all to such an extent that said use is not incompatible with other authorized functions of the Solano project.

SEC. 602. The Secretary of the Interior shall make such rules and regulations as are necessary to carry out the provisions of this title and may enter into an agreement or agreements with the State of California, or political subdivision thereof, or a non-Federal agency or

agencies or organizations as appropriate, for the development of a recreation management plan, and for the management of recreation including the operation and maintenance of the facilities within the area. The agency performing the recreation management functions is authorized to establish and collect fees for the use of recreation facilities.

SEC. 603. There is authorized to be appropriated to the Secretary of the Interior the sum of \$3,000,000 (April 1974 price levels) plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in development costs as indicated by cost indexes applicable to the types of development involved herein. There is also authorized to be appropriated such sums as may be necessary for administration of existing facilities and for operation and maintenance of the facilities authorized by this title.

SEC. 604. All funds authorized to be appropriated by this title shall be nonreimbursable.

TITLE VII

MISCELLANEOUS DRAINAGE CONSTRUCTION, UTAH

SEC. 701. The Secretary of the Interior is authorized to construct drainage facilities for the Vernal Unit of the Central Utah project and the Emery County project to the extent that he determines necessary for the sustained crop production on the irrigable lands of these projects. The Secretary is further authorized to negotiate and execute amendments to contract numbered 14-06-400-778, dated July 14, 1958, between the United States and the Uintah Water Conservancy District and contract numbered 14-06-400-2427, dated May 15, 1962, between the United States and the Emery Water Conservancy District to provide for the cost of such drainage works to be paid from the Colorado River storage project basin fund with repayment to be based on ability of irrigation water users to repay as determined by the Secretary.

TITLE VIII

BELLE FOURCHE DAM REHABILITATION, SOUTH DAKOTA

SEC. 801. The Secretary of the Interior is authorized to construct, operate, and maintain an adequate spillway and to improve the upstream slope protection of Belle Fourche Dam, Belle Fourche project, Belle Fourche, South Dakota, in accordance with the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof and supplementary thereto) and the provisions of this title.

SEC. 802. Construction authorized by this title shall be for the safety of Belle Fourche Dam and shall not provide additional conservation storage capacity or develop benefits over and above those provided by the original dam and reservoir. Nothing in this title shall be construed to reduce the amount of project costs allocated to reimbursable purposes heretofore authorized.

SEC. 803. Reimbursement of costs associated with improving upstream slope protection on Belle Fourche Dam shall be limited to an amount equal to the estimated annual savings to the Belle Fourche Irrigation District in operation and maintenance expense over the remaining life of the district's repayment contract with the United States. The Secretary is hereby authorized to enter into an amendatory repayment contract with the Belle Fourche Irrigation District to effect such reimbursement without interest. All other costs of construction authorized by this title shall be nonreimbursable.

SEC. 804. There is hereby authorized to be appropriated for the construction authorized by this title the sum of \$3,620,000 (April 1974

price levels) plus or minus such amounts, if any, as may be justified by reason of changes in construction costs as indicated by engineering cost indices applicable to the types of construction involved.

TITLE IX

GLENDON UNIT ROAD RECONSTRUCTION, WYOMING

SEC. 901. The Secretary of the Interior is authorized to relocate, reconstruct, and rehabilitate the road that was initially relocated in connection with the construction of Glendo Dam and Reservoir to provide a safe, durable, two-lane highway for public use.

SEC. 902. There is hereby authorized to be appropriated for the relocation, reconstruction, and rehabilitation of said highway the sum of \$284,000 (January 1974 price levels) plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuation in construction cost indices applicable to the types of construction involved herein.

TITLE X

NUECES RIVER PROJECT, TEXAS

SEC. 1001. The Secretary of the Interior is authorized to construct, operate, and maintain the Nueces River project, Texas, in accordance with the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto) and the provisions of this title and the plan set out in the report of the Secretary on this project with such modification of, omissions from, or additions to the works, as the Secretary may find proper and necessary for the purposes of storing, regulating, and furnishing water for municipal and industrial use, conserving and developing fish and wildlife resources, and providing outdoor recreation opportunities. The principal features of the project shall consist of the Choke Canyon Dam and Reservoir on the Frio River and public outdoor recreation and sport fishing facilities.

SEC. 1002. (a) Costs of the project, allocated to municipal and industrial water supply, shall be repayable to the United States in not more than forty years under either the provisions of the Federal reclamation laws or under the provisions of the Water Supply Act of 1958 (title III of Public Law 85-500, 72 Stat. 319, and Acts mandatory thereof or supplementary thereto): *Provided*, That, in either case, repayment of costs allocated to municipal and industrial water supply shall include interest on the unamortized balance.

(b) The interest rate used for computing interest during construction and interest on the unpaid balance of the reimbursable costs of the project allocated to municipal and industrial water supply shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction of the project is commenced, on the basis of the computed average interest payable by the Treasury upon its outstanding marketable public obligations which are neither due nor callable for redemption for fifteen years from date of issue.

SEC. 1003. (a) The Secretary is authorized to enter into a contract with a qualified entity or entities, for delivery of water and for repayment of the balance of the reimbursable construction costs.

(b) Construction of the project shall not be commenced until a suitable contract has been executed by the Secretary with a qualified entity or entities.

(c) Such contract may be entered into without regard to the last sentence of section 9, subsection (c), of the Reclamation Project Act of 1939.

(d) Upon execution of the contract referred to in section 1003(a) above, and upon completion of construction of the project, the Secretary shall transfer to a qualified contracting entity or entities the care, operation, and maintenance of the project works, and, after such transfer is made, will credit annually against the contractors repayment obligation that portion of the year's joint operation and maintenance costs which, if the United States had continued to operate the project, would have been allocated to fish and wildlife and recreation purposes. Prior to assuming care, operation, and maintenance of the project works the contracting entity or entities shall agree to operate them in accordance with regulations prescribed by the Secretary of the Interior with respect to fish and wildlife and recreation.

(e) Upon complete payment of the obligation assumed, including appropriate interest charges, the contracting entity or entities their designee or designees, shall have a permanent right to use the reservoir and related facilities of the Nueces River project in accordance with said contract.

SEC. 1004. The conservation and development of the fish and wildlife resources and the enhancement of recreation opportunities in connection with the Nueces River project shall be in accordance with provisions of the Federal Water Project Recreation Act (79 Stat. 213).

SEC. 1005. There is hereby authorized to be appropriated for construction of the Nueces River project, Texas, the sum of \$50,000,000 (January 1974 prices), plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the type of construction involved herein: *Provided*, That, prior to appropriation of any Federal funds, a qualified local entity shall, pursuant to a contract satisfactory to the Secretary, agree to advance on a schedule mutually acceptable to the local entity and the Secretary, the sum of not less than \$15,000,000 representing a non-Federal contribution toward implementation of this title.

Upon completion of the work authorized herein, the aforesaid \$15,000,000 shall be applied as a credit to the repayment obligation of the local entity for municipal and industrial water service.

The Secretary is authorized and directed, upon receipt of the aforesaid advance to proceed with postauthorization planning, preparation of designs and specifications, land acquisition, and award of construction contracts pending availability of appropriated funds.

At any time following the first advance of funds by the local entity, said entity may request that the Secretary terminate activities then in progress, return unexpended balances of the funds so advanced, assign to the local entity the rights to any contract in force, convey any real estate acquired by the advanced funds and provide any data, drawings, or other items of value procured with advanced funds to the local entity; and such request shall be binding upon the Secretary.

TITLE XI

FRYINGPAN-ARKANSAS PROJECT, COLORADO

SEC. 1101. Section 7 of the Act entitled "An Act to authorize the construction, operation, and maintenance by the Secretary of the Interior of the Fryingpan-Arkansas project, Colorado", approved August 16, 1962 (76 Stat. 389), is amended by striking out "\$170,000,000 (June 1961 prices)" and inserting in lieu thereof "\$432,000,000 (January 1974 price levels)".

SEC. 1102. For the purpose of increasing the hydroelectric generating capacity the Secretary of the Interior is authorized to construct, operate, and maintain a second one hundred-megawatt unit at the

Mount Elbert pumped storage powerplant site of the Fryingpan-Arkansas project, Colorado. The funds required to construct such unit are included in the amount authorized to be appropriated by section 1101 of this title.

TITLE XII

SAVAGE RAPIDS FISH WAY, OREGON

SEC. 1201. The Secretary of the Interior is hereby authorized and directed to construct the necessary facilities at Savage Rapids Dam, Grants Pass Division, Rogue River Basin, Oregon, to provide for improved anadromous fish passage at the dam. Such improvements will be substantially in accordance with the plan set forth in the joint special report of the Bureau of Reclamation and the Bureau of Sport Fisheries and Wildlife entitled "Anadromous Fish Passage Facilities, Savage Rapids Dam, March 1974". Operation and maintenance of the facilities herein authorized will be in conformity with procedures developed by the Oregon State Game Commission and will be performed by the Grants Pass Irrigation District at no cost to the United States.

SEC. 1202. There is hereby authorized to be appropriated for construction of the facilities authorized by this Act the sum of \$851,000 (April 1974 price levels), plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the type of construction involved herein.

SEC. 1203. The cost of all construction authorized by this title shall be nonreimbursable.

TITLE XIII

FEASIBILITY STUDY AUTHORITIES

SEC. 1301. ~~The Secretary of the Interior~~ is hereby authorized to engage in feasibility studies of the following potential water resource development programs:

- (1) A total water management study to consider and coordinate the results of other water-related studies concerning Solano County, California.
- (2) A municipal and industrial water supply delivery system for delivery of water to the city of Yuma, Arizona.
- (3) The Apple Creek unit, Pick-Sloan Missouri Basin program in North Dakota.

TITLE XIV

ELEPHANT BUTTE RECREATION POOL, NEW MEXICO

SEC. 1401. (a) Pending the negotiation of contracts and completion of construction for furnishing water supplies for tributary irrigation units as authorized by section 8 of the Act of Congress dated June 13, 1962 (Public Law 87-483; 76 Stat. 96), and subject to the availability of stored water in Heron Reservoir in excess of one hundred thousand acre-feet, which water is not required for existing authorized uses, the Secretary of the Interior is authorized to permit releases from the Heron Reservoir of the San Juan-Chama project to provide storage and establish a minimum recreation pool in Elephant Butte Reservoir. Such releases, to the extent of the available supply, shall be limited to providing fifty thousand acre-feet for the initial recreation pool and up to six thousand acre-feet of water delivered to Elephant Butte Reservoir annually, for a period not exceeding ten years from establishment of the recreation pool, to replace loss by

evaporation and other causes. Authorized releases, as provided above, are subject to and subordinated to any obligations under contracts for San Juan-Chama project water now or hereafter in force and for filling and maintaining a pool in Cochiti Reservoir under the Act of Congress dated March 26, 1964 (Public Law 88-293; 78 Stat. 171). The provisions of section 11(a) of the Act of June 13, 1962 (76 Stat. 96), requiring a contract satisfactory to the Secretary for the use of any water of the San Juan River are hereby expressly waived with respect to the use of water required to establish and maintain a permanent pool in Elephant Butte Reservoir: *Provided, however,* That nothing in this Act shall be construed to diminish, abridge, or impair any water rights of the Jicarilla, Southern Ute, Navajo and Ute Mountain Indians. Releases, as authorized by this title, shall be discontinued or reduced upon a finding by a court of competent jurisdiction that such releases are detrimental to such Indian water rights.

(b) The releases of water from Heron Reservoir authorized herein shall not be permitted unless and until the Rio Grande Compact Commission agrees by resolution that—

(1) the term "usable water" as defined in article I of the Rio Grande Compact shall not include San Juan-Chama project water stored in Elephant Butte Reservoir;

(2) in the determination of "actual spill" as that term is defined in article I of the Rio Grande Compact, neither the spill of "credit water", as that term is defined in article I of the Rio Grande Compact, shall not occur until all San Juan-Chama project water stored in Elephant Butte Reservoir shall have been spilled; and

(3) the amount of evaporation loss chargeable to San Juan-Chama project water stored in Elephant Butte Reservoir shall be that increment of the evaporation loss from the storage of San Juan-Chama project water; the evaporation loss from the reservoir shall be taken as the difference between the gross evaporation from the water surface of Elephant Butte Reservoir and the rainfall on the same surface.

(c) Fifty per centum of any incremental costs incurred by the Secretary in the implementation of this title shall be borne by a non-Federal entity pursuant to arrangements satisfactory to the Secretary.

SEC. 1402. Nothing contained in this title shall be construed to increase the amount of money heretofore authorized to be appropriated for construction of the Colorado River storage project, any of its units, or of the Rio Grande project.

SEC. 1403. Nothing herein shall be construed to alter, amend, repeal, modify, or be in conflict with the provisions of the Rio Grande compact.

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*

October 17, 1974

Dear Mr. Director:

The following bills were received at the White House on October 17th:

H.J. Res. 1167 ✓
H.R. 13157 ✓
H.R. 13342 ✓
H.R. 14217 ✓
H.R. 15736 ✓

Please let the President have reports and recommendations as to the approval of these bills as soon as possible.

Sincerely,

Robert D. Linder
Chief Executive Clerk

The Honorable Roy L. Ash
Director
Office of Management and Budget
Washington, D. C.