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3/11/76

ACTION

THE WHITE HOUSE

WASHINGTON

March 10, 1976

Last Day: March 12

APPROVED

MAR 11 1976

Statement Issued  
3/11/76

MEMORANDUM FOR

THE PRESIDENT

FROM:

JIM CANNON

SUBJECT:

S. 151 - Reclamation Authorization Act of 1975

To Archives  
3/12/76

Attached for your consideration is S. 151, sponsored by Senators Hansen and McGee, which authorizes the Secretary of the Interior to undertake four water resource projects.

Background

This is an omnibus bill covering four separate projects:

1. To construct, operate and maintain the Polecat Bench, Wyoming project (\$46 million)
2. To construct, operate and maintain the Pollock-Herreid, South Dakota project (\$26 million)
3. To make safety and other modifications to Dickinson Dam, North Dakota (\$4 million)
4. To make safety and other modifications to McKay Dam and Reservoir, Oregon (\$1.3 million)

There would be no immediate budgetary impact, Funding would be required only when included in the budget as new starts.

Agency Comments

OMB	Disapproval
Department of Interior	Approval
Council on Environmental Quality	Would concur in disapproval
Water Resources Council	No comment



Staff Comments and Recommendations

- Rogers Morton                      Recommends approval.
  
- Max Friedersdorf                  Recommends approval. "Close call, whether to help our friends with an authorization bill and fight appropriation later if stipulations are not met. This bill is very important to Senators Hatfield and Hansen. I come down on the side of our friends, since there is a good likelihood that a veto would be overridden anyway." (Tab B)
  
- Counsel's Office  
(Lazarus)                              Recommends veto for reasons stated by OMB "despite substantial political support by Senator Hansen."
  
- Jim Lynn                                      Recommends veto, citing highly undesirable precedents of Federal assumption of safety related costs and approval of projects prior to proper benefit/cost analysis. "This would open the floodgates for a multitude of other uneconomic water resource projects." (Tab A)
  
- Robert T. Hartmann                  Recommends approval.

Recommendation

I recommend disapproval. We should not now set the precedent of the Federal taxpayer assuming safety costs that should be paid for by the users, as would be the case in the McKay and Dickinson projects. The Polecat Bench project has not met the requirement of a favorable benefit-cost analysis, and there is no feasibility study to support the favorable consideration of the Pollock-Herreid project.

Decision

Sign S. 151 at Tab C and issue proposed signing statement, which has been cleared by Robert T. Hartmann (Tab D).

Approve MR 7                      Disapprove \_\_\_\_\_

Veto S. 151 by signing proposed veto message, which has been cleared by Robert T. Hartmann (Tab E).

Approve \_\_\_\_\_                      Disapprove \_\_\_\_\_







EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

MAR 8 1976

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill S. 151 - Reclamation Authoriza-  
tion Act of 1975  
Sponsors - Sen. Hansen (R) Wyoming and Sen.  
McGee (D) Wyoming

Last Day for Action

March 12, 1976 - Friday

Purpose

To authorize the Secretary of the Interior to construct, operate and maintain the Polecat Bench, Wyoming project and the Pollock-Herreid unit, South Dakota, both part of the Pick-Sloan Missouri Basin Program and to modify the Dickinson Dam, North Dakota and the McKay Dam and Reservoir, Oregon.

Agency Recommendations

Office of Management and Budget	Disapproval (Veto Mes- sage attached)
Department of the Interior	Approval (Signing State- ment attached)
Council on Environmental Quality	Disapproval
Department of the Treasury	Would concur in dis- approval
Water Resources Council	No comment

Discussion

The enrolled bill is an omnibus authorization measure for reclamation projects and programs, comprised of four titles, each of which deals with a separate project originally introduced as an individual bill.



Title I reauthorizes and Title IV authorizes the Secretary of the Interior to construct, operate and maintain the Polecat Bench project, Wyoming, and the Pollock-Herreid unit, South Dakota, respectively. Appropriations of \$46 million would be authorized for the Polecat Bench project and \$26 million for the Pollock-Herreid unit (plus operation and maintenance costs and authority for adjustments for changes in construction costs).

Title II and Title III, respectively, authorize safety and other modifications to Dickinson Dam, North Dakota (\$4 million), and to the McKay Dam and Reservoir, Oregon (\$1.3 million).

In reporting on the separate bills in committee, Interior opposed each of them for the following reasons:

- Polecat Bench and Pollock-Herreid projects. The Department recommended that the first project be deferred until a new study of the merits of the project based on current conditions and criteria was completed. The original 1972 study indicated that the project did not meet the test of economic feasibility. Interior recommended that the second be deferred until a feasibility report on the unit was reviewed by the Administration.
- Dickinson and McKay projects. The Department recommended that the first project be deferred until receipt of feasibility and safety reports. The second project was opposed as unnecessary. More importantly, the Department opposed provisions calling for full payment by the Federal Government of all costs related to increasing the safety of project dams. These provisions could represent a precedent for all cases involving dam safety.

In its enrolled bill letter recommending approval of S.151, Interior discusses certain aspects of the four projects at some length. Pertinent excerpts from



its letter are as follows:

"Since that report /departmental report opposing Polecat Bench/ was completed however economic factors have changed, cropping patterns and values have changed, and the inclusion of municipal and industrial water supply as a project purpose will undoubtedly provide for a more positive analysis of the project."

"A recent 1975 Bureau of Reclamation reevaluation for the project shows that the Pollock-Herreid Unit is economically justified and has financial feasibility." (The reevaluation has not been submitted to the Office of Management and Budget for the customary review.)

"While we recommend in favor of signing this bill, we continue to assert the objection raised in our earlier reports on this project /Dickinson Dam/, that we are opposed generally to provisions which call for full payment by the Federal Government of the cost of new safety measures, without reimbursement and without consideration of the individual merits of each case. We are opposed to a policy that full payment should be undertaken by the Federal Government in all 'safety of dams' situations involving modifications to federally built dams for safety purposes."

"We wish to mention here /in connection with the discussion of the McKay project/, as with the Dickinson Dam proposal, that we oppose a policy whereby all costs incurred for modifications for safety of dams purposes would be non-reimbursable."

More generally, Interior's letter on the enrolled



bill states:

"There would be no immediate budgetary impact from this proposed action /approval of the bill/. Funding would not be required until such time as the projects may be offered for inclusion in the budget as new construction starts. Even then the appropriation requirements would be spread over the several years of the construction schedule. Furthermore, some portion of the project costs would be repaid by the users of the project services."

"Despite our opposing statements on these bills at the time of Congressional hearings, we nevertheless feel that there are definite merits in the proposed projects and, now that Congress has fully considered and enacted these proposals a veto would not be appropriate. Each has strong local support and even stronger official support among State and local officials and in the Congressional delegations."

In its enrolled bill letter, Treasury indicates it would concur in a recommendation for veto on its customary grounds that water resource interest rates provide unwarranted subsidy to water users at the expense of the taxpayers.

The funds authorized by this bill are not large, as reclamation projects go, but the bill, in mandating full (and non-reimbursable) Federal responsibility for costs related to dam modifications for safety reasons would constitute a highly undesirable precedent. The National Program of Inspection of Dams has identified some 20,000 potentially hazardous dams out of a total of 49,329, including about 5,500 Federal dams. In addition, Administration support of water resources development projects prior to a favorable benefit-cost analysis and





Administration review (as in the case of Polecat Bench and the Pollock-Herreid unit) would also serve as an undesirable precedent. This could open the flood gates for a multitude of other uneconomic water resource projects.

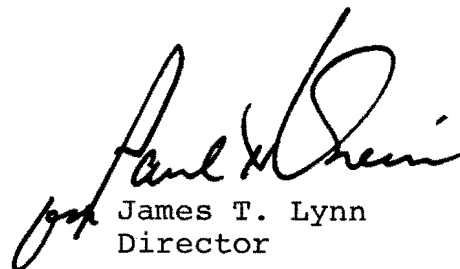
In its enrolled bill letter, the Council on Environmental Quality cites these latter reasons as well as inadequate environmental impact studies in the area of the projects as the principal basis for its veto recommendation.

We do not believe that the arguments for disapproval -- which, of course, provided the basis for initial opposition to the separate bills -- are, in any way, outweighed by the arguments made in the Interior enrolled bill letter.

Accordingly, we have prepared the attached proposed veto message for your consideration.

In the event you decide not to veto the bill, we recommend that you issue a signing statement which (a) indicates your concern about authorization of projects before the completion and full review of economic feasibility studies, (b) states that you do not intend to seek appropriations for projects that have not yet been demonstrated to be economically feasible, and (c) also notes that you do not intend to fund the safety improvements until both the Army's dam safety study and a review of cost-sharing on water projects are completed.

Attached for your consideration is a draft signing statement, an alternative to the one prepared by Interior which addresses only the dam safety issue.

  
James T. Lynn  
Director

Enclosures



*B*



THE WHITE HOUSE

WASHINGTON

March 10, 1976

MEMORANDUM FOR:

JIM CAVANAUGH

FROM:

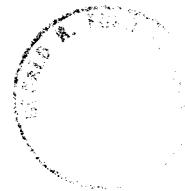
MAX L. FRIEDERSDORF *BW*

SUBJECT:

S. 151 - Reclamation Authorization Act of 1975

The Office of Legislative Affairs concurs with the agencies  
that the subject bill be signed (SEE ATTACHED MEMO FROM VERN LOEN)

Attachments



THE WHITE HOUSE

WASHINGTON

March 9, 1976

MEMORANDUM FOR: MAX FRIEDERSDORF

FROM: VERN LOEN *VL*

SUBJECT: Enrolled bill memo S.151-Reclamation  
Authorization Act of 1975

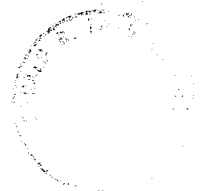
In deciding whether to recommend the President sign or veto this legislation, I would recommend you take into consideration the following factors:

Legislative history - S.151 was passed by voice vote in the Senate on August 1, 1975. H.R.10537, which expanded the number of projects in the bill, passed the House on January 1, 1976, by a vote of 284-110 with 40 absentees. The Senate then accepted the House bill by voice vote on February 25. An analysis of the House vote is attached. Given the partisanship of an election year, I consider it likely that we would lose 31 of the 110 nay votes and might gain as many as 36 switches from the yea votes for a net gain of 5. Of those not voting, 13 looked like targets to sustain. That would give us a total of 128 votes.

Rhodes was among those voting to pass the bill. When consulted about sustaining a veto, he said he probably would vote to sustain, but would be very quiet about it. Michel was among the absentees.

The Senate would act first and, if the 17 reclamation state Senators stick together, we start off with a base of 34 votes against us. John Kyl feels it is unlikely that the Senate would sustain. That would build momentum and partisanship for the House vote and charges of another "anti-jobs veto," even though none of the jobs would be created this year. If the bill were signed, Kyl says we would not have to worry about another package being rushed in behind this one; however, it is likely that they would try to fund these projects in FY77.

Signing the bill would be taken by the reclamation community, which is somewhat monolithic, as a friendly gesture and might blunt criticism of the President for his "no new starts" budget policy.



Largest of the four projects, Polecat Bench, is an irrigation project strongly backed by Senator Hansen, costing \$46 million. The Pollock-Herreid irrigation project, costing \$26 million, is strongly pushed by Rep. Jim Abdnor and is located in his best Republican counties. Rep. Mark Andrews says the Dickinson Dam safety project in North Dakota could well burst due to faulty construction. The McKay Dam safety project in Oregon is located in Al Ullman's district, but would benefit Senators Hatfield and Packwood as well.

It's an extremely close call, boiling down to whether we want to help our friends with an authorization bill in a Presidential election year and fight the appropriation later if the stipulations are not met, or do we stand on past established procedures. I come down on the side of our friends since there is a good likelihood that a veto would be overridden anyway.





*D*



# United States Department of the Interior

OFFICE OF THE SECRETARY  
WASHINGTON, D.C. 20240

March 1, 1976

Dear Mr. Lynn:

This responds to your request for the views of this Department with respect to an enrolled bill, S. 151, "To authorize and modify various Federal reclamation projects and programs, and for other purposes."

We recommend in favor of signing the bill.

The bill would authorize four separate projects to be undertaken by the Bureau of Reclamation: Polecat Bench, Wyoming; Dickinson Dam, North Dakota; McKay Dam and Reservoir, Oregon; and Pollock-Herreid Unit, South Dakota. Each proposal was initially the subject of a separate bill and each was the subject of a separate report to the Congress by this Department.

The total authorized cost for the four projects would be \$77.3 million, \$46 million of which would be for the Polecat Bench project and \$26 million would be for Pollock-Herreid.

There would be no immediate budgetary impact from this proposed action. Funding would not be required until such time as the projects may be offered for inclusion in the budget as new construction starts. Even then the appropriation requirements would be spread over the several years of the construction schedule. Furthermore, some portion of the project costs would be repaid by the users of the project services.

## Polecat Bench, Wyoming

S. 151 is similar to H.R. 10537 and H.R. 1500. All three bills would reauthorize the Polecat Bench area of the Shoshone extensions unit as an integral part of the Pick-Sloan Missouri Basin program. The reauthorized project would provide water for irrigation of 19,200 acres of land, a municipal and industrial water supply, and water for conservation and recreation purposes.

These bills list the principle features of the project, integrate the project physically and financially with other Federal works authorized





pursuant to the original authorization, deny for 10 years the delivery of irrigation water from the project for use on surplus agricultural crops, and specify the method under which the interest rates would be computed.

S. 151 would additionally require that up to 2,217 acres of public land in the Polecat Bench area be made available, on a preference basis for exchange or amendment, to eligible resident landowners; that repayment contracts for the return of construction costs be based on the water users' ability to repay as determined by the Secretary; that such repayment contracts not exceed 50 years following the permissible development period; and that lands eligible for water held in single ownership be limited to 160 acres of Class I land or the equivalent in other lands. S. 151 authorizes \$46,000,000 to be appropriated for construction.

A Departmental report on the proposed Polecat Bench Project in 1972, by then Assistant Secretary James R. Smith, recommended against authorization of the project.

Since that report was completed however economic factors have changed, cropping patterns and values have changed, and the inclusion of municipal and industrial water supply as a project purpose will undoubtedly provide for a more positive analysis of the project.

#### Dickinson Dam, North Dakota

The Dickinson Dam project was formerly proposed as H.R. 8539 and S. 2089 on which the Department submitted reports in October 1975.

The proposed project consists of certain modifications to be made to the Dickinson Dam to make additional municipal and industrial water available to the city of Dickinson, North Dakota, and for the purpose of increasing the existing spillway capacity to provide additional safety allowances in light of increased estimates of possible maximum flows. The estimated cost of the project is \$4,000,000. The project would also make additional municipal and industrial (M&I) water available to the city of Dickinson, North Dakota. Installation of bascule gates on the existing spillway of Dickinson Dam would increase the conservation storage capacity of Edward Arthur Patterson Lake. The resulting increase in firm water yield in combination with existing M&I supplies would be adequate to meet the needs of the city of Dickinson to about the year 1985.

The project would assure the safety of Dickinson Dam from flood occurrences currently estimated to be larger than the existing



spillway capacity. The existing spillway capacity is 33,200 cubic feet per second ( $\text{ft}^3/\text{s}$ ). The currently estimated maximum inflow design flood (IDF) under the most extreme circumstances would have to peak flow of about 106,700  $\text{ft}^3/\text{s}$ . The increased estimates of maximum IDF over those originally anticipated for the dam are the result of improved and updated scientific methodology.

The legislative proposal would therefore modify the concrete spillway by the addition of a new and larger grass-covered spillway through the right abutment to provide the needed safety against possible failure. The added spillway would have a capacity of 69,200  $\text{ft}^3/\text{s}$ , which, when combined, with the 29,300  $\text{ft}^3/\text{s}$  remaining in the modified concrete spillway making a total capacity of 98,500  $\text{ft}^3/\text{s}$ , would prevent failure of the dam during the occurrence of an inflow design flood.

S. 151 contains no changes from the earlier bills.

While we recommend in favor of signing this bill, we continue to assert the objection raised in our earlier reports on this project, that we are opposed generally to provisions which call for full payment by the Federal Government of the cost of new safety measures, without reimbursement and without consideration of the individual merits of each case. We are opposed to a policy that full payment should be undertaken by the Federal Government in all "safety of dams" situations involving modifications to federally built dams for safety purposes.

#### McKay Dam and Reservoir, Oregon

The McKay Dam Project was originally proposed in H.R. 9649 and S. 2361 and was addressed in reports by this Department on October 29, 1975. The provisions of S. 151 respecting this project are unchanged from the earlier bills.

As in the Dickinson Dam proposal this proposal would provide for increasing the capacity of the spillway of the dam for additional safety allowances to account for new and increased estimates of maximum flows.

Should the new inflow design flood occur without corrective action the dam embankment and spillway parapet wall would be overtopped and rapid breaching of the dam embankment could occur. The discharge from the dam and reservoir could increase from approximately 20,000 cubic feet per second ( $\text{ft}^3/\text{s}$ ) under flood conditions to as much as approximately 1,500,000  $\text{ft}^3/\text{s}$  in 1 hour or less if the dam failed. The loss of life and property damage downstream from the dam could be substantial.

The proposed modification in the design and structure of the dam would provide a greater factor of safety than was provided by the original design. The spillway capacity would be increased from its present capacity of 10,000 ft<sup>3</sup>/s to 27,000 ft<sup>3</sup>/s. Although the reservoir releases would be increased as rapidly as necessary under flood conditions, more time would be available for warning the downstream residents to evacuate. The amount of damage to downstream property and loss of life would be lessened because of the reduction in reservoir releases.

McKay Dam was constructed specifically for irrigation. Throughout the years, other incidental benefits, such as flood control, fish and wildlife, and recreation, have accrued. The proposed bill would authorize allocation of existing costs, as well as the costs of the proposed modification, to the reauthorized purposes of the dam i.e., irrigation, flood control, fish and wildlife, and recreation.

Appropriations would be authorized in the amount of \$1,300,000, with an inflation clause built in.

We wish to mention here, as with the Dickinson Dam proposal, that we oppose a policy whereby all costs incurred for modifications for safety of dams purposes would be non-reimbursable.

#### Pollock-Herreid, South Dakota

S. 151 is similar to S. 2493 and H.R. 3383, on which the Department reported on October 29, 1975. All three bills are based on a plan to divert water by pumping from the existing Lake Oahe on the Missouri River. The principal purposes of the Pollock-Herreid Unit would be to supply on-farm sprinkler irrigation for 15,000 acres of land and to supply municipal and industrial water to two communities. These bills also contain provisions for fish and wildlife resources.

The physical works of the unit would include: the main pumping plant, located at the existing Lake Oahe on the Missouri River, to lift the water into the existing Lake Pocasse; a subimpoundment on Spring Creek, which is a tributary to Lake Oahe, for reregulation; a 24 mile-long system of main canals; a 56 mile-long system of laterals; seven relift pumping plants; 165 miles of collector, surface, and closed pipe drains; and other facilities necessary to the purposes of the unit.

S. 151 is distinguished from both S. 2493 and H.R. 3383 by requiring that lands eligible for water held in single ownership be limited to 160 acres of Class I land or the equivalent in other lands, and by authorizing \$26,000,000 to be appropriated for construction, rather than \$25,000,000 authorized in both S. 2493 and H.R. 3383.

A recent 1975 Bureau of Reclamation reevaluation for the project shows that the Pollock-Herreid Unit is economically justified and has financial feasibility.

Conclusion

Despite our opposing statements on these bills at the time of Congressional hearings, we nevertheless feel that there are definite merits in the proposed projects and, now that Congress has fully considered and enacted these proposals a veto would not be appropriate. Each has strong local support and even stronger official support among State and local officials and in the Congressional delegations.

For these reasons we recommend in favor of signing the bill.

Sincerely yours,

  
Assistant Secretary of the Interior

Honorable James T. Lynn  
Director, Office of  
Management and Budget  
Washington, D.C.

Enclosure

## POSSIBLE SIGNING STATEMENT

I have signed into law today S. 151, an Act which authorizes and modifies several Federal reclamation projects by the Bureau of Reclamation.

The Act authorizes four separate projects to be undertaken by the Bureau of Reclamation: Polecat Bench, Wyoming; Dickinson Dam, North Dakota; McKay Dam and reservoir, Oregon; and Pollock-Herreid Unit, South Dakota.

The Act reauthorizes the Polecat Bench area of the Shoshone extensions unit in Wyoming as an integral part of the Pick-Sloan Missouri Basin program. The reauthorized project would provide water for irrigation of 19,200 acres of land, a municipal and industrial water supply, and water for conservation and recreation purposes.

The Dickenson Dam project, North Dakota, consists of certain modifications to be made to the Dickinson Dam to make additional municipal and industrial water available to the city of Dickinson, North Dakota, and for the purpose of increasing the existing spillway capacity to provide additional safety allowances in light of increased estimates of possible maximum flows.

The McKay Dam project, Oregon, is similar to the Dickinson Dam project in that it will provide for increasing the capacity of the spillway of the dam for safety purposes. The Act will also reauthorize the project for additional project purposes, including flood control, fish and wildlife, and recreation, as well as the existing irrigation function.

The Pollock-Herreid project, South Dakota, is based on a plan to divert water by pumping from the existing Lake Oahe on the Missouri River. The principal purposes of the project would be to supply on-farm sprinkler irrigation for 15,000 acres of land and to supply municipal and industrial water to two communities. This Act also contain provisions for fish and wildlife resources.

These four projects will make worthwhile contributions to the economic life of the areas where the projects will be built and will help to assure the vitality and stability of their agricultural base.

I am therefore pleased to sign the Act into law. One aspect of the Act is of particular concern, however. As authorized by the Act, two of the projects would require work to make dams safe solely at Federal expense. Safety is normally an integral design and operation feature of a Federally constructed dam, to be paid for by project beneficiaries. In approving this bill I am therefore constrained to

observe that I do not approve a policy which requires the Federal Government to underwrite the cost of work to improve dam safety in all situations involving modifications to federally built dams. Each case should, in my view, be considered on its merits to determine the most appropriate way to share costs.

I believe, however, that it is appropriate at this time to sign this Act into law.

EXECUTIVE OFFICE OF THE PRESIDENT  
COUNCIL ON ENVIRONMENTAL QUALITY  
722 JACKSON PLACE, N. W.  
WASHINGTON, D. C. 20006

MAR 4 1976

MEMORANDUM FOR JAMES M. FREY  
OFFICE OF MANAGEMENT AND BUDGET

ATTN: Ms. Ramsey

SUBJECT: Enrolled Bill, S. 151

Thank you for the opportunity to comment on this bill. The Council on Environmental Quality recommends that the President veto the bill, for the following reasons:

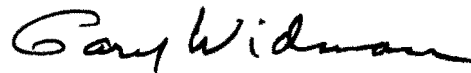
1. Title I (Polecat Bench, Wyoming) and Title IV (Pollock-Herleid Unit, South Dakota) would authorize two additional components of the overall Pick-Sloan Missouri Basin Program. The Bureau of Reclamation has not conducted adequate environmental analyses of either of these projects, which may each have serious adverse environmental impacts. The Bureau's own procedures, which require that environmental impact statements be prepared and circulated prior to authorization, would be violated by this bill, which would preclude timely consideration of project impacts and project alternatives as required by NEPA.
2. The Bureau already has in planning or construction phases approximately 20 other units of the Pick-Sloan program. No overall environmental analysis of this program has been done by the Bureau. The cumulative effects of land use changes, water diversions, irrigation return flows, and other consequences of these projects have not been reviewed; Titles I and IV of this bill would compound this problem and might lead to need for expensive remedial measures in the future.





3. Sections 104 and 406 of this bill would allow exceptions to the clearly-stated requirements of the 1902 Reclamation Act, which restrict single ownership of lands to be irrigated by federal projects to 160 acres.

We recommend that this bill be vetoed for the above reasons.



Gary Widman  
General Counsel



THE GENERAL COUNSEL OF THE TREASURY  
WASHINGTON, D.C. 20220

FEB 27 1976

Director, Office of Management and Budget  
Executive Office of the President  
Washington, D. C. 20502

Attention: Assistant Director for Legislative  
Reference

Sir:

Reference is made to your request for the views of this Department on the enrolled enactment of S. 151, "To authorize and modify various Federal reclamation projects and programs, and for other purposes."

The enrolled enactment would authorize construction and reclamation projects at Polecat Bench, Wyoming; Dickinson Dam, North Dakota; McKay Dam and Reservoir, Oregon; and the Pollock-Herreid Unit, South Dakota. The Department of the Interior and the Office of Management and Budget have opposed these projects in reports to the Committees on Interior and Insular Affairs.

The interest rate formula provided in sections 106, 203, and 405 of the enrolled enactment is the so-called water resources rate; i.e., the computed average rate payable by the Treasury upon its outstanding marketable public obligations which are neither due nor callable for 15 years from date of issue. The water resources interest rate formula produces an arbitrary subsidy interest rate which bears no relationship to current Treasury borrowing costs, and is significantly below the current rate on Government borrowing. The effect of this rate formula is to provide substantial but hidden subsidies to project beneficiaries at the expense of the Nation's taxpayers. Any subsidies determined necessary should be provided in a straight-forward manner, and not be hidden in the interest rate formula.

In view of the foregoing, the Department would concur in a recommendation that the enrolled enactment not be approved by the President.

Sincerely yours,

General Counsel  
Richard R. Albrecht



# UNITED STATES WATER RESOURCES COUNCIL

SUITE 800 • 2120 L STREET, N.W. WASHINGTON, D.C. 20037

MAR 1 1976

Mr. James M. Frey  
Assistant Director for Legislative  
Reference  
Office of Management and Budget  
Washington, D. C. 20503

Dear Mr. Frey:

This is in response to your February 26, 1976, enrolled bill request on S. 151, an act to authorize and modify various Federal reclamation projects and programs, and for other purposes.

The Water Resources Council has not taken any position on this legislation nor on the proposed projects included therein. As Director of the Council, I would, therefore, have no comment on this particular legislation.

Sincerely,

Warren D. Fairchild  
Director



To  
July Johnson  
3-8-76



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

MAR 8 1976

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill S. 151 - Reclamation Authoriza-  
tion Act of 1975  
Sponsors - Sen. Hansen (R) Wyoming and Sen.  
McGee (D) Wyoming

Last Day for Action

March 12, 1976 - Friday

Purpose

To authorize the Secretary of the Interior to construct, operate and maintain the Polecat Bench, Wyoming project and the Pollock-Herreid unit, South Dakota, both part of the Pick-Sloan Missouri Basin Program and to modify the Dickinson Dam, North Dakota and the McKay Dam and Reservoir, Oregon.

Agency Recommendations

Office of Management and Budget	Disapproval (Veto Mes- sage attached)
Department of the Interior	Approval (Signing State- ment attached)
Council on Environmental Quality	Disapproval
Department of the Treasury	Would concur in dis- approval
Water Resources Council	No comment

Discussion

The enrolled bill is an omnibus authorization measure for reclamation projects and programs, comprised of four titles, each of which deals with a separate project originally introduced as an individual bill.

THE WHITE HOUSE

MEMORANDUM

WASHINGTON

LOG NO.: 578

March 9

Time: 930am

ACTION: George Humphreys cc (for information): Jack Marsh  
 Max Friedersdorf Jim Cavanaugh  
 Ken Lazarus ✓  
 Robert Hartmann

FROM THE STAFF SECRETARY

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DUE: Date: March 10 Time: 300pm

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SUBJECT:

S. 151 - Reclamation Authorization Act of 1975

ACTION REQUESTED:

- |   |   |
|---|---|
| <input type="checkbox"/> For Necessary-Action     | <input type="checkbox"/> For Your Recommendations |
| <input type="checkbox"/> Prepare Agenda and Brief | <input type="checkbox"/> Draft Reply              |
| <input type="checkbox"/> *For Your Comments       | <input type="checkbox"/> Draft Remarks            |

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

Counsel's Office recommends veto for the reasons expressed in the OMB memorandum despite substantial political support by Senator Hansen.

I have been requested to indicate that Rog Morton recommends approval of the measure and requests that his views be solicited prior to any presentation to the President.

*sent to Morton 5:00 PM*

Ken Lazarus 3/10/76

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

James H. Cavanaugh  
for the President

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 578

Date: March 9

Time: 930am

FOR ACTION: George Humphreys  
Max Friedersdorf  
Ken Lazarus  
Robert Hartmann

cc (for information): Jack Marsh  
Jim Cavanaugh

FROM THE STAFF SECRETARY

---

DUE: Date: March 10

Time: 300pm

---

SUBJECT:

S. 151 - Reclamation Authorization  
Act of 1975

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

---

K. R. COLE, JR.  
For the President

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 578

Date: March 9

Time: 930am

FOR ACTION: George Humphreys  
Max Friedersdorf  
Ken Lazarus  
Robert Hartmann ✓

cc (for information): Jack Marsh  
Jim Cavanaugh

FROM THE STAFF SECRETARY

DUE: Date: March 10

Time: 300pm

SUBJECT:

*3/9 - 10:25 am*

S. 151 - Reclamation Authorization  
Act of 1975

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

*must be signed before Ann leaves*

*Recommend approval*  
*Draft OK*  
*ATJ*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

James H. Cavanaugh  
for the President

THE WHITE HOUSE

WASHINGTON

March 9, 1976

MEMORANDUM FOR: MAX FRIEDERSDORF

FROM: VERN LOEN *VL*

SUBJECT: Enrolled bill memo S.151-Reclamation  
Authorization Act of 1975

In deciding whether to recommend the President sign or veto this legislation, I would recommend you take into consideration the following factors:

Legislative history - S.151 was passed by voice vote in the Senate on August 1, 1975. H.R.10537, which expanded the number of projects in the bill, passed the House on January 1, 1976, by a vote of 284-110 with 40 absentees. The Senate then accepted the House bill by voice vote on February 25. An analysis of the House vote is attached. Given the partisanship of an election year, I consider it likely that we would lose 31 of the 110 nay votes and might gain as many as 36 switches from the yea votes for a net gain of 5. Of those not voting, 13 looked like targets to sustain. That would give us a total of 128 votes.

Rhodes was among those voting to pass the bill. When consulted about sustaining a veto, he said he probably would vote to sustain, but would be very quiet about it. Michel was among the absentees.

The Senate would act first and, if the 17 reclamation state Senators stick together, we start off with a base of 34 votes against us. John Kyl feels it is unlikely that the Senate would sustain. That would build momentum and partisanship for the House vote and charges of another "anti-jobs veto," even though none of the jobs would be created this year. If the bill were signed, Kyl says we would not have to worry about another package being rushed in behind this one; however, it is likely that they would try to fund these projects in FY77.

Signing the bill would be taken by the reclamation community, which is somewhat monolithic, as a friendly gesture and might blunt criticism of the President for his "no new starts" budget policy.



Largest of the four projects, Polecat Bench, is an irrigation project strongly backed by Senator Hansen, costing \$46 million. The Pollock-Herrend irrigation project, costing \$26 million, is strongly pushed by Rep. Jim Abdnor and is located in his best Republican counties. Rep. Mark Andrews says the Dickinson Dam safety project in North Dakota could well burst due to faulty construction. The McKay Dam safety project in Oregon is located in Al Ullman's district, but would benefit Senators Hatfield and Packwood as well.

It's an extremely close call, boiling down to whether we want to help our friends with an authorization bill in a Presidential election year and fight the appropriation later if the stipulations are not met, or do we stand on past established procedures. I come down on the side of our friends since there is a good likelihood that a veto would be overridden anyway.

TO THE SENATE

I return herewith, without my approval, S. 151, "The Reclamation Authorization Act of 1975."

S. 151 would authorize four separate projects to be undertaken by the Bureau of Reclamation: Polecat Bench, Wyoming; Dickinson Dam, North Dakota; McKay Dam and Reservoir, Oregon; and Pollock-Herreid unit, South Dakota.

The bill would reauthorize the Polecat Bench project to provide water for irrigation of 19,200 acres of land, a municipal and industrial water supply, and water for conservation and recreation purposes.

The Pollock-Herreid project, South Dakota, is based on a plan to divert water by pumping from the existing Lake Oahe on the Missouri River. The principal purposes of the project would be to supply on-farm sprinkler irrigation for 15,000 acres of land and to supply municipal and industrial water to two communities.

The Dickinson Dam project, North Dakota, would consist of certain modifications to be made to the Dickinson Dam to make additional municipal and industrial water available to the city of Dickinson, North Dakota, and to increase the existing spillway capacity to provide additional safety allowances in light of increased estimates of possible maximum flows.

The McKay Dam project, Oregon, is similar to the Dickinson Dam project in that it would provide for increasing the capacity of the spillway of the dam for safety purposes. S. 151 would also reauthorize the project for additional purposes, including flood control, fish and wildlife, and recreation, as well as the existing irrigation function.

I have disapproved this bill for the following reasons:

First, the Polecat Bench project previously failed the test of cost-effectiveness, a test which is applied to other water resource projects generally. To authorize it now, without a current study of its economic feasibility would be a departure from the long-standing policy that only economically justified water resource projects should be undertaken.

Second, the Executive Branch has not completed its study of the Pollock-Herreid unit and submitted a report on its feasibility to the Congress. Until such a report is prepared, there is no adequate basis for appraising the merits of this project.

Finally, the latter two projects -- McKay Dam and Dickinson Dam -- would require work to make the dams safe solely at Federal expense. Safety is normally an integral design and operation feature of a federally constructed dam, to be paid for by project beneficiaries. I cannot

approve a policy which would require the Federal Government to underwrite the cost of work to improve dam safety in all situations involving modifications to federally built dams.

The general question of Federal dam safety policy will be considered when a congressionally directed report on dam safety now underway by the Department of the Army is completed, and cost-sharing recommendations on water project purposes are made later this year.

The Executive Branch set forth these objections to the projects while they were being considered by the Congress. In my judgment they continue to remain valid. Accordingly, I return S. 151 without my approval.

THE WHITE HOUSE

March , 1976

STATEMENT BY THE PRESIDENT

I have today approved S. 151, "The Reclamation Authorization Act of 1975."

S. 151 authorizes four separate projects to be undertaken by the Bureau of Reclamation: Polecat Bench, Wyoming; Dickinson Dam, North Dakota; McKay Dam and Reservoir, Oregon; and Pollock-Herreid unit, South Dakota.

The bill reauthorizes the Polecat Bench project to provide water for irrigation of 19,200 acres of land, a municipal and industrial water supply, and water for conservation and recreation purposes.

The Pollock-Herreid project, South Dakota, is based on a plan to divert water by pumping from the existing Lake Oahe on the Missouri River. The principal purposes of the project are to supply on-farm sprinkler irrigation for 15,000 acres of land and to supply municipal and industrial water to two communities.

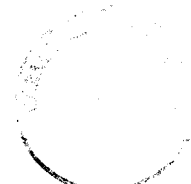
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The McKay Dam project, Oregon, is similar to the Dickinson Dam project in that it provides for increasing the capacity of the spillway of the dam for safety purposes. S. 151 also reauthorizes the project for additional purposes, including flood control, fish and wildlife, and recreation, as well as the existing irrigation function.

Although I have signed S. 151, it should be noted that I have several reservations about the bill and my implementation of its provisions will be subject to the following constraints:

First, the Polecat Bench project previously failed the test of cost-effectiveness, a test which is applied to other water resource projects generally. This project needs to be re-examined in light of new economic factors to see if it is economically justified. Similarly, the Executive Branch has not completed its study of the Pollock-Herreid unit and submitted a report on its feasibility to the Congress. Until such reports are prepared, there is no adequate basis for appraising the merits of these projects. Accordingly, I will not seek funds for either project until a cost-effectiveness study has been completed and the project is demonstrated to be economically justified.

Second, the bill requires work on the latter two projects -- McKay Dam and Dickinson Dam -- solely at Federal expense. Safety is normally an integral design and operation feature of a federally constructed dam, to be paid for by project beneficiaries.



I do not endorse any policy which requires the Federal Government to pay the entire cost of work to improve dam safety in all situations involving modifications to federally built dams. The general question of Federal policy on the safety of dams will be considered when a congressionally directed report on that subject now underway by the Department of the Army is completed, and when new cost-sharing recommendations for water projects are made later this year.

Therefore, I will not seek any funds for these two project until the study has been completed and the Executive Branch has made its recommendations on cost-sharing for water projects.

*E*



## AUTHORIZING CONSTRUCTION OF POLECAT BENCH AREA OF SHOSHONE, WYO.

JULY 31, 1975.—Ordered to be printed

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

### REPORT

[To accompany S. 151]

The Committee on Interior and Insular Affairs, to which was referred the bill (S. 151) to authorize the Secretary of the Interior to construct, operate and maintain the Polecat Bench area of the Shoshone extensions unit, Pick-Sloan Missouri Basin program, Wyoming, 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:

1. On page 2, line 10, added the following sentence to Section 1:

For a period of not more than two years after the initial availability of irrigation water up to 2217 acres of public lands in the Polecat Bench area determined to be suitable for settlement purposes shall be made available, on a preference basis for exchange or amendment, to resident landowners on the Heart Mountain Division of the Shoshone Project, who, on or before December 1, 1968, were determined by the Secretary to be eligible for such exchange or amendment of their farm units under provisions of the Act of August 18, 1953 (67 Stat. 566).

2. On page 2, line 15, delete the phrase "Recreation Act (79 Stat. 213)." and insert instead the following: "Recreation Act (79 Stat. 213), as amended."

3. On page 2, line 21, add the following sentence to Section 3:

Repayment contracts for the return of construction costs allocated to irrigation will be based on the water user's ability to repay as determined by the Secretary of the Interior;

and the terms of such contracts shall not exceed 50 years following the permissible development period.

4. On page 2, line 22, insert the following language as a new section 4 and renumber the existing Section 4 and subsequent Sections accordingly:

Sec. 4. The provisions of the third sentence of Section 46 of the Act of May 25, 1926 (44 Stat. 649, 650), and any other similar provisions of the Federal reclamation laws as applied to the Polecat Bench area of the Shoshone extensions unit are hereby modified to provide that lands held in a single ownership which may be eligible to receive water from, through, or by means of area works shall be limited to one hundred and sixty acres of Class I land or the equivalent thereof in other land classes, as determined by the Secretary of the Interior.

5. On page 3, line 19, delete the figure "\$40,000,000" and insert instead the figure: "\$46,000,000"

6. Amend the title so as to read:

A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Polecat Bench area of the Shoshone extensions unit, Pick-Sloan Missouri Basin program, Wyoming, and for other purposes."

SECTION-BY-SECTION ANALYSIS OF S. 151 AS AMENDED

*Section 1*

Authorizes the Secretary of the Interior to undertake the construction, operation and maintenance of the proposed Polecat Bench area of the Shoshone unit, describes the purposes for which the project is to be built, and lists the major features of the project. This section also provides for 2,217 acres to be made available on a preference basis to resident landowners of the adjacent Heart Mountain Division of the Shoshone Project.

*Section 2*

Provides that project activities and functions related to the conservation and development of fish and wildlife resources and the enhancement of recreation opportunities shall be in accord with the Federal Water Project Recreation Act (79 Stat. 213), as amended.

*Section 3*

Provides for the physical and financial integration of the Polecat Bench area with the other Federal projects constructed pursuant to the comprehensive plan approved as part of the Flood Control Act of 1944 (58 Stat. 887, 891), as amended. In addition, Section 3 provides for a fifty year maximum repayment contract for the return of construction costs allocable to irrigation.

*Section 4*

Provides for a Class I equivalency for ownership of irrigated lands in the Polecat Bench area.

*Section 5*

Prohibits the delivery of project water to any lands producing a "surplus" agricultural commodity for a period of ten years following date of enactment.

*Section 6*

Provides for the computation of the interest rate of reimbursable costs associated with the construction of the features of the Polecat Bench area.

*Section 7*

Authorizes appropriation of \$46,000,000 for the construction of the Polecat Bench area facilities and includes provision for changes in construction costs.

PURPOSE

The purpose of S. 151 which was introduced on January 15, 1975, by the Senators from Wyoming, Mr. Hansen and Mr. McGee, is to authorize the construction, operation, and maintenance of the Polecat Bench area of the Shoshone extensions unit of the Pick-Sloan Missouri Basin program in extreme northwestern Wyoming which would develop unappropriated natural flows of the Shoshone River for irrigation, municipal and industrial water supply, recreation, and fish and wildlife conservation.

BACKGROUND

The construction of the existing Shoshone Project was initiated in 1904 to complete a private development. Closure of the Buffalo Bill Dam was made in 1910. The Shoshone extensions unit was authorized for construction as a part of the comprehensive plan for the Missouri River Basin by the Flood Control Acts of 1944 (58 Stat. 887) and 1946 (60 Stat. 641). Construction of the unit was not initiated before 1964, however, and reauthorization is therefore necessary under the provisions of the Act of August 14, 1964 (78 Stat. 446).

The present proposal includes only a portion of the original plan for the Shoshone extensions unit. The Secretary of the Interior's feasibility report was transmitted to the Congress on August 11, 1972. The Subcommittee on Energy Research and Water Resources held a hearing on S. 151 on April 17, 1975. The Department of the Interior opposed enactment of the bill recommending in lieu thereof further study of the proposed project.

DESCRIPTION OF THE PROJECT

The proposed Polecat Bench area is located in Park County, Wyoming, along the Shoshone River. The development would provide a full irrigation water supply to 19,200 acres of irrigable lands, a source of municipal and industrial water supply for the neighboring town of Powell, Wyoming, and provide outdoor recreation and fish and wildlife conservation.

Water supplies for the project would be provided from unappropriated natural flows of the Shoshone River, available storage in the existing Buffalo Bill Reservoir of the Shoshone Project, and return

flows from existing irrigation development. The existing Heart Mountain Canal would deliver water from the Buffalo Bill Reservoir to the new facilities.

The principal new features of the extension would be the Polecat Canal, a relift pumping plant, the Holden reregulating reservoir, the Holden Canal, and distribution and drainage systems. Recreation facilities will be provided at Holden Reservoir and fish and wildlife management will be accommodated in the land acquisition and at the reservoir.

Testimony presented to the Subcommittee on Energy Research and Water Resources during the April 17, 1975 hearing indicated that the Town of Powell, Wyoming, (population approximately 5,000) could utilize approximately 2,700 acre feet of water annually to meet demands through the year 2000. Projected project facilities would be able to meet the additional municipal and industrial capacity.

#### PROJECT DATA

##### Holden Dam and Reservoir:

Type: earthfill.

Height: 65 feet.

Crest length: 6,070 feet.

Reservoir capacity: 9,900 acre-feet.

Reservoir area: 640 acres.

##### Distribution System:

Polecat Canal length: 18 miles.

Holden Canal length: 13.3 miles.

Laterals total length: 53.9 miles.

#### FINANCIAL AND ECONOMIC ANALYSIS

The total estimated construction cost of the project is \$46,240,000 based on January, 1975 prices. Assigned costs to reflect the use of existing facilities of the Shoshone Project and the Pick-Sloan Missouri Basin program amount to \$1,782,000. The costs have been allocated among the project purposes as follows:

	Amount	Percent
Construction costs.....	\$46,240,000	
Assigned costs.....	1,782,000	
Interest during construction.....	4,115,000	
<b>Total.....</b>	<b>51,577,000</b>	
Less preauthorization costs.....	560,000	
Less project interest.....	4,020,000	
<b>Costs to be allocated.....</b>	<b>47,557,000</b>	
Irrigation.....	46,973,000	98.7
Fish and wildlife.....	322,000	.7
Recreation.....	262,000	.6
<b>Total.....</b>	<b>47,557,000</b>	<b>100.0</b>

Annual operation, maintenance, and replacement costs are estimated to be \$90,000. Average annual benefits are estimated to be \$4,200,000. The economic analysis presented to the Congress by the Department of

the Interior in 1970 indicated that the project had a ratio of benefits to costs of 1.68 to 1. Subsequent indexing of construction costs indicates that the benefit/cost ratio has decreased. However, increases in the value of agricultural commodities have tended to offset the rise in associated project costs.

Of the costs allocated to irrigation, local beneficiaries would repay all maintenance costs and \$7,392,000 or about 16 percent of the total irrigation allocation. The remaining \$35,581,000 would be repaid from power revenues accruing to the Pick-Sloan Missouri Basin program. The Wyoming Recreation Commission has indicated their willingness to comply with the provisions of the Federal Water Project Recreation Act of 1965 in regard to project recreation oriented facilities.

#### COMMITTEE AMENDMENTS

The Committee on Interior and Insular Affairs adopted six amendments. The amendments are set forth in full at the beginning of this report and are explained below.

The first amendment, page 2, line 10 of the original bill, will enable the Secretary of the Interior to give a priority to present irrigators on the adjacent Heart Mountain Division of the Shoshone project to project lands in the Polecat Bench area in order to bring their total holdings to an economic level. When the Heart Mountain Division was initially developed, it was anticipated that a second stage would be developed at a later date and that irrigators on several inadequately sized units would be able to "round-out" their holdings. The second stage was never developed and this amendment would permit the "rounding-out" of the inadequate ownerships utilizing lands of the Polecat Bench area.

The second amendment, page 2, line 15 of the original bill is technical in nature.

The third amendment, page 2, line 21 of the original bill, will enable the Secretary of the Interior to execute a 50-year repayment contract with the Polecat Bench Irrigation District. The Department's feasibility report on the project utilizes a 50-year repayment provision and without the amendment, the Secretary would be limited to a 40-year repayment contract pursuant to the Reclamation Project Act of 1939 (53 Stat. 1187).

The fourth amendment, page 2, line 22 of the original bill, adds a new Section 4 providing a class I equivalency for land ownerships in the Polecat Bench area. This means that the Secretary of the Interior may permit certain ownerships in excess of 160 acres in the area to receive project waters. This flexibility is encouraged because of the high altitude of associated project lands and other physical features which may affect related agricultural production.

The fifth amendment, page 3, line 19 of the original bill, increases the authorization by \$6,000,000 to a total of \$46,000,000. This reflects Departmental testimony concerning the actual present estimated costs for construction of the Polecat Bench area facilities.

The sixth amendment, to amend the title of S. 151, was adopted to correct a typographical error.

## COSTS

In accordance with Section 252(a) of the Legislative Reorganization Act of 1970 the Committee provides the following estimate of costs:

S. 151, as reported by the Committee, would authorize the appropriation of \$46,000,000.

## TABULATION OF VOTES CAST IN COMMITTEE

Pursuant to Section 133(b) of the Legislative Reorganization Act of 1946, as amended, the following is a tabulation of votes of the Committee during consideration of S. 151.

S. 151, was ordered favorably reported to the Senate with amendments, by unanimous voice vote with a quorum present in open public session on July 31, 1975.

## EXECUTIVE COMMUNICATIONS

The reports of the Department of the Interior and the Office of Management and Budget are set forth in full as follows:

U.S. DEPARTMENT OF THE INTERIOR,  
OFFICE OF THE SECRETARY,  
*Washington, D.C., April 15, 1975.*

HON. HENRY M. JACKSON,  
*Chairman, Committee on Interior and Insular Affairs,  
U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: This responds to your request for the views of this Department on S. 151, a bill "To authorize the Secretary of the Interior to construct, operate and maintain the Polecat Bench area of the Shoshone extension unit, Pick-Sloan Missouri Basin program, Wyoming, and for other purposes."

The bill reauthorizes the Polecat Bench area of the Shoshone extension unit which had previously been authorized as an integral part of the Pick-Sloan Missouri Basin program. The reauthorized project would provide irrigation water for 19,200 acres of land, plus municipal and industrial water as well as conservation and recreation uses. The needed features of the project are set out in section 1. Section 2 of the bill provides for the conservation and recreational provisions of the project. Section 3 of the bill integrates the project physically and financially with the other Federal works authorized pursuant to the original authorization for this project. Section 4 of the bill denies for a period of ten years the delivery of irrigation water from the project for use on surplus agricultural crops. Section 5 of the bill sets the method under which the interest rate for the project will be computed. Section 6 of the bill authorizes the appropriations for the project.

Pursuant to Section 9(a) of the Reclamation Act of 1939, a report on a feasibility study of the proposed Polecat Bench Project was transmitted to the Congress on August 11, 1972, by then Assistant Secretary James R. Smith. This report indicated that the Polecat Bench Project did not meet the test of economic feasibility based on the national eco-

omic efficiency criteria applied to all other water resources projects. Accordingly, this Department recommended against authorization of the project during subsequent committee hearings held on the report. No further study or actions have been carried out in connection with this proposed project since completion of the original study.

The original feasibility study in the Polecat Bench area considered a system of canals, a reservoir, and other structures to furnish water supply to irrigate approximately 19,200 acres of lands or about 80 new farm units in northwestern Wyoming. The proposed development would also enhance fish and wildlife resources and provide outdoor recreational opportunities. The water supply would be provided from existing storage facilities at the Buffalo Bill Reservoir on the Shoshone River.

Local interests in the area continue to strongly support the project. The city of Powell has recently expressed interest in obtaining municipal and industrial water supply from the project.

Since the report was completed in 1972, costs for constructing public works have risen significantly. Prices of crops that would be grown on land irrigated by the proposed Polecat Bench Project have also increased in value. While these factors along with the possible inclusion of municipal and industrial water supply as a project purpose, are important and would undoubtedly affect the economic feasibility of the project, the precise impact of these changes cannot be determined without the results of a feasibility grade restudy of the project.

In light of the continuing approval of this project, this Department would recommend initiating such a study to determine the merits of the project based on current conditions and criteria. Until such a study has been conducted and completed, this Department has no basis for amending its earlier position on the proposed 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.*

EXECUTIVE OFFICE OF THE PRESIDENT,  
OFFICE OF MANAGEMENT AND BUDGET,  
*Washington, D.C., April 23, 1975.*

HON. HENRY M. JACKSON,  
*Chairman, Committee on Interior and Insular Affairs,  
U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: This is in reply to your request of January 29, 1975 for the views of the Office of Management and Budget on S. 151, a bill "To authorize the Secretary of the Interior to construct, operate and maintain the Polecat Bench area of the Shoshone extension unit, Pick-Sloan Missouri Basin program, Wyoming, and for other purposes."

In its report to your Committee, the Department of the Interior points out that it opposed authorization of the project in 1972 on the

basis of an economic feasibility study completed that year. The Department went on to say, however, that in light of certain changes in costs and potential benefits, it would recommend initiating a new study of the merits of the project based on current criteria, but until that study is completed, would have no basis for changing its earlier position.

The Office of Management and Budget concurs with the views expressed by the Department, and accordingly, recommends against enactment of S. 151.

Sincerely,

JAMES M. FREY,  
*Assistant Director for Legislative Reference.*

○

AUTHORIZING AND MODIFYING VARIOUS FEDERAL  
RECLAMATION PROJECTS AND PROGRAMS, AND FOR  
OTHER PURPOSES

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DECEMBER 8, 1975.—Committed to the Committee of the Whole House on the  
State of the Union and ordered to be printed

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

REPORT

[To accompany H.R. 10537]

The Committee on Interior and Insular Affairs, to whom was referred the bill (H.R. 10537) To authorize and modify various Federal reclamation projects and programs, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

ORGANIZATION OF LEGISLATION

H.R. 10537,<sup>1</sup> entitled the Reclamation Authorization Act of 1975, includes in a single measure all of the authorizing legislation considered during the First Session of the 94th Congress by the Committee on Interior and Insular Affairs.

The bill is comprised of four Titles, each of which deals with a separate activity originally introduced as an individual bill. The individually introduced bill provided the vehicle for requesting departmental reports and for hearings before the Subcommittee on Water and Power Resources. Thereafter, each measure was discussed and amended as appropriate before being approved for inclusion in the bill reported herein.

Each Title will be discussed separately below, except that the sections of this report captioned Costs, Committee Recommendations and Inflationary Impact Assessment will present consolidated information.

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<sup>1</sup> H.R. 10537 was introduced by Mr. Johnson of California (for himself, Mr. Roncallo, Mr. Andrews of North Dakota, Mr. Abdnor, Mr. Lujan, Mrs. Pettis, Mr. Ullman, Mr. Don H. Clausen, and Mr. Symms). The committee also considered related legislation, as follows: H.R. 1500 introduced by Mr. Roncallo; H.R. 8539 introduced by Mr. Andrews of North Dakota; H.R. 9649 introduced by Mr. Ullman; and H.R. 3383 introduced by Mr. Abdnor.

## TITLE I—POLECAT BENCH, WYO.

## PURPOSE

The purpose of this title is to authorize the Secretary of the Interior to construct, operate, and maintain the Polecat Bench area, Shoshone Extensions unit, Pick-Sloan Missouri Basin program, Wyoming. The facilities covered by this title 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.

## SETTING AND BACKGROUND

The Polecat Bench area consists of the facilities for delivery and distribution of irrigation water to approximately 19,200 acres of undeveloped private and public land in Park County, Wyoming. Municipal and industrial water supply, fish and wildlife conservation and public outdoor recreation are additional purposes of the development and will be benefited by implementation of the plan.

Water for the Polecat Bench development will be regulated in Buffalo Bill Reservoir, a feature of the Shoshone Project, which was constructed on the Shoshone River west of Cody, Wyoming, in the early years of this century. Regulatory capacity was provided at that time for the lands of the Polecat Bench. Adequate capacity has also been provided in the existing Shoshone Canyon Conduit and the Heart Mountain Canal to convey the water to the limits of the existing Heart Mountain division of the Shoshone project.

The facilities authorized by this title will consist of a canal originating at the terminus of the Heart Mountain Canal, two relift pumping plants, a regulating facility known as Holden Reservoir, laterals, drains and appurtenant facilities. Holden Reservoir will also provide storage for the future municipal needs of the City of Powell, Wyoming.

## DESCRIPTION OF PROJECT FACILITIES

Polecat Bench Canal will originate at the terminus of the Heart Mountain Canal, an existing feature of the Shoshone project. It will have an initial capacity of 212 cubic feet per second and will extend for a distance of 18 miles, serving irrigable lands enroute, to discharge into Holden Reservoir.

Holden Reservoir will be a reregulatory facility with a total controlled capacity of 9,900 acre-feet. It will be formed by an earth fill dam with a height of 65 feet and a crest length of 6,070 feet.

Holden Canal will originate at Holden Reservoir with an initial capacity of 160 cubic feet per second and extend for a distance of 13.8 miles. A lateral system aggregating 53.9 miles in length and 22 miles of pipe and open drains are also planned for the area. Two relift pumping plants are required to serve 3,100 acres of land situated above the water surface elevation of Polecat Canal.

The project plan also will include the development of two landscaped visitor areas along the shore of Holden Reservoir. They will be equipped with shelter, water and sanitation facilities.

## ECONOMIC AND FINANCIAL ASPECTS OF PROJECT

The total estimated construction cost of the facilities authorized by this Title is \$46,240,000 based on January 1975 price levels. This sum is inclusive of \$465,000 previously expended for preauthorization investigations—thereby indicating a need for future appropriations in the amount of \$45,775,000. The Committee on Interior and Insular Affairs rounded this amount to \$46,000,000 as the limit on authorization for appropriations.

The benefits estimated to be created by development of the Polecat Bench area aggregate \$4,160,700 annually, as set forth in detail below:

Irrigation .....	\$3,999,000
Fish and wildlife.....	22,000
Recreation .....	20,000
M. & I. water.....	121,500
Less adverse effects.....	(1,800)

The annual economic cost of facilities to be authorized by this title, utilizing a discount rate of 5 $\frac{7}{8}$  percent, is \$3,025,000 and computed as follows:

Construction cost.....	\$46,240,000
Less preauthorization costs.....	(465,000)
Plus: Interest during construction.....	4,010,000

Total economic cost..... 49,690,000

Annual equivalent of economic construction cost.....	2,929,000
Operation and maintenance.....	90,000

Total annual cost of foregoing..... 3,019,000

On the basis of the foregoing the Polecat Bench is shown to have a ratio of benefits to costs of 1.38. In presenting this ratio the Committee on Interior and Insular Affairs expressly accepts the validity of secondary or regional economic effects of irrigated agriculture—and rejects the applicability of sunk-cost in decision making, as well as the utilization of a discount rate higher than the long-term cost of money to the Federal government. The Committee notes that such factors seem to be prevalent in the Executive Branch outlook toward resource development but declines to be so limited in its perspective of the value and merit of this and other resource development investment opportunities.

The construction costs of the Polecat Bench area are tentatively allocated as follows:

Irrigation .....	\$45,226,000
Recreation .....	229,000
Fish and wildlife.....	320,000
M. & I. water.....	.....
Preauthorization costs.....	465,000

Preauthorization costs are nonreimbursable by statute. The costs allocated to irrigation are reimbursable without interest, in accordance with reclamation law and precedent. The water users will repay the sum of \$7,392,000 in accordance with their computed ability to pay for a period of 50 years after the permissible development. The remaining costs allocated to the irrigation purpose will be returned from net power revenues of the interconnected power system of the Pick-Sloan Missouri River program.



The relatively modest costs allocated to fish and wildlife enhancement and recreation will be shared by local agencies in accordance with the cost-sharing precepts of the Federal Water Project Recreation Act (Public Law 89-72).

There have not as yet been any costs allocated to municipal and industrial water supply but the Committee expects that such an allocation will be made during the post-authorization investigation period and that arrangements for repayment of the amount so allocated will be accomplished at the interest rate prescribed for the return of reimbursable costs.

#### SECTION-BY-SECTION ANALYSIS OF THE TITLE

This Title is comprised of seven sections as follows:

*Section 101* authorizes construction, operation, and maintenance of the Polecat Bench area facilities, enumerates purposes of the project, lists the major facilities to be constructed and provides that entrymen on the Heart Mountain division of the Shoshone project may have a priority in obtaining up to 2,217 acres of land to augment their present farm units.

*Section 102* invokes the cost-sharing provisions of the Federal Water Project Recreation Act, as amended (79 Stat. 213) as a guide to the development of the fish and wildlife and recreation features of the area.

*Section 103* provides that the Polecat Bench area shall be integrated financially and physically with other Federal works comprising the Pick-Sloan Missouri Basin project. This, in a practical sense, provides for the use of basin-wide net power revenues to repay irrigation costs in excess of the repayment ability of the water users. Section 103 also provides for irrigation repayment to be accomplished over a period of 50 years plus permissible development period.

*Section 104* authorizes the Secretary to compute and promulgate a Class I equivalent for inferior land classes thereby enabling settlers of land other than Class I to receive water for more than 160 acres or 320 acres for man and wife.

*Section 105* prohibits the delivery of water for the production of certain crops determined by the Secretary of the Agriculture to be "surplus".

*Section 106* establishes the formula for computing the interest rate for the return of interest-bearing reimbursable costs.

*Section 107* authorizes appropriations in the amount of \$46,000,000 based on price levels as of January 1975 and authorizes appropriations for operation and maintenance.

#### COSTS

The Committee estimate of Federal cost as required to be stated by the Rules of the House is the sum authorized to be appropriated for this Title—\$46,000,000.

#### DEPARTMENTAL REPORTS

The report of the Department of the Interior on the companion bill H.R. 1500, dated April 15, 1975, appears at the end of this report.

## TITLE II—DICKINSON DAM MODIFICATIONS, NORTH DAKOTA

#### PURPOSE

The purpose of title II of HR 10537 is to authorize structural modification of Dickinson Dam on the Heart River in the State of North Dakota. The work to be done will consist of the installation of gates on the existing spillway to increase the yield of municipal water from the reservoir and the construction of an auxiliary spillway deemed necessary to protect the dam from overtopping and failure during occurrence of the spillway design flood.

#### BACKGROUND AND NEED

Dickinson Dam was authorized for construction by the Flood Control Acts of 1944 and 1946. Construction was completed in 1950 and thereafter the principal use of the reservoir has been as a source of municipal water supply for the City of Dickinson, North Dakota. This city is a major commercial center situated in close proximity to the coal resources of Western North Dakota. It has sustained a rapid rate of growth and expects an accelerated growth rate as the coal resources are developed to meet growing national energy needs. Enlargement of the water yield capacity of Dickinson Reservoir affords a means of supplying the water needed to support the anticipated growth of the city.

Since Dickinson Dam was constructed much progress has been made in the science of estimating likely flood occurrences. It has now been determined that the spillway of Dickinson Dam would be inadequate to regulate the amount of flood runoff capable of entering Dickinson Reservoir. If and when this runoff occurs, the embankment would be overtopped and the structure would fail quite rapidly. An auxiliary spillway is badly needed to prevent such an occurrence.

#### SECTION-BY-SECTION ANALYSIS

Title II is comprised of four sections, as follows:

*Section 201* provides basic authority to the Secretary of the Interior to perform the necessary construction involved in installing gates on the existing spillway and providing a new auxiliary spillway.

*Section 202* provides for an amendatory repayment contract to accomplish return of costs of allocated municipal water supply and also provides that the cost of the auxiliary spillway, required for the safety of Dickinson Dam, shall be nonreimbursable.

*Section 203* establishes the formula for determination of the interest rate to be applied to the repayment of municipal water costs.

*Section 204* authorizes appropriations of necessary funds.

#### COSTS

The Committee estimate of costs associated with enactment of title II is \$4 million, the amount authorized to be appropriated.



## DEPARTMENTAL REPORTS

The report of the Department of the Interior on HR 8539, a bill related to Title II, is dated October 2, 1975, and appears in its entirety at the end of this report.

## TITLE III—McKAY DAM, UMATILLA PROJECT, OREGON

The purpose of title III of HR 10537 is to reauthorize McKay Dam, Umatilla Project, Oregon, to encompass water resource purposes other than irrigation and to authorize structural modifications to the spillway to protect the dam from failure during occurrence of the spillway design flood.

## BACKGROUND AND NEED

McKay Dam was constructed in 1927 on McKay Creek about 6 miles south of Pendleton, Oregon, as a feature of the Umatilla Project. It forms a reservoir with an active storage capacity of 74,000 acre-feet which provides irrigation water to the Stanfield and Westlands Irrigation Districts. The reservoir is a part of the McKay National Wildlife Refuge, an important migratory waterfowl resource of the area.

McKay Creek is a tributary of the Umatilla River and enters that stream at the City of Pendleton, Oregon. Although none of the cost of this facility is allocated to the flood control purpose, it has been possible through careful operation to provide approximately 6,000 acre-feet of flood control capacity in the reservoir.

Application of updated techniques for estimation of probable and possible floods indicates that floods are capable of occurrence in the McKay Creek watershed that would exceed the spillway capability of McKay Dam and lead to overtopping and failure of the embankment.

Such an event could lead to much loss of life and property on the flood plain downstream from the dam where the creek traverses the urbanized area of Pendleton.

Modification of the spillway of the existing dam, together with statutory authority to operate the reservoir for flood control, are badly needed to protect the downstream area from flood damage and from the consequences of dam failure at this location.

## SECTION-BY-SECTION ANALYSIS

Title III is comprised of six sections to accomplish the purposes set forth above.

*Section 301* authorizes the Secretary of the Interior to reallocate the costs of McKay Dam and Reservoir to all the water resource purposes served by the reservoir, including an allocation to safety of dams. The Committee expects that the entire cost of the structural modifications authorized by this title will be allocated to safety of dams.

*Section 302* authorizes the modifications to the structure.

*Section 303* provides the legislative basis for reservation of reservoir capacity for control and regulation of flood flows.

*Section 304* establishes cost-sharing criteria for repayment of McKay Dam and Reservoir and specifically provides for Federal responsibility

for safety of dams, flood control and joint costs of recreation and fish and wildlife. The Committee on Interior and Insular Affairs calls attention to the fact that cost-sharing, as provided by this section, is in keeping with the precedents established by the Congress for such matters.

*Section 305* authorizes the Secretary to amend and revise existing irrigation repayment contracts, as needed, to conform such contracts to the revised cost allocations made pursuant to this title.

*Section 306* authorizes appropriations in the amount of \$1,300,000 with which to implement the authority contained in the title.

## COSTS

The Committee estimate of costs associated with enactment of title III is \$1,300,000—the amount authorized to be appropriated.

## DEPARTMENTAL REPORTS

The report of the Department of the Interior on HR 9649, a companion measure to title III is presented in its entirety at the end of this report.

## TITLE IV—POLLOCK-HERREID UNIT, SOUTH DAKOTA

## PURPOSE

The purpose of this title is to authorize the Secretary of the Interior to construct, operate and maintain the Pollock-Herreid Unit, South Dakota Pumping Division, Pick-Sloan Missouri River Basin program, South Dakota. The facilities covered by this title will be a program of the Bureau of Reclamation and will be subject to the provisions of the Federal Reclamation Act of 1902 (32 Stat. 388) and Acts amendatory thereof and supplementary thereto.

## SETTING AND BACKGROUND

The Pollock-Herreid Unit consists of the facilities required for the diversion and distribution of irrigation water to approximately 15,000 acres of privately-owned irrigable land, occupying a river terrace immediately east of the Missouri River in Campbell County, South Dakota. Municipal and industrial water supply and fish and wildlife enhancement are other water resource development purposes that will be benefited by the unit works.

Water from Pollock-Herreid will be diverted from the existing Lake Oahe, a mainstem reservoir constructed by the Corps of Engineers, Department of the Army, in the late 1950s and early 1960s. A sub-impoundment known as Lake Pocasse has been created on an arm of Lake Oahe and is managed by the Fish and Wildlife Service of the Department of the Interior as a migratory waterfowl refuge.

The structures authorized by this title will include a pumping plant for lifting water from Lake Oahe to Lake Pocasse; a canal extending from the pumping plant to Lake Pocasse; canals, laterals and relief pumping plants for distribution of the water beyond Lake Pocasse; and drainage facilities as required for preserving the arability of the unit lands.

Existing elements of the Pick-Sloan Missouri River Basin program were authorized in 1944 and many of such elements have been completed and placed in service. Oahe Dam and Lake Oahe is but one of many such facilities, the development of which for downstream flood control, navigation and hydroelectric power production was accomplished at great economic sacrifice in terms of inundated river valley lands within South Dakota. The Oahe Project and companion developments within the State resulted in the inundation and removal from productivity, and the tax base, of 500,000 acres of the best farm land in the State. Authorization and development of the Pollock-Herreid Unit represents a small but significant step in extenuation of these adverse effects on the economy and social structure of rural South Dakota.

#### ECONOMIC AND FINANCIAL ASPECTS OF THE UNIT

The total cost of the Pollock-Herreid Unit facilities authorized by this title is \$25,940,000 at January 1975 price levels. This sum is inclusive of \$370,000 of preauthorization investigation costs which, although technically a part of the cost of the unit, do not represent future expenditures and therefore should not influence decision making relative to the development. The "new money" cost involved in economic analysis of the unit is thus established as \$25,570,000. Annual operation, maintenance and replacement costs are estimated at \$160,000 and interest during construction is \$3,207,000.

The annual equivalent cost of the Pollock-Herreid Unit is summarized as follows:

Construction cost .....	\$25,940,000
Less preauthorization investigations.....	370,000
	25,570,000
New money cost.....	25,570,000
Plus interest during construction.....	3,207,000
	28,777,000
Investment cost .....	28,777,000
Annual equivalent at 5½ percent discount rate.....	1,767,000
Plus operation and maintenance.....	160,000
	1,927,000
Annual economic cost.....	1,927,000

Total estimated annual benefits accruing to the Pollock-Herreid Unit are summarized as follows:

Irrigation .....	\$3,346,000
Fish and wildlife.....	9,000
Municipal water supply.....	4,000
Area redevelopment .....	60,000
	3,419,000
Total .....	3,419,000
Less adverse effects.....	9,000
	3,410,000
Annual benefits .....	3,410,000

The benefit cost ratio, utilizing the foregoing data is 1.77. Costs of the Pollock-Herreid Unit are tentatively allocated as follows:

Irrigation .....	\$25,429,000
M. & I. water.....	47,000
Fish and wildlife.....	94,000
Preauthorization investigations .....	370,000
	25,940,000
Total .....	25,940,000

Preauthorization costs are nonreimbursable by statute. The costs allocated to irrigation are reimbursable without interest in accordance with basic Reclamation law and precedent. The water users of the Pollock-Herreid Unit will contract to repay, in accordance with their capacity to pay, the sum of \$3,397,000 (plus operation and maintenance costs) during 50 years following a permissible development period. The remaining costs allocated to irrigation will be repaid from net power revenues of the interconnected power system of the Pick-Sloan Missouri River program.

The costs allocated to fish and wildlife enhancement will be cost-shared by a non-federal public body in accordance with the cost-sharing precepts of the Federal Water Project Recreation Act (Public Law 89-72). Municipal and industrial water supply will be repaid in its entirety at prescribed interest rates.

#### SECTION-BY-SECTION ANALYSIS

The Title is comprised of seven sections as follows:

*Section 401* conveys basic authority for development of the project, sets forth the purposes of the development, and enumerates the major features of the plan.

*Section 402* invokes the cost-sharing precepts of the Federal Water Project Recreation Act (79 Stat. 213) as a guide to the development of the fish and wildlife features of the Unit.

*Section 403* provides that the unit shall be an element of the Pick-Sloan Missouri River program which means that the unit is eligible to share in the basinwide net power revenues and is eligible for project pumping power.

*Section 404* prohibits the delivery of water for the production of certain crops determined by the Secretary of Agriculture to be "surplus".

*Section 405* establishes the formula for establishing the interest rate for computing interest during construction and for return of interest-bearing costs of the Unit.

*Section 406* provides that the Secretary of the Interior may compute and promulgate a class 1 equivalent for inferior land classes, thereby enabling water users to receive service to more than 160 acres, or 320 acres for man and wife, if their farms contain irrigable lands in classes 2 and 3.

*Section 407* authorizes appropriations in the amount of \$26,000,000 at January 1975 price levels and authorizes appropriations for operation and maintenance.

#### COSTS

The Committee estimate of Federal costs associated with enactment of this Title is \$26,000,000.

#### DEPARTMENTAL REPORT

The report of the Department of the Interior, on the companion bill H.R. 3383, is dated October 29, 1975, and is set forth in its entirety at the end of this report.

## SUMMARY OF COSTS

The summary of costs of all Titles of H.R. 10537 is as follows:

Title I—Polecat Bench, Wyo.....	\$46,000,000
Title II—Dickinson Dam, N. Dak.....	4,000,000
Title III—McKay Dam, Oreg.....	1,300,000
Title IV—Pollock-Herreid, S. Dak.....	26,000,000
Totals .....	77,300,000

## INFLATIONARY IMPACT ASSESSMENT

The sums authorized to be appropriated by H.R. 10537 will be scheduled for expenditure over a period of several years commencing at the conclusion of a period of post-authorization planning. The total impact of this legislation will extend over a term of as much as 10 years. The existing level of construction activity of the Bureau of Reclamation is in the neighborhood of \$400,000,000 each year. It can thus be seen that the average fiscal impact of this legislation, when implemented, is on the order of a 2 percent increase in current funding levels for Federal Reclamation construction.

The programs authorized by this legislation will be in areas where the existing economy is not overheated and any economic impact on the local area will be helpful rather than harmful.

## COMMITTEE RECOMMENDATIONS

The Committee on Interior and Insular Affairs approved H.R. 10537 by voice vote without dissent and recommends its enactment.

## CHANGES IN EXISTING LAW

None.

## DEPARTMENTAL REPORTS

## TITLE I

U.S. DEPARTMENT OF THE INTERIOR,  
OFFICE OF THE SECRETARY,  
Washington, D.C., April 15, 1975.

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. 1500, a bill "To authorize the Secretary of the Interior to construct, operate and maintain the Polecat Bench area of the Shoshone extension unit, Pick-Sloan Missouri Basin Program, Wyoming, and for other purposes."

The bill reauthorizes the Polecat Bench area of the Shoshone extension unit which had previously been authorized as an integral part of the Pick-Sloan Missouri Basin program. The reauthorized project would provide irrigation water for 19,200 acres of land, plus municipal and industrial water as well as conservation and recreation uses. The needed features of the project are set out in section 1. Section 2

of the bill provides for the conservation and recreational provisions of the project. Section 3 of the bill integrates the project physically and financially with the other Federal works authorized pursuant to the original authorization for this project. Section 4 of the bill denies for a period of ten years the delivery of irrigation water from the project for use on surplus agricultural crops. Section 5 of the bill sets the method under which the interest rate for the project will be computed. Section 6 of the bill authorizes the appropriations for the project.

Pursuant to Section 9(a) of the Reclamation Act of 1939, a report on a feasibility study of the proposed Polecat Bench Project was transmitted to the Congress on August 11, 1972, by then Assistant Secretary James R. Smith. This report indicated that the Polecat Bench Project did not meet the test of economic feasibility based on the national economic efficiency criteria applied to all other water resources projects. Accordingly, this Department recommended against authorization of the project during subsequent committee hearings held on the report. No further study or actions have been carried out in connection with this proposed project since completion of the original study.

The original feasibility study in the Polecat Bench area considered a system of canals, a reservoir, and other structures to furnish water supply to irrigate approximately 19,200 acres of lands or about 80 new farm units in northwestern Wyoming. The proposed development would also enhance fish and wildlife resources and provide outdoor recreational opportunities. The water supply would be provided from existing storage facilities at the Buffalo Bill Reservoir on the Shoshone River.

Local interests in the area continue to strongly support the project. The city of Powell has recently expressed interest in obtaining municipal and industrial water supply from the project.

Since the report was completed in 1972, costs for constructing public works have risen significantly. Prices of crops that would be grown on land irrigated by the proposed Polecat Bench Project have also increased in value. While these factors along with the possible inclusion of municipal and industrial water supply as a project purpose, are important and would undoubtedly affect the economic feasibility of the project, the precise impact of these changes cannot be determined without the results of a feasibility grade restudy of the project.

In light of the continuing interest by local interests in the State of Wyoming regarding approval of this project, this Department would recommend initiating such a study to determine the merits of the project based on current conditions and criteria. Until such a study has been conducted and completed, this Department has no basis for amending its earlier position on the proposed 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.

## TITLE II

U.S. DEPARTMENT OF THE INTERIOR,  
OFFICE OF THE SECRETARY,  
Washington, D.C., October 2, 1975.

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

DEAR MR. CHAIRMAN: This is in response to your request for the views of this Department with respect to a bill, H.R. 8539, "To authorize modifications to Dickinson Dam, Dickinson Unit, Pick-Sloan Missouri Basin Program, North Dakota, and for other purposes."

We have reviewed the proposed legislation and recommend against its enactment at this time. The Department and the Administration are of the view that the legislation is being proposed and considered prematurely, and that consideration should be deferred.

H.R. 8539 proposes that modifications be made to the existing Dickinson Dam. The purposes of the proposed modifications are:

1. To make additional municipal and industrial (M&I) water available to the city of Dickinson, North Dakota. Installation of bascule gates on the existing spillway of Dickinson Dam would increase the conservation storage capacity of Edward Arthur Patterson Lake. The resulting increase in firm water yield in combination with existing M&I supplies would be adequate to meet the needs of the city of Dickinson to about the year 1985.

2. To assure the safety of Dickinson Dam from flood occurrences currently estimated to be larger than the existing spillway capacity. The existing spillway capacity is 33,200 cubic feet per second (ft.<sup>3</sup>/s). The currently estimated maximum inflow design flood (IDF) under the most extreme circumstances would have a peak flow of about 106,700 ft.<sup>3</sup>/s. The addition of an auxiliary spillway, with a design capacity of 69,200 ft.<sup>3</sup>/s, in combination with the existing spillway and surcharge storage would allow safe passage of the currently estimated maximum IDF. The increased estimates of maximum IDF over those originally anticipated for the dam are the result of improved and updated scientific methodology. There are no structural defects in the dam.

The total estimated cost, based on January 1974 price levels, of the measures included in H.R. 8539 is \$3,171,000 including interest during construction. Under the terms of the proposed bill, the portion of the cost relating to increased water supply for the city would be reimbursable with interest. The portion relating to dam safety would not be reimbursable. Costs as presently projected include \$681,000 for the bascule gates, and \$2,490,000 for safety improvements.

The bill is premature for the following reasons:

1. The feasibility report on the modifications for increased capacity is not yet final and has not yet been approved by the Department, the Administration or the Congress; action on the bill now would therefore serve to circumvent and short-circuit proper consideration of the report as well as the legislative procedures normally followed for a project of this type, pursuant to authorization of a feasibility study.

2. The report on the safety feature of the dam has not been approved by the Department, nor has the Administration or the Congress had time to consider it. Although the Administration has not yet finalized its policy with respect to safety of dams issues, the Department has heretofore applied a policy whereby legislative action under the Safety of Dams program would be considered on a case-by-case basis, only after full Executive review of study reports on each project.

3. The proposed modifications are not of such urgency that further consideration of the issues for a period amounting to a matter of weeks would be a serious or unwarranted delay. [Where necessary to reduce the risk, the Department would apply interim operating criteria, although it does not appear to be required in this case.]

Moreover, the Administration and the Department would oppose any provision which calls for full payment by the Federal Government of the cost of new safety measures, without reimbursement and without consideration of the individual merits of each case, and which would appear to assume that full payment should be undertaken by the Federal Government in all cases involving the Safety of Dams program. In considering the matters of cost and allocation of costs and repayment for safety modifications, such factors as the original purpose and uses of the dam, the proposed uses of the dam as modified, the reasons for the modification, the urgency of the need, the remaining life expectancy of the dam, and the financial circumstances of those benefiting from the dam should be taken into account.

While we feel that this legislation is premature, we are aware that other similar proposals are being scheduled for consideration in the near future and we are making every effort to establish a more definitive Department and Administration position on Safety and Dams issues in time to fully consider those upcoming proposals.

Dickinson Dam was constructed by the Bureau of Reclamation, under the authority of Public Law 80-299 and was completed in 1950. Dickinson has grown from a small town in 1910 of 3,700 people to its present size of about 14,000. By 1950 the city had reached a population of 7,500 and had become a hub of business and distribution for much of the western part of North Dakota. In that year it began converting from its limited ground water supply to a surface water system and storage supply from Dickinson Dam. The dam and small reservoir near the city on the Heart River were constructed for the principal purpose of providing municipal water, but also included some recreation, limited irrigation, and incidental flood control.

The Heart River originates on the semiarid high plains and provides limited runoff from about 400 square miles of drainage. While the runoff varies between flood and drought conditions, the Dickinson Reservoir yield is too small to insure the municipal supply of the present population in a dry year and the yield even in average water years will not supply the increasing water needs.

If Dickinson grows at a moderate pace it can, by modifying the present water facilities, extend its water supply another decade or more, but it should anticipate plans for a long-range solution.

The population of the city of Dickinson could increase very rapidly if strippable lignite deposits of about 800 million tons, which are located within 15 miles of the city are developed. If development of the

tremendous coal deposits in the Northern Great Plains begins to accelerate, the city will rapidly increase beyond the capability of the present and improved water sources and require a new and costly alternative.

The short-range plan to extend the city's water supply, which is part of the legislative proposal, requires that the original concrete spillway for the existing dam, which is 200 feet wide, be gated so that the water surface can be raised 3½ feet. This additional storage will provide the needed water for another decade during which time the trend of future growth will become evident.

One possible long-range solution would be a new dam and reservoir on Green River about 10 miles east of the city at the Versippi site. When the city will require such an alternate can be decided some years hence, and other sources should be investigated. Development of the Versippi site would be expensive and beyond the city's capability to finance in the immediate future.

The short-range solution, modification of the existing spillway, would raise the controlled water surface 3½ feet, increase the storage by 3,493 acre-feet, increase the yield by 900 acre-feet in a critical streamflow year to 3,300 acre-feet a year, increase the water surface by 372 acres to 1,191 acres, and increase the land management area by 243 acres.

Recreation and fish and wildlife benefits would be preserved at present levels. Existing recreation facilities, including boat ramps, beaches, roads, day use facilities, and a youth camp would be relocated. Use of these facilities would be lost temporarily during relocation. The addition of a wildlife management area would mitigate loss of habitat in the area to be flooded.

A further problem exists, however, in that the existing spillway is inadequate to handle potential floods as currently estimated. Through the utilization of modern meteorological and hydrological techniques, plus the additional years of experience in precipitation and flood studies, we have determined that the maximum inflow design flood is greater than was estimated when Dickinson Dam was designed and constructed.

When the existing spillway was designed the inflow design flood was estimated at 40,000 ft<sup>3</sup>/s. At that time, the design was based on an analysis of the recorded runoff resulting from all historic major storms in the general area. A peak of 40,000 ft<sup>3</sup>/s represented the highest ever recorded or estimated for the 400 square mile drainage area. The new analysis and design assume 13 inches of rainfall in 12 hours over the entire water shed. Therefore, we now judge that the maximum inflow design flood could reach 106,700 ft<sup>3</sup>/s at Dickinson Dam assuming the most extreme circumstances, and could cause structural failure of the dam which would cause the flood surge through the city to be increased by 30 percent. This flood surge, resulting from a failure, would occur in a matter of minutes, whereas a flood peak, without failure, would afford about 9 hours of warning.

The rainfall of storms which have occurred in the general region, and which could have occurred above Dickinson Dam ranges from 12 to 24 inches. In June of 1975 a storm occurring in Ransom County, about 100 miles southeast of Dickinson, had a measured rainfall of 20.6 inches.

The legislative proposal would therefore modify the concrete spillway by the addition of a new and larger grass-covered spillway through the right abutment to provide the needed safety against possible failure. The added spillway would have a capacity of 69,200 ft<sup>3</sup>/s, which, when combined, with the 29,300 ft<sup>3</sup>/s remaining in the modified concrete spillway making a total capacity of 98,500 ft<sup>3</sup>/s, would prevent failure of the dam during the occurrence of an inflow design flood.

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 of the Interior.*

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TITLE III

U.S. DEPARTMENT OF THE INTERIOR,  
OFFICE OF THE SECRETARY,  
*Washington, D.C., October 29, 1975.*

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

DEAR MR. CHAIRMAN: This is in response to your request for the views of this Department on H.R. 9649, a bill "To reauthorize and modify McKay Dam, Umatilla Project, Oregon, for multiple functions, and for other purposes."

We have reviewed the proposed legislation and recommend against its enactment.

The proposed bill would authorize the Secretary to increase the capacity of the spillway as required for the safety of the dam and would reauthorize the dam to include expanded project functions, for flood control, fish and wildlife, and recreation. The safety features are required as a result of new and updated estimates of possible maximum flood inflows to the reservoir. The storage capacity of the dam would not be increased, although the usefulness of its current capacity would be firmed up and assured by the safety modifications. Appropriations would be authorized in the amount of \$1,300,000, with an inflation clause built in.

The Administration has advised that it considers the project unnecessary. This is not a situation involving a structural defect or weakness in the dam. Rather the only change in safety factors here is the new, increased inflow design flood, which has a low probability of occurrence. The position of the Administration is that the expenditure here is undesirable and unnecessary, and that an adequate margin of safety can be achieved through operating procedures. The Administration recognizes that this may mean substantial reductions in benefits obtained from the dam and in repayment from the water uses.

*The Project.* The Umatilla Project is located along the Umatilla and Columbia Rivers in north-central Oregon. McKay Dam, located about 6 miles south of Pendleton on McKay Creek (a tributary of the Umatilla River), was constructed by the Bureau of Reclamation dur-

ing the period 1923-27, at a cost of \$2,133,457. The proposal for corrective work was recently made as a result of newly developed meteorological techniques and hydrological data. It was determined that McKay Dam was incapable of storing or passing safely the updated inflow design flood. It was also determined that the same margin of safety could be obtained reserving storage space of 36,000 acre feet ( $\frac{1}{2}$  of capacity) during the storm season until the storm threat passed.

Should an inflow design flood occur without corrective action the dam embankment and spillway parapet wall would be overtopped and rapid breaching of the dam embankment could occur. The discharge from the dam and reservoir could increase from approximately 20,000 cubic feet per second (ft. 3/s) under flood conditions to as much as approximately 1,500,000 ft. 3/s in 1 hour or less if the dam failed. The loss of life and property damage downstream from the dam could be disastrous. The flood resulting from dam failure would pass through areas ranging from highly developed urban areas to agricultural and grazing lands. Residences of over 1,100, commercial developments, public facilities, roads, railroad tracks, bridges, and other improvements in the areas of the Montee addition of Pendleton, Reith and Echo would be inundated by the flood.

The proposed modification in the design and structure of the dam would provide a greater factor of safety than was provided by the original design. The spillway capacity would be increased from its present capacity of 10,000 ft. 3/s to 27,000 ft. 3/s. Although the reservoir releases would be increased as rapidly as necessary under flood conditions, more time would be available for warning the downstream residents to evacuate. The amount of damage to downstream property and loss of life would be lessened because of the reduction in reservoir releases.

McKay Dam was constructed specifically for irrigation. Throughout the years, other incidental benefits, such as flood control, fish and wildlife, and recreation, have accrued. The proposed bill would authorize allocation of existing costs, as well as the costs of the proposed modification, to the reauthorized purposes of the dam; i.e., irrigation, flood control, fish and wildlife, and recreation.

A copy of the report entitled "Proposed Alteration of an Existing Structure, Modification of McKay Dam, Umatilla Project, Oregon," dated April 1975 is attached. The report described possibilities for providing irrigation, flood control, fish and wildlife, and recreation and for obtaining appropriate repayment if the project is authorized. The estimated cost of the proposed modification is \$1,160,000 (based upon October 1974 prices), and \$1,300,000 at current (July 1975) prices.

An assessment of the environmental impacts of the proposed construction has been completed, and a negative determination (NDN 75-17 (PN)) was made on June 23, 1975.

As indicated above, however, the Administration is opposed to the project as proposed in H.R. 9649.

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 of the Interior.*

#### TITLE IV

U.S. DEPARTMENT OF THE INTERIOR,  
OFFICE OF THE SECRETARY,  
*Washington, D.C., October 29, 1975.*

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 with respect to H.R. 3383, a bill "To authorize the Secretary of the Interior to construct, operate, and maintain the Pollock-Herreid unit, South Dakota pumping division, Pick-Sloan Missouri Basin program, South Dakota, and for other purposes."

We have reviewed the proposed legislation and recommend that consideration of it be deferred until a feasibility report on the unit is currently reevaluated.

H.R. 3383 is based on a plan to divert water by pumping from the existing Lake Oahe on the Missouri River. The principal purposes of the Pollock-Herreid Unit would be to supply on-farm sprinkler irrigation for 15,000 acres of land and to supply municipal and industrial water to two communities. H.R. 3383 also contains provisions for fish and wildlife resources.

The physical works of the unit would include: the main pumping plant, located at the existing Lake Oahe on the Missouri River, to lift the water into the existing Lake Pocasse; a subimpoundment on Spring Creek, which is a tributary to Lake Oahe, for reregulation; a 24 mile-long system of main canals; a 56 mile-long system of laterals; seven relift pumping plants; 165 miles of collector, surface, and closed pipe drains; and other facilities necessary to the purposes of the unit.

The cost of the unit is estimated to be \$25,570,000 based on January 1975 price levels.

A feasibility report on the unit was completed in January of 1968 and was transmitted to the Secretary of the Interior on September 16, 1971. A reevaluation statement, which updated the feasibility report, was completed in March 1971; and another is expected to be completed shortly. Neither the feasibility report nor the updatings have been approved by the Department nor reviewed and approved by the Administration. Action on H.R. 3383 now would serve to circumvent proper administrative consideration of the project.

In 1971 a 12 page environmental impact statement, pursuant to section 102(2)(c) of the National Environmental Policy Act of 1969, was drafted for the project. This Office later judged this statement to be insufficient for purposes of the project. Preparation of a new environmental impact statement is necessary.

The Fish and Wildlife Service evaluated the proposed project in 1966 and found that it would not seriously degrade fish and wildlife resources. However, nine years have elapsed since that analysis and a new appraisal of impacts, addressing current environmental concerns, is in order. Subsequent to our 1966 detailed report on the Pollock-Herreid Unit, the Water Resources Council's Principles and Standards for Planning Water and Related Land Resource Projects have been adopted and the Endangered Species Act have been enacted. These new planning considerations and laws should be applied to this project.



The unit will have an agricultural return flow of approximately 14,000 acre-feet. About 5,000 acre-feet will be returned to Lake Pocasse, a National Wildlife Refuge, and the remainder to Oahe Reservoir. We have not defined, at this time, the effects of the return flow on the Pocasse Wildlife Refuge.

As mentioned previously, the 1968 Pollock-Herreid report was amended by a 1971 reevaluation. This reevaluation included new costs and benefits. At that time a major change in costs and benefits occurred as a result of a new cropping pattern. The area converted from a predominate wheat and grain area to producing potatoes, offering better yield per acre. Because of this and as the result of increased farm prices for potatoes, the benefit-cost ratio improved despite a new discount rate and higher construction cost. Another reevaluation will be presented shortly, based on 1975 costs and the latest "agriculture normalized prices" developed by the Economic Research Service, Department of Agriculture, for the current Water Resources Council. Current costs and benefits and repayment obligations should be clearer at that time.

Also undefined is the projects' effects on the water rights of the Indian tribes in the Upper Missouri River Basin.

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 of the Interior.*



# Ninety-fourth Congress of the United States of America

## AT THE SECOND SESSION

*Begun and held at the City of Washington on Monday, the nineteenth day of January,  
one thousand nine hundred and seventy-six*

### An Act

To authorize and modify 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 Authorization Act of 1975.*

#### TITLE I

##### POLECAT BENCH, WYOMING

SEC. 101. The Polecat Bench area of the Shoshone extensions unit, heretofore authorized as an integral part of the Pick-Sloan Missouri Basin program by the Act of December 22, 1944 (58 Stat. 887, 891), is hereby reauthorized as a part of that project. The construction, operation, and maintenance of the Polecat Bench area for the purposes of providing irrigation water for approximately nineteen thousand two hundred acres of land, municipal and industrial water supply, fish and wildlife conservation and development, public outdoor recreation, and other purposes shall be prosecuted by the Secretary of the Interior in accordance with the Federal reclamation laws (Act of June 17, 1902; 32 Stat. 388, and Acts amendatory thereof or supplementary thereto). The principal features of the Polecat Bench area shall include the Holden Reservoir, related canals, pumping plants, laterals, drains, and necessary facilities to effect the aforesaid purposes of the area. For a period of not more than two years after the initial availability of irrigation water up to two thousand two hundred and seventeen acres of public lands in the Polecat Bench area determined to be suitable for settlement purposes shall be made available, on a preference basis for exchange or amendment, to resident landowners on the Heart Mountain Division of the Shoshone project, who, on or before December 1, 1968, were determined by the Secretary to be eligible for such exchange or amendment of their farm units under provisions of the Act of August 13, 1953 (67 Stat. 566).

SEC. 102. The conservation and development of the fish and wildlife resources and the enhancement of recreation opportunities in connection with the Polecat Bench area shall be in accordance with the Federal Water Project Recreation Act (79 Stat. 213), as amended.

SEC. 103. The Polecat Bench area of the Shoshone extensions unit shall be integrated physically and financially with the other Federal works constructed under the comprehensive plan approved by section 9 of the Flood Control Act of December 22, 1944 (58 Stat. 887, 891), as amended and supplemented. Repayment contracts for the return of construction costs allocated to irrigation will be based on the water users' ability to repay as determined by the Secretary of the Interior; and the terms of such contracts shall not exceed fifty years following the permissible development period.



## S. 151—2

SEC. 104. The provisions of the third sentence of section 46 of the Act of May 25, 1926 (44 Stat. 649, 650), and any other similar provisions of Federal reclamation laws as applied to the Polecat Bench area of the Shoshone extensions unit are hereby modified to provide that lands held in a single ownership which may be eligible to receive water from, through, or by means of area works shall be limited to one hundred and sixty acres of class I land or the equivalent thereof in other land classes, as determined by the Secretary of the Interior.

SEC. 105. For a period of ten years from the date of enactment of this title no water from the unit authorized by this title shall be delivered to any water user for the production on newly irrigated lands of any basic agricultural commodity, as defined in the Agricultural Act of 1949, or any amendment thereof, if the total supply of such commodity for the marketing year in which the bulk of the crop would normally be marketed is in excess of the normal supply as defined in section 301(b)(10) of the Agricultural Adjustment Act of 1938 (52 Stat. 31, 41), as amended, unless the Secretary of Agriculture calls for an increase in production of such commodity in the interest of national security.

SEC. 106. The interest rate used for computing interest during construction and interest on the unpaid balance of the reimbursable costs of the Polecat Bench area shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction of the Polecat Bench area 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 fifteen years from date of issue.

SEC. 107. There is hereby authorized to be appropriated for construction of the Polecat Bench area of the Shoshone extensions unit the sum of \$46,000,000 (January 1975 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 indexes applicable to the types of construction involved and, in addition thereto, such sums as may be required for operation and maintenance of the works of said area.

## TITLE II

## DICKINSON DAM, NORTH DAKOTA

SEC. 201. The Secretary of the Interior is authorized to modify the spillway of Dickinson Dam on the Heart River in the State of North Dakota, to increase conservation storage by installing gates on the existing spillway. The Secretary is also authorized to construct a new spillway to assure the safety of Dickinson Dam from floods currently estimated to be capable of occurrence.

SEC. 202. The Secretary is authorized to enter into an amendatory repayment contract with the city of Dickinson, North Dakota, to accomplish the repayment of that portion of the cost of the work authorized herein properly allocable to municipal and industrial water supplies in not to exceed forty years from completion of construction: *Provided*, That the total cost of the new spillway and related works incurred for the safety of the structure shall be nonreimbursable and nonreturnable.

## S. 151—3

SEC. 203. The interest rate used for purposes of computing interest during construction and interest on the unpaid balance of the capital costs allocated to interest-bearing features of the works authorized herein shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction is initiated, 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. 204. There is hereby authorized to be appropriated for construction of works authorized by this title the sum of \$4,000,000 (January 1975 price levels) plus or minus such amounts 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.

## TITLE III

## MCKAY DAM AND RESERVOIR, OREGON

SEC. 301. McKay Dam and Reservoir, Umatilla project, Oregon, is hereby reauthorized for the purposes of irrigation, flood control, fish and wildlife, recreation, and safety of dams, and the costs thereof shall be reallocated among these purposes by the Secretary of the Interior (hereinafter referred to as the "Secretary"), in a manner consistent with the provisions of this title.

SEC. 302. The Secretary is authorized to perform modifications to the spillway structure at McKay Dam as he determines to be reasonably required for safety of the dam from failure due to overtopping by potential flood inflows to the reservoir.

SEC. 303. Not to exceed six thousand acre-feet of storage capacity in McKay Reservoir shall be allocated for the primary purpose of retaining and regulating flood flows.

SEC. 304. Costs incurred in the modification of McKay Dam to insure its safety from failure shall be nonreimbursable and nonreturnable. All other costs of McKay Dam and Reservoir, heretofore or hereinafter incurred, shall be allocated among the authorized purposes served by the dam and reservoir in accordance with standard cost allocation procedures, and the joint costs allocated to flood control, recreation, and fish and wildlife shall be nonreimbursable.

SEC. 305. The Secretary is authorized to enter into amendatory repayment contracts with the Stanfield and Westland Irrigation Districts, or other water users, if appropriate, to secure the return of reimbursable irrigation construction and operation and maintenance costs arising from the modification and reallocation of McKay Dam and Reservoir.

SEC. 306. There is hereby authorized to be appropriated for modification of McKay Dam the sum of \$1,300,000 (based on July 1975 prices), plus or minus such amounts, if any, as may be justified by reason of changes in construction costs as indicated by engineering cost indexes applicable to the types of construction involved, and, in addition thereto sums as may be required for operation and maintenance of McKay Dam and Reservoir.

## TITLE IV

## POLLOCK-HERREID UNIT, SOUTH DAKOTA

SEC. 401. The Secretary of the Interior is hereby authorized to construct, operate, and maintain in accordance with the Federal reclamation laws (Act of June 17, 1902; 32 Stat. 388, and Acts amendatory thereof or supplementary thereto) the Pollock-Herreid unit, South Dakota pumping division, Pick-Sloan Missouri Basin program, South Dakota, for the purposes of providing irrigation water service for approximately fifteen thousand acres of land, municipal and industrial water supply, and fish and wildlife conservation and development. The principal works of the project would include the main pumping plant located at Lake Oahe, the storage reservoir created by the existing Oahe Dam on the Missouri River, to lift water into Lake Pocasse, a subimpoundment on tributary Spring Creek, which would serve as a regulating reservoir; a system of main canals and laterals; relift pumping plants; drains; and the necessary facilities to effect the aforesaid purposes of the area.

SEC. 402. The conservation and development of the fish and wildlife resources in connection with the Pollock-Herreid unit shall be in accordance with the provisions of the Federal Water Project Recreation Act (79 Stat. 213) as amended.

SEC. 403. The Pollock-Herreid unit shall be integrated physically and financially with the other Federal works constructed under the comprehensive plan approved by section 9 of the Flood Control Act of December 22, 1944 (58 Stat. 887, 891), as amended and supplemented.

SEC. 404. For a period of ten years from the date of enactment of this title no water from the unit authorized by this title shall be delivered to any water user for the production on newly irrigated lands of any basic agricultural commodity, as defined in the Agricultural Act of 1949, or any amendment thereof, if the total supply of such a commodity for the marketing year in which the bulk of the crop would normally be marketed is in excess of the normal supply as defined in section 301(b)(10) of the Agricultural Adjustment Act of 1938 (52 Stat. 31, 41), as amended, unless the Secretary of Agriculture calls for an increase in production of such commodity in the interest of national security.

SEC. 405. The interest rate used for computing interest during construction and interest on the unpaid balance of the interest bearing reimbursable costs of the unit shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction of the unit 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 or callable for fifteen years from date of issue.

SEC. 406. The provisions of the third sentence of section 46 of the Act of May 25, 1926 (44 Stat. 649, 650), and any other similar provisions of Federal reclamation laws as applied to the Pollock-Herreid unit, South Dakota pumping division, are hereby modified to provide that lands held in a single ownership which may be eligible to receive water from, through, or by means of unit works shall be limited to one hundred and sixty acres of Class I land or the equivalent thereof in other land classes, as determined by the Secretary of the Interior.

S. 151—5

Sec. 407. There is hereby authorized to be appropriated for construction of the Pollock-Herreid unit, as authorized in this title, the sum of \$26,000,000 (January 1975 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 indexes applicable to the types of construction involved herein and, in addition thereto, such sums as may be required for operation and maintenance of the works of said unit.

*Speaker of the House of Representatives.*

*Vice President of the United States and  
President of the Senate.*

## Office of the White House Press Secretary

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THE WHITE HOUSE

## STATEMENT BY THE PRESIDENT

I have today approved S. 151, "The Reclamation Authorization Act of 1975."

S. 151 authorizes four separate projects to be undertaken by the Bureau of Reclamation: Polecat Bench, Wyoming; Dickinson Dam, North Dakota; McKay Dam and Reservoir, Oregon; and Pollock-Herreid unit, South Dakota.

The bill reauthorizes the Polecat Bench project to provide water for irrigation of 19,200 acres of land, a municipal and industrial water supply, and water for conservation and recreation purposes.

The Pollock-Herreid project, South Dakota, is based on a plan to divert water by pumping from the existing Lake Oahe on the Missouri River. The principal purposes of the project are to supply on-farm sprinkler irrigation for 15,000 acres of land and to supply municipal and industrial water to two communities.

The Dickinson Dam project, North Dakota, consists of certain modifications to be made to the Dickinson Dam to make additional municipal and industrial water available to the city of Dickinson, North Dakota, and to increase the existing spillway capacity to provide additional safety allowances in light of increased estimates of possible maximum flows.

The McKay Dam project, Oregon, is similar to the Dickinson Dam project in that it provides for increasing the capacity of the spillway of the dam for safety purposes. S. 151 also reauthorizes the project for additional purposes, including flood control, fish and wildlife, and recreation, as well as the existing irrigation function.

Although I have signed S. 151, it should be noted that I have several reservations about the bill and my implementation of its provisions will be subject to the following constraints:

First, the Polecat Bench project previously failed the test of cost-effectiveness, a test which is applied to other water resource projects generally. This project needs to be re-examined in light of new economic factors to see if it is economically justified. Similarly, the Executive Branch has not completed its study of the Pollock-Herreid unit and submitted a report on its feasibility to the Congress. Until such reports are prepared, there is no adequate basis for appraising the merits of these projects. Accordingly, I will not seek funds for either project until a cost-effectiveness study has been completed and the project is demonstrated to be economically justified.

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Second, the bill requires work on the latter two projects -- McKay Dam and Dickinson Dam -- solely at Federal expense. Safety is normally an integral design and operation feature of a federally constructed dam, to be paid for by project beneficiaries.

I do not endorse any policy which requires the Federal Government to pay the entire cost of work to improve dam safety in all situations involving modifications to federally built dams. The general question of Federal policy on the safety of dams will be considered when a congressionally directed report on that subject now underway by the Department of the Army is completed, and when new cost-sharing recommendations for water projects are made later this year.

Therefore, I will not seek any funds for these two projects until the study has been completed and the Executive Branch has made its recommendations on cost-sharing for water projects.

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