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TO THE SENATE:

I am returning, without my approval, S. 3283, "The Reclamation Authorization Act of 1976."

S. 3283 would authorize the construction, repair, or rehabilitation of seven Bureau of Reclamation projects: (1) Kanopolis Reservoir, Kansas; (2) Oroville-Tonasket Unit, ~~South Dakota~~ ^{Washington}; (3) Allen Camp Dam and Reservoir, California; (4) McGee Creek Dam and Reservoir, Oklahoma; (5) American Canal Extension, Texas; (6) Leadville Mine Drainage Tunnel, Colorado; and (7) Uintah and Whiterocks Dams and Reservoirs, Utah. The total Federal cost of these projects is estimated at approximately \$332 million.

The Leadville Mine Drainage Tunnel project is for the purpose of rehabilitating a federally owned tunnel in Lake County, Colorado, to improve its capacity to drain mining properties in the area, and thereby eliminate certain problems associated with excessive groundwater. All of the other projects are for one or more of the following purposes: irrigation; supply of water for municipal and industrial use; outdoor recreation; flood control; and, fish and wildlife enhancement.

I have disapproved this bill for the following reasons:

First, the American Canal Extension project has failed the test of cost-effectiveness which is

generally applied to water resource projects. To authorize it 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 feasibility and environmental studies and submitted reports to the Congress concerning four other projects: (1) Kanopolis Reservoir; (2) Oroville-Tonasket Unit; (3) Allen Camp Dam and Reservoir; and (4) McGee Creek Dam and Reservoir. Until such reports are prepared, there is no adequate basis for appraising the merits of these projects.

Third, although I believe that the Leadville Mine Drainage Tunnel is in need of certain rehabilitation, I am concerned that this bill does not provide for the transfer of all or part of the tunnel to a non-federal entity for administration, operation, and maintenance.

The Executive Branch set forth these objections to the projects cited above while they were being considered by the Congress. In my judgment, they continue to remain valid.

In returning S. 3283 without my approval, I regret that the appropriation authorization for the Uintah Unit, Central Utah Project, the only project in this bill to have passed the cost-effectiveness test, must also be disapproved. I fully support this project, and I stand ready to approve this authorization

if the Congress re-enacts it as a separate bill. In the meantime, advance planning work that necessarily precedes construction will continue.

Similarly, it is my hope that Congress will act expeditiously to consider the Administration's desired modifications to the Leadville Mine Drainage Tunnel project. I believe a mutually suitable solution is close at hand, and it is my hope that this issue can be resolved in separate legislation early in the next session of Congress.

In the future, I urge that no legislative action be taken on proposed reclamation projects until the required feasibility and environmental studies have been completed. When the Congress enacted the laws that require these studies, it established the sound principle that reclamation projects should be undertaken only after their feasibility has been demonstrated from an economic, engineering, safety, and environmental standpoint. I fully support these safeguards, and I hope that the Congress will share my conviction in this matter.

THE WHITE HOUSE
September , 1976

TO THE SENATE OF THE UNITED STATES:

I am returning, without my approval, S. 3283, "The Reclamation Authorization Act of 1976."

S. 3283 would authorize the construction, repair, or rehabilitation of seven Bureau of Reclamation projects: (1) Kanopolis Reservoir, Kansas; (2) Oroville-Tonasket Unit, Washington; (3) Allen Camp Dam and Reservoir, California; (4) McGee Creek Dam and Reservoir, Oklahoma; (5) American Canal Extension, Texas; (6) Leadville Mine Drainage Tunnel, Colorado; and (7) Uintah and Whiterocks Dams and Reservoirs, Utah. The total Federal cost of these projects is estimated at approximately \$332 million.

The Leadville Mine Drainage Tunnel project is for the purpose of rehabilitating a federally owned tunnel in Lake County, Colorado, to improve its capacity to drain mining properties in the area, and thereby eliminate certain problems associated with excessive groundwater. All of the other projects are for one or more of the following purposes: irrigation; supply of water for municipal and industrial use; outdoor recreation; flood control; and, fish and wildlife enhancement.

I have disapproved this bill for the following reasons:

First, the American Canal Extension project has failed the test of cost-effectiveness which is generally applied to water resource projects. To authorize it 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 feasibility and environmental studies and submitted reports to the Congress concerning four other projects: (1) Kanopolis Reservoir; (2) Oroville-Tonasket Unit; (3) Allen Camp Dam and Reservoir; and (4) McGee Creek Dam and Reservoir. Until such reports are prepared, there is no adequate basis for appraising the merits of these projects.

Third, although I believe that the Leadville Mine Drainage Tunnel is in need of certain rehabilitation, I am concerned that this bill does not provide for the transfer of all or part of the tunnel to a non-federal entity for administration, operation, and maintenance.

The Executive Branch set forth these objections to the projects cited above while they were being considered by the Congress. In my judgment, they continue to remain valid.

In returning S. 3283 without my approval, I regret that the appropriation authorization for the Uintah Unit, Central Utah Project, the only project in this bill to have passed the cost-effectiveness test, must also be disapproved. I fully support this project, and I stand ready to approve this authorization if the Congress re-enacts it as a separate bill. In the meantime, advance planning work that necessarily precedes construction will continue.

Similarly, it is my hope that Congress will act expeditiously to consider the Administration's desired modifications to the Leadville Mine Drainage Tunnel project. I believe a mutually suitable solution is close at hand, and it is my hope that this issue can be resolved in separate legislation early in the next session of Congress.

In the future, I urge that no legislative action be taken on proposed reclamation projects until the required feasibility and environmental studies have been completed. When the Congress enacted the laws that require these studies, it established the sound principle that reclamation projects should be undertaken only after their feasibility has been demonstrated from an economic, engineering, safety, and environmental standpoint. I fully support these safeguards, and I hope that the Congress will share my conviction in this matter.

THE WHITE HOUSE,

STATEMENT BY THE PRESIDENT

I have today approved S. 3283, "The Reclamation Authorization Act of 1976."

S. 3283 authorizes the construction, repair, or rehabilitation of seven Bureau of Reclamation projects: (1) Kanopolis Reservoir, Kansas; (2) Oroville-Tonasket Unit, Washington; (3) Allen Camp Dam and Reservoir, California; (4) McGee Creek Dam and Reservoir, Oklahoma; (5) American Canal Extension, Texas; (6) Leadville Mine Drainage Tunnel, Colorado; and (7) Uintah and Whiterocks Dams and Reservoirs, Utah. The total Federal cost of these projects is estimated at approximately \$332 million.

The Leadville Mine Drainage Tunnel project is for the purpose of rehabilitating a federally owned tunnel in Lake County, Colorado, to improve its capacity to drain mining properties in the area, and thereby eliminate certain problems associated with excessive groundwater. All of the other projects cited above are for one or more of the following purposes: irrigation; supply of water for municipal and industrial use; outdoor recreation; flood control; and, fish and wildlife enhancement.

Although I have signed S. 3283, 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 American Canal Extension project has failed the test of cost-effectiveness which is generally applied to water resource projects. Similarly, the Executive Branch has not completed either environmental or feasibility studies and submitted reports to the Congress concerning four other projects: (1) Kanopolis Reservoir; (2) Oroville-Tonasket Unit; (3) Allen Camp Dam and Reservoir; and (4) McGee Creek Dam and Reservoir. Accordingly, I will not seek funds for any of these projects until the necessary cost-effectiveness studies have been completed and each project is demonstrated to be economically and environmentally justified.

Second, although I believe that the Leadville Mine Drainage Tunnel is in need of rehabilitation, this bill does not provide for the transfer of all or part of the tunnel to a non-federal governmental unit for administration, operation, and maintenance. Therefore, I do not intend to seek funds for this project until my Administration is able to work out an appropriate legislative solution with the Congress.

I fully support the Uintah project in Utah, which has passed the cost-effectiveness test, and my Administration will continue the necessary advance planning work prior to construction.

In the future, I urge that no legislative action be taken on proposed reclamation projects until the required feasibility and environmental studies have been completed. When the Congress enacted the laws that require these studies, it established the sound principle that reclamation projects should be undertaken only after their feasibility has been demonstrated from an economic, engineering, safety, and environmental standpoint. I fully support these safeguards, and I will follow that principle in carrying out the purposes of this legislation.

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

AUGUST 3, 1976.—Committed to the Committee of the Whole House on the
State of the Union and ordered to be printed

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

REPORT

[Including Congressional Budget Office cost estimate]
[To accompany H.R. 14578]

The Committee on Interior and Insular Affairs, to whom was referred the bill (H.R. 14578). To authorize various Federal reclamation projects and programs, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Page 1, line 4, strike out "1977." and insert in lieu thereof "1976."

ORGANIZATION OF LEGISLATION

H.R. 14578,¹ entitled "The Reclamation Authorization Act of 1976," includes in a single measure the authorizing legislation considered by the Committee on Interior and Insular Affairs during the Second Session of the 94th Congress.

The bill is comprised of seven titles each of which deals with a separate project, unit of a project or related program. Each title was initially introduced as a separate bill and the Subcommittee on Water and Power Resources held Hearings on the original bill. Upon amendment of the individual bills by the Subcommittee, as appropriate, H.R. 14578 was introduced as a clean bill.

¹ H.R. 14578 was introduced by Mr. Johnson of California (for himself, Mr. Lujan, Mr. Shriver, Mr. Sebellus, Mr. Foley, Mr. McKay, Mr. Howe, Mr. Evans of Colorado, Mr. White, Mr. Risenhoover, Mr. Steed, Mr. Skubitz, Mr. Runnels, Mr. Won Pat, Mrs. Pettis, Mr. Weaver, Mr. Don H. Clausen, Mrs. Smith of Nebraska, Mr. Kazen, Mr. Meeds, Mr. Miller of California, Mr. Roncallo, Mr. Santini, Mr. Benitez, and Mr. Symms. The Committee also considered related legislation as follows: H.R. 7044 introduced by Mr. Shriver and Mr. Sebellus; H.R. 8777 introduced by Mr. Foley; H.R. 13369 introduced by Mr. McKay and Mr. Howe; H.R. 1746 introduced by Mr. White; H.R. 6868 introduced by Mr. Johnson of California; H.R. 13097 introduced by Mr. Evans of Colorado; and H.R. 4925 introduced by Mr. Risenhoover and Mr. Steed.

This report will treat each title separately except that consolidated information will be presented with respect to the entire bill on the subjects of costs, impacts, Budget Act compliance, departmental reports and Committee recommendations.

TITLE I

KANOPOLIS Unit, KANSAS

PURPOSE

The purpose of title I is to authorize the Secretary of the Interior, in cooperation with the Secretary of the Army, to construct, operate, and maintain the Kanopolis Unit, Pick-Sloan Missouri Basin program, Kansas. The measures to be constructed pursuant to this title by the Secretary of the Interior will be subject to the controlling provisions of the Federal Reclamation Act (32 Stat. 388) and Acts amendatory thereof and supplementary thereto.

BACKGROUND AND SETTING

The Kanopolis Unit lies in Ellsworth, McPherson, and Saline Counties in Central Kansas along the Smoky Hill River, a major tributary of the Kansas River. Kanopolis Dam is an existing structure having been completed by the Corps of Engineers, Department of the Army, in 1948. It was authorized as a flood control project by the Flood Control Act of 1938, placed under construction before World War II and construction was suspended on it during that emergency. In the interval, the Flood Control Act of 1944 authorized a general comprehensive plan of development for the entire Missouri River basin (now known as the Pick-Sloan Missouri basin program) including the development of irrigation in the vicinity of Kanopolis Dam.

In 1949, interagency negotiations between the Corps of Engineers and the Bureau of Reclamation resulted in an agreement whereby there would be included by the Bureau of Reclamation, in the then authorized upstream Cedar Bluff Reservoir, 191,860 acre-feet of storage capacity for flood control purposes in exchange for the right to utilize 162,500 acre-feet of capacity in Kanopolis Reservoir for conservation storage. This space in Kanopolis is the amount required to serve 41,000 acres of irrigable land. Cedar Bluff Dam was constructed by the Bureau of Reclamation pursuant to the interagency agreement and has been contributing to flood control along the Smoky Hill, Kansas and Missouri Rivers since it was completed in 1951. The measures contemplated by this Title will complete the long contemplated plan of development and, to all practical purposes, accomplish total development of the surface flows of the Smoky Hill River in this section of Kansas.

DESCRIPTION OF PROJECT PLAN AND FACILITIES

Conversion of Kanopolis Reservoir from a single purpose flood control facility to a multiple purpose reservoir would be accomplished pursuant to this title. Structural modifications include the placing of additional embankment protection, gating of the outlet works intake tower, modification of the outlet works stilling basin

to accommodate an irrigation diversion structure, and the raising of roads and bridges within the reservoir area to protect them against more frequent inundation. The plan of development authorized by title I also provides for more intensive management of reservoir lands for wildlife propagation together with acquisition of limited additional lands for fish and wildlife mitigation and for environmental preservation.

The principal engineering works authorized by the title are those necessary to irrigate 20,000 acres of land. Approximately 42.5 miles of main canal and about 76 miles of open and closed laterals, together with required drainage and relift pumping plants, are the major components of the irrigation service system.

ECONOMIC AND FINANCIAL ASPECTS

The amount authorized to be appropriated by title I is \$30,900,000 based on price levels prevailing as of January 1976. This sum is tentatively allocated to water purposes by joint studies of the Departments of the Army and Interior as follows:

Flood control.....	\$1, 423, 000
Irrigation.....	26, 052, 000
Municipal and industrial water supply.....	1, 832, 300
Fish and wildlife.....	112, 000
Environmental preservation.....	420, 000
Preauthorized studies.....	1, 060, 000

Sums allocable to preauthorization investigations and flood control are nonreimbursable by law and precedent, applying equally to the programs of the Corps of Engineers and the Bureau of Reclamation.

Irrigation costs are reimbursable without interest in keeping with basic reclamation law and precedent. The water users of the Kanopolis Irrigation District will contract to operate and maintain the specific irrigation facilities and to repay to the Treasury the estimated sum of \$19,850,000 during a period of 50 years following the end of a development period provided by law. This sum represents more than 75 percent of the allocated costs. Remaining costs allocated to irrigation will be returned from the net power revenues of the interconnected power system of the Pick-Sloan Missouri River basin program.

Municipal and industrial water costs will be repaid through water contracts between the Secretary of the Army and public entities in the State of Kansas at rates designed to recover such costs, with interest, at rates provided in the legislation.

Sums specifically expended for fish and wildlife and environmental preservation will also be nonreimbursable.

The benefit-to-cost ratio associated with the expenditure of funds authorized by this title is estimated to be 3.54, utilizing the discount rate now used by the Executive Branch for making such computations.

SECTION-BY-SECTION ANALYSIS

This title is comprised of seven sections as follows:

Section 101 authorizes construction, operation, and maintenance of the Kanopolis unit, describes its principal purposes, recognizes the role of the Department of the Army in implementing the plan and describes the major programs of physical work to be undertaken.

Section 102 authorizes the Secretary of the Army to implement a plan of wildlife management on the lands surrounding Kanopolis Reservoir and to accomplish this program through agreement with a non-Federal public body. This section also authorizes the agreement to contain provisions whereby revenues from agricultural lands in the reservoir area may be earmarked for wildlife management purposes.

Section 103 requires the Kanopolis unit to be financially integrated with the Pick-Sloan Missouri basin program, thus providing access to net power revenues to aid in the return of irrigation costs. The section also establishes a 50-year term for irrigation repayment contract, provides that municipal and industrial water supply marketing be conducted by the Secretary of the Army, and provides that the cost of environmental preservation measures be nonreimbursable.

Section 104 prohibits the delivery of water for production of certain crops determined by the Secretary of Agriculture to be surplus.

Section 105 establishes the formula for computing the interest rate to govern the return of interest-bearing reimbursable costs of the Kanopolis unit.

Section 106 authorizes the Secretary of the Interior to compute and promulgate a Class I equivalent for inferior land classes, thereby enabling owners of other than Class I land to receive water for sufficient land to equal the earning capacity of irrigators having 160 acres, 320 acres for man and wife, of Class I land.

Section 107 authorizes appropriations in the amount of \$30.9 million at January 1976 price levels after Fiscal Year 1977 for construction of the Kanopolis unit. The section also authorizes appropriations for operation and maintenance and identifies the work to be accomplished by transfer of funds to the Secretary of the Army for those phases of the plan appropriate for implementation by that Department.

TITLE II

OROVILLE-TONASKET UNIT, WASHINGTON

PURPOSE

The purpose of title II is to authorize the Secretary of the Interior to construct, operate and maintain the Oroville-Tonasket Unit Extension, Okanogan-Similkameen Division, Chief Joseph Dam project, Washington, for the purposes of irrigation and fish and wildlife enhancement. The work will be subject to the controlling provisions of the Federal Reclamation Act (38 Stat. 388) and Acts amendatory thereof and supplementary thereto. The work consists primarily of the installation of a pressurized irrigation distribution system.

BACKGROUND AND SETTING

The Oroville-Tonasket unit lies in Okanogan County in northeastern Washington along the Similkameen and Okanogan rivers. Irrigation in the area is devoted primarily to the growing of apples and other fruits. Of the approximately 12,000 acres now being irrigated, 9,600 acres are located within the Oroville-Tonasket Irrigation District and receive their water supply from the streams and lakes of the region. Original irrigation service in the area dates back for more than 60 years and was initially developed with private capital. Major replace-

ments of project facilities were accomplished with PWA funds in the 1940's and through an authorized Reclamation program in 1968.

The work performed by the Bureau of Reclamation under the previous authorization (Act of October 9, 1962) consisted of rehabilitation and replacement of river pumps and main canals. At that time it was expected that the distribution system would be rehabilitated by the Irrigation District using current revenues, as it was then recognized as being in a poor state of repair and needing extensive overhaul. Increased maintenance expenses brought about by inflation and the need to repair flood damages to the system have precluded the necessary rehabilitation being accomplished by the Irrigation District.

At the present time the system is a mixture of lined and unlined canal sections, bench and elevated flumes, and tunnel sections. Canal and tunnel linings are deteriorated and unstable and many of the flume supports are decayed and unstable. Much of the sublateral system is comprised of wood stave pipe dating back fifty or more years, some concrete pipe, some galvanized pipe, and additional reaches of cement asbestos and plastic. Water losses from the system approach one half of the total amount diverted from the streams.

DESCRIPTION OF PROJECT PLAN AND FACILITIES

The Oroville-Tonasket unit extension authorized by this title will benefit irrigation by the replacement of the existing badly deteriorating distribution with a new pipe system, operating with project-supplied pressure for sprinkler irrigation of 10,000 acres of land. Existing irrigation facilities will be removed except for those which will be incorporated into the new system or which have a potential for future fish enhancement benefits.

Six river pumping plants will lift irrigation water into eight adjacent closed pipe distribution systems. Thirteen relift pumps will be required to provide pressure to unit lands occupying higher elevations.

The pipe distribution system will aggregate approximately 110 miles ranging in diameter from 33 inches downward to 4 inches. A delivery point will be furnished for each 20 acres of irrigable land or for each individual ownership of less than 20 acres. The system will have the capacity to deliver water at a minimum pressure of 45 pounds per square foot which is ample to operate modern farm sprinkler systems. On-farm system development will be at the expense of the landowner.

Fishery enhancement will be accomplished by providing access to spawning and rearing areas which are now blocked to migrating anadromous fish by an abandoned power dam on the Similkameen River. This structure was built by the Okanogan Public Utility District but has not been operated for power generation for more than 20 years. The plan contemplates that the dam will either be laddered or removed, depending on the findings of detailed investigations. Ladders will also be provided for passage of fish at existing rapids downstream from the power dam and screens will be provided on all river pumping plants to avoid loss of species at these points. Other anadromous fish benefits will be realized through the utilization of a reach of an existing main canal for spawning and rearing habitat.

Implementation of the plan authorized by this title will result in increased efficiency in the utilization of waters diverted for irrigation, thereby actually resulting in lower levels of diversion and return flows

from irrigation wastes. Accordingly, stream quality will be improved as compared to the existing regimen.

ECONOMIC AND FINANCIAL ASPECTS

The total estimated construction cost of the Oroville-Tonasket unit is \$39,370,000, the amount authorized to be appropriated by title II. For purposes of economic and financial evaluation, this amount is adjusted upward by \$1,187,000 representing a share of the cost of the Federal Columbia River Power System that will be utilized in furnishing energy and power for operation of the pumps of the unit. The adjusted cost for evaluation is \$40,557,000 which is tentatively allocated to water use purposes as follows:

Irrigation.....	\$37,891,000
Fish and wildlife.....	1,780,000
Archeological and historical studies.....	390,000
Preauthorization investigations.....	496,000
Total for analysis.....	40,557,000

Construction costs allocated to enhancement of anadromous fish will be nonreimbursable, in keeping with the precedents and policies governing this resource. Costs allocated to preauthorization investigations and to archeological and historical studies are non-reimbursable by existing law.

Costs allocated to irrigation are reimbursable, without interest from revenues collected from the water users. The assigned pumping power costs in the amount of \$1,187,000 will be repaid to the Bonneville Power Administration by the Irrigation District through its purchase of power and energy from the Federal system at the rates authorized by this title. The remaining costs allocated to irrigation (\$36,722,000) will be repaid by irrigators to the limit of their ability to pay, with the remainder being charged to the net power revenues of the Federal Columbia River Power System.

Water user revenues will be raised through the imposition of an account charge of \$48.00 per account per year, plus the imposition of a water charge of \$47.00 per acre per year. This structure will return an average of \$50.74 per acre per year for the 10,000 acres of irrigable land in the service area. First claim on these revenues is for annual operation, maintenance and replacement of project facilities with the balance being available for amortization of reimbursable construction costs. The estimated total applying to construction repayment over a 50-year repayment period is \$13,449,000. This sum, plus the repayment component in the pumping energy charge, aggregates a total of \$14,636,000 or 39 percent. The remainder of the irrigation allocation will be returned to the Treasury from the net revenues of the Federal Columbia River Power System. Recent studies indicate that such amount, \$23,255,000, will be available without posing any requirement for increasing power rates.

The benefit-to-cost ratio of the Oroville-Tonasket unit is 1.73.

SECTION-BY-SECTION ANALYSIS

Title II consists of eight sections as follows:

Section 201 authorizes the Oroville-Tonasket unit extension, sets forth the purpose to be served thereby as irrigation and fish and

wildlife, and enumerates the major physical elements of the plan of development. The section also provides that works previously constructed or rehabilitated by the United States, which are not required as elements of the project as authorized by this title, shall be dismantled and removed.

Section 202 provides specific authority for the Secretary to terminate the existing repayment contract with the Oroville-Tonasket Irrigation District and to merge the unpaid balance into a new contract for 50 years from the date thereof. The section also requires that the new contract may impose an account charge in addition to the customary acreage or acre-foot charge for project service. It further provides that sums allocated to irrigation, which are beyond the payment ability of the water users, shall be returned from net power revenues of the Federal Columbia River Power System as provided by law.

Section 203 provides that irrigation pumping power shall be made available from the Federal system at charges determined by the Secretary of the Interior.

Section 204 requires that fish and wildlife benefits shall be subject to the cost sharing precepts of the Federal Water Project Recreation Act. In practical application this section will result in operation and maintenance costs of specific fish and wildlife facilities must be borne by an appropriate non-Federal public body.

Section 205 prohibits the delivery of project water to certain surplus crops as determined by the Secretary of Agriculture.

Section 206 sets forth the interest rate formula for governing the return of interest-bearing investments.

Section 207 provides that the Class I equivalency concept may apply to the lands to be served by the Oroville-Tonasket unit.

Section 208 authorizes appropriations in the amount of \$39,370,000 for construction, operation and maintenance to become operative in Fiscal Year 1978. It also authorizes continuing appropriations for operation and maintenance expenses.

TITLE III

UINTAH UNIT, UTAH

PURPOSE

The principal purpose of title III is to authorize appropriations for the construction, operation, and maintenance of the conditionally authorized Uintah Unit, Central Utah Project, Utah. The measures to be constructed pursuant to this title will be subject to the relevant provisions of the Federal Reclamation Act (32 Stat. 488) and Acts amendatory thereof and supplementary thereto.

BACKGROUND AND SETTING

The Uintah Unit lies in Duchesne and Uintah Counties, Utah, along the Uinta and Whiterocks Rivers, major tributaries of the Green River, in northeastern Utah. Unit facilities and service area are located partly within the Ashley National Forest, but predominantly within the Uintah and Ouray Indian Reservation. Minor portions of the project service area lie outside the forest and the Reservation for the benefit of privately held non-Indian lands.

The modern history of the Uintah Unit dates from September 20, 1965, when the Uintah and Ouray Tribe entered into agreement with the Central Utah Conservancy District, the Bureau of Reclamation, and the Bureau of Indian Affairs with the approval of the Secretary of the Interior. This agreement constituted a condition to the implementation of the authorized Bonneville Unit of the Central Utah Project which involves water resources to which the Tribes could assert rights under generally recognized legal doctrine. In the agreement, the Tribe consented not to assert claims to, and to defer rightful use of, waters in the Uinta basin in return for certain assurances for recognition of water rights and for resource development for tribal benefit, including irrigation of Indian lands through subsequent programs. The Uintah Unit is in partial fulfillment of the conditions of that agreement.

The Uintah unit was conditionally authorized as a participating project of the Upper Colorado River Storage project by section 501(a) of the Colorado River Basin Project Act (82 Stat. 897). This action was accomplished through amendment of the Act of April 11, 1956, by adding the Uintah unit to the enumeration of participating projects authorized by that legislation, with a proviso as follows: "Provided, That construction of the Uintah unit of the Central Utah project shall not be undertaken by the Secretary until he has completed a feasibility report on such unit and submitted such report to the Congress along with his certification that, in his judgment, the benefits of such unit or segment will exceed the costs and that such unit is physically and financially feasible, and the Congress has authorized the appropriation of funds for the construction thereof."

The required certification by the Secretary of the Interior was accomplished and the report in support of it was transmitted to the Speaker of the House of Representatives on April 6, 1976, thereby meeting one of the conditions set forth in the enabling legislation. Enactment of title III will fulfill the other requirement prerequisite to construction of the unit.

DESCRIPTION OF PROJECT PLAN AND FACILITIES

The Uintah unit will develop the flows of the Uinta and Whiterocks Rivers for the irrigation of Indian and non-Indian land, municipal and industrial water supply, recreation and fish and wildlife. Minor flood control will also be provided. Irrigation water will be provided to 52,970 acres of land of which 32,970 acres are Indian owned.

The major unit facilities will be the Uinta Reservoir (47,030 acre-foot capacity) on the Uinta River in the Uintah and Ouray Indian Reservation, and Whiterocks Reservoir (32,020 acre-foot capacity) on the Whiterocks River in the Ashley National Forest. The storage yield of these two reservoirs, plus additional return flows therefrom and reductions in seepage losses will improve the headgate supply for the unit lands by the average annual amount of 52,000 acre-feet. Approximately 20 miles of existing canals and laterals will be enlarged and rehabilitated as a part of the unit plan.

An added feature of the Uintah unit plan will be the exchange of storage capacity between the newly constructed reservoirs and 12 existing reservoirs in the headwaters tributaries in the Ashley National Forest. About 11,000 acre-feet of capacity will be involved in this

exchange, enabling the existing reservoirs to be stabilized for fish and wildlife and recreation as their irrigation function is assumed by the Uintah unit storage features.

Specific recreational and fish and wildlife facilities will also be provided as elements of the unit plan.

ECONOMIC AND FINANCIAL ASPECTS

The total estimated construction cost of the Uintah unit, based on January 1976 price levels is \$90,247,000, the amount authorized to be appropriated by title III. This amount has been tentatively allocated to water resource purposes as follows:

Irrigation.....	\$66,093,000
Municipal and industrial water supply.....	1,313,000
Recreation.....	11,494,000
Fish and wildlife.....	10,507,000
Flood control.....	840,000
Total.....	90,247,000

The construction costs allocated to irrigation will be reimbursable without interest in keeping with the precedents and practices of the Federal Reclamation program. In addition to operation and maintenance expenses, water users will repay within 50 years the total sum of \$8,650,000. Except for \$245,000 representing a prepayment from the Colorado River Development Fund, the remainder of the irrigation allocation (\$57,198,000) will be returned from Utah's apportioned revenues of the Colorado River Storage Project as contemplated by the Act of April 11, 1956. So much of the irrigation allocation designated for repayment by water users—that is related to the irrigation of Indian-owned lands (\$5,856,000)—will be deferred in accordance with the Leavitt Act of July 1, 1932.

Municipal and industrial water supply costs will be repaid with interest at the rate set forth in the Act of April 11, 1956, over a term of 50 years by the water users.

Costs in the amount of \$22,841,000 tentatively allocated to flood control, fish and wildlife enhancement and mitigation, and outdoor recreation will be nonreimbursable in accordance with the terms of the original authorization.

The benefit-to-cost ratio of the Uintah Unit is 1.2.

SECTION-BY-SECTION ANALYSIS

Title III consists of two sections as follows:

Section 301 authorizes appropriations for the authorized Uintah Unit, Central Utah project, in the amount of \$90,247,000 on January 1976 price levels. The section provides the usual and customary latitude for adjustment, in accordance with fluctuations in cost indexes, and authorizes appropriations for operation and maintenance.

Section 302 authorizes the Class I equivalency concept of administering the excess land laws on the Uintah Unit. Through this provision the Secretary of the Interior determines and promulgates the amount of land in inferior land classes that would be equivalent to 160 acres of Class I land from the standpoint of profitability of operation.

TITLE IV

AMERICAN CANAL EXTENSION, TEXAS

PURPOSE

The purpose of title IV is to authorize the construction, operation, and maintenance of an extension to the existing American Canal, Rio Grande Project, Texas-New Mexico, as a means of delivering irrigation water to the lands of the El Paso County Water Improvement District No. 1—thereby enabling the abandonment of the Franklin Canal through heavily developed areas of El Paso, Texas. In addition to the salvage of water losses for beneficial purposes, the program will contribute to public safety and to control of unauthorized and illicit movement across the border between the United States and the Republic of Mexico.

BACKGROUND AND SETTING

The American Canal Extension will be an integral feature of the Rio Grande Project, Texas-New Mexico, initially authorized in 1906 as a Federal Reclamation undertaking. The major elements of the Rio Grande Project are Elephant Butte Dam and Reservoir, Caballo Dam and Reservoir, the facilities for conveyance and delivery of irrigation water to approximately 170,000 acres of irrigable land in New Mexico and Texas, and for delivery of water to the Republic of Mexico pursuant to the Water Treaty of 1906.

Elephant Butte Reservoir is the source of water supply for essentially the entire requirement for project irrigation and for delivery to Mexico. Water released from storage in Elephant Butte flows down the Rio Grande and is diverted, in part, for use on lands in New Mexico. Flows destined for use for irrigation on the Texas portion of the project are diverted at American Dam in the north part of the City of El Paso, Texas. The dam is located immediately upstream from the point where the International Boundary intersects the Rio Grande. Flows in the river, intended for serving the Treaty commitment, are by-passed at American Dam and are diverted into the Mexican canal system at Internatoinal (Mexican) Dam about two miles downstream from the American Dam.

The American Canal originates at American Dam with a capacity of 1,200 c.f.s. and extends down the valley for a distance of two miles to a point below International Dam. Here, a major portion of the flow is released to the channel of the Rio Grande for subsequent rediversion about 15 miles downstream at a second diversion dam known as Riverside Heading.

Below International Dam, the American Canal proceeds downstream at a restricted capacity for a distance of 1.1 miles, connecting with the Franklin Canal which has been enlarged to 1,200 c.f.s. for a distance of 1.7 miles. This enlargement work was accomplished by the International Boundary and Water Commission as a necessary relocation associated with implementation of the International Boundary Agreement of 1964, known as the Chamizal Settlement. Beyond the enlarged section, the Franklin Canal extends through the City of El Paso at a capacity of 330 c.f.s. and emerges from the southern limits

of the city to serve lands in the El Paso County Water Improvement District.

Two major problems are associated with this water delivery system, as follows:

1. The Franklin Canal traverses a very densely populated residential section of the City of El Paso and, despite being fenced on both sides, has claimed 35 lives through drowning in the past 23 years.

2. Use of the channel of the Rio Grande for conveyance of water from International Dam to Riverside Heading results in the loss to seepage, phreatophytes, and unauthorized diversion of an average 11,600 acre-feet of water annually.

With the channel rectification associated with the Chamizal Settlement, it is now possible to extend the American Canal at the capacity of 1,200 c.f.s. continuously along the River from International Dam to Riverside Heading—and substantially relieve the above discussed problems.

DESCRIPTION OF PROJECT PLAN AND FACILITIES

The engineering works authorized to be constructed by title IV consist primarily of a 1,200 cubic feet per second, concrete-lined canal extending from the end of the existing American Canal adjacent to the International Dam in the City of El Paso, Texas, to the Riverside Heading, a distance of approximately 15 miles downstream on the Rio Grande. The new canal to be constructed will be comprised of two reaches:

1. A distance of about 1.1 miles from the existing American Canal terminus to connect with a 1.7 mile segment of Franklin Canal reconstructed as a part of the Chamizal Settlement of 1964; and

2. A reach of approximately 13 miles extending from the terminus of the reconstructed Franklin Canal to Riverside Heading.

The plan also involves construction of a major lateral from the American Canal Extension to serve the lower portion of the Franklin Canal service area, thereby enabling the first 5.2 miles of the Franklin Canal to be abandoned and obliterated. A small relift pumping plant will be installed at the point that the lateral connects with the existing Franklin Canal to provide service through a pressure system, to a limited portion of the Franklin Canal Service area that cannot be served by gravity from the American Canal Extension.

The entire length of the American Canal Extension right-of-way will be fenced to limit unauthorized access to the canal for public safety.

Title IV contemplates that the abandoned sections of the Franklin Canal will be filled and the structures removed as a part of the authorized program.

ECONOMIC AND FINANCIAL ASPECTS

The total estimated cost of the work authorized to be performed by title IV is \$21,714,000 (January 1976 price levels). The nature of the accomplishments of the American Canal Extension is such that the project does not lend itself to the conventional economic and financial

analysis normally prepared for water resource development projects. The only recognized water resource development purpose accomplished by title IV is water salvage that accrues to the benefit of irrigation. The project will result in the savings of 11,600 acre-feet of water on an average annual basis. An acre-foot of irrigation water will yield approximately \$70.00 in benefits when applied to the irrigation of cotton and other high value crops climatically adapted to the area of the Rio Grande project. Accordingly, the American Canal Extension and related facilities will create annual irrigation benefits in the approximate amount of \$812,000 which are insufficient to show justification of the investment at prevailing Executive Branch Standards and Principles. Using such criteria, the Committee estimates the benefit/cost ratio (utilizing irrigation benefits only) as 0.65.

Such an evaluation does not take into account other affirmative effects of the development, primarily the savings in human life that can be projected from the abandonment of 5.2 miles of the existing Franklin Canal. Since programs clearly designed to eliminate threat to life are not appropriately measured or evaluated in conventional economic terms, the Committee, in effect, waives the usual and customary arithmetic benefit/cost ratio.

Repayment will be accomplished through a contract with the El Paso County Water Improvement District. Construction will not be undertaken until such a contract is executed, requiring payment of an annual sum by the District which represents the payment capacity associated with 11,600 acre-feet of water, for a term of fifty years. The Committee estimates that up-to-date payment capacity studies will show that the salvaged water has a value to the water users of \$20 to \$25 per acre-foot. Thus, a return to the United States, in the range of \$11,600,000 to \$14,500,000, is estimated to be in prospect. The percentage repaid, based on these estimates, will be in the general range of 55 to 60 percent which the Committee notes to be a very favorable relationship in comparison with other contemporary programs of water resource development.

Sums in excess of those repaid by the water users will be non-reimbursable in recognition of the intangible benefits accruing from enhanced public safety and other civic and social values. In recommending this arrangement the Committee notes that the usual practice, where irrigators are unable to repay the entire cost associated with irrigation water supply, is to assign the excess sums to repayment from surplus power revenues. Such arrangements customarily are administered on a river basin basis in those areas where profitable hydroelectric power systems provide such revenues. The Rio Grande basin is not favored with conditions amenable to the development of these major, profit-making power projects and accordingly there is no basin account for the financial assistance of irrigation programs in the basin. The Committee feels, nevertheless, that the water users of the Rio Grande Basin and others similarly situated should not be deprived of the use of the Federal Reclamation program as a means of optimally developing its water resources merely because of the accident of geography that places them in an area that has no major Federally-financed hydroelectric power projects.

SECTION-BY-SECTION ANALYSIS

Title IV consists of three sections as follows:

Section 401 describes the purposes of the American Canal Extension, authorizes its construction, operation and maintenance, and enumerates the principal features of the program. This section also establishes that the abandoned facilities be removed at project expense.

Section 402 provides that construction of the American Canal Extension not be undertaken until the Secretary makes up-to-date payment capacity studies of the salvaged water resource and executes a 50-year repayment contract with El Paso County Water Improvement District No. 1, whereby the District agrees to pay an annual sum representing the value of 11,600 acre-feet of water. The Committee emphasizes that a repayment contract, setting forth a fixed annual repayment sum, is intended and expected and that a water service contract is not appropriate in this instance as there is no practicable means for determining the amount of water actually salvaged in any given year.

Section 403 authorizes appropriations in the amount of \$21,714,000 (January 1976 price levels) to become operative in fiscal year 1978. The section also authorizes appropriations as required for operation and maintenance expenses.

TITLE V

ALLEN CAMP UNIT, CALIFORNIA

PURPOSE

The purpose of title V is to authorize the Secretary of the Interior to construct, operate, and maintain the Allen Camp Unit, Pit River Division, Central Valley Project, California, for the multiple purposes of irrigation, flood control, recreation, and fish and wildlife enhancement including the provision of a regulated water supply for a migratory waterfowl refuge.

BACKGROUND AND SETTING

The Allen Camp Unit is located in the Pit River Valley in Lassen and Modoc Counties, a lightly populated region of northeastern California. The area, which is locally known as Big Valley, lies about 4,100 feet above sea level and relies on agriculture as its major source of income. Crop production in the Valley is limited by inadequate water supplies for late season use and is further restricted by spring floods accompanying the annual snow melt in the mountainous headwaters of Pit River. Investigations leading to the development of a plan for optimum use of the water resources of the area were initially authorized by the Congress in 1966 and studies have intermittently been conducted since that time. In 1968, the Secretary of the Interior approved a feasibility report on the Unit but no further progress toward authorization was made until March 1976 when a special report, outlining several alternative plans of development, was pre-

pared and released to interested parties. The plan of development authorized by this title is set forth in the March 1976 special report as Plan-A.

DESCRIPTION OF PROJECT PLAN

The project authorized by this title consists of Allen Camp Dam and Reservoir, to be constructed at a site on Pit River about 11 miles north of the Lassen-Modoc County line. Allen Camp Dam will be an earth and rockfill structure with a height of 95 feet above the stream-bed. The reservoir will have a capacity of 74,000 acre-feet at the normal water surface elevation. Of this capacity, 63,200 acre-feet will be available for active conservation use while the remainder will be dead and inactive storage for maintenance of a minimum pool and for sediment retention.

Irrigation water will be discharged directly from Allen Camp Reservoir into Hillside Canal which will have an initial capacity of 100 cubic feet per second and will extend about 18 miles along the Pit River Valley, serving lands on the left bank of the stream and furnishing a means of water service to the migratory wildlife refuge.

Additional flows will be released from the reservoir to the stream for diversion at the Lookout Diversion Dam, about 9 miles downstream, into the West Side Canal for serving a portion of the irrigable area on the right bank of Pit River. Lookout Canal will also originate from the diversion dam forebay and will serve additional right bank areas. These canals will have initial capacities of 60 and 65 cubic feet per second, respectively, and will be 10.0 and 3.8 miles in length, respectively. Additional subcanals, laterals, auxiliary groundwater wells, and minor relift pumping plants will complete the water service and distribution system for serving the gross area of 11,300 acres.

A system of about 36 miles of deep drains and a subsystem of shallow drains will be constructed as required for irrigation water management. Channelization of Pit River to minimize overbank flooding during Spring runoff will complete the array of physical facilities.

ECONOMIC AND FINANCIAL ASPECTS

The total estimated construction cost of the Allen Camp Unit is \$64,220,000 based on price levels prevailing as of January 1976. This amount is authorized to be appropriated by title V. The sum has been tentatively allocated to water resource purposes as follows:

Irrigation.....	\$36,661,000
Flood control.....	4,439,000
Wildlife refuge.....	16,392,000
Recreation.....	1,372,000

The unit cost allocated to irrigation will be reimbursable without interest by the water users of the Allen Camp Unit to the extent of their computed ability to pay. The remaining irrigation costs will be returned from the net power revenues of the Central Valley project of which the Allen Camp Unit will be an integral part. The water users are expected to repay \$9,486,000 over a period of 50 years following a development period of 10 years. The remaining sum of \$27,175,000 will be repaid from power revenues. These revenues are currently projected to be available on the basis of existing power

system rate studies. The repayment estimated to be within the payment ability of the irrigators is about 27 percent, which compares quite favorably with other contemporary Federal reclamation projects.

The remaining costs of the Allen Camp Unit will be nonreimbursable for the reason they are allocated either (1) to flood control, (2) to a migratory waterfowl refuge, or (3) to fish and wildlife enhancement and recreation occurring on National Forest lands where cost-sharing by local non-Federal entities is impracticable to arrange.

The benefit-to-cost ratio for the Allen Camp Unit is 1.14.

SECTION-BY-SECTION ANALYSIS

Title V consists of 7 sections as set forth below:

Section 501 enunciates the purposes of the Allen Camp Unit, authorizes its construction, operation and maintenance, and describes in general terms the physical facilities comprising the Unit plan.

Section 502 provides that the Unit is to be physically and financially integrated with the other features of the Central Valley project. This means that the Unit is eligible for repayment assistance from the pooled power revenues of the overall project and that reservoir operations are to be conducted in the manner calculated to optimize the benefits of the overall system.

Section 503 provides that the "Class I" equivalency concept may be applied in the administration of the land limitation provisions of Reclamation law.

Section 504 establishes that flood control costs are to be nonreimbursable in keeping with long-standing Federal practice and that fish and wildlife and recreation costs are nonreimbursable for the reasons that they relate to a migratory waterfowl refuge or they occur within a National Forest where cost-sharing in keeping with the precepts of the Federal Water Project Recreation Act is not practicable of implementation.

Section 505 authorizes replacement of Forest Service bridges required as a consequence of reservoir development to be to the same design standards as the Secretary of Agriculture would use in constructing new roads to provide similar service.

Section 506 prohibits the delivery of water for the production of certain crops found by the Secretary of Agriculture to be in surplus supply.

Section 507 authorizes appropriations in the amount of \$64,220,000 on the basis of January 1976 price levels and amounts as necessary for operation and maintenance.

TITLE VI

LEADVILLE MINE DRAINAGE TUNNEL, COLORADO

PURPOSE

The purpose of title VI is to authorize the Secretary of the Interior to rehabilitate the federally-owned Leadville Mine Drainage Tunnel in Lake County, Colorado, to restore, in part, its capability to de-water valuable ore bodies in the area and to eliminate the threat to life and

property caused by existing and future blockage of the tunnel by cave-ins and accompanying backup of drainage water. The title also authorizes maintenance of the restored tunnel and monitoring of drainage outflows for compliance with applicable water quality statutes.

BACKGROUND AND SETTING

The Leadville Mine Drainage Tunnel is a federally constructed facility located about 10 miles northerly from the City of Leadville, Colorado. It was constructed during the period 1943 to 1952 for the purpose of draining adjacent mines and potential mines believed to be urgently needed as sources of metals for the national economy. As a result of declining ore prices most of the mines expected to be benefitted by the drainage facility ceased production and the benefits to the mineral industry from the tunnel have not been realized.

Construction of the facility was under the jurisdiction of the Bureau of Mines, an agency of the Department of the Interior. That agency continued a minimum program of maintenance on the tunnel until 1959 when, through a memorandum of agreement, jurisdiction was assumed by the Bureau of Reclamation, ostensibly for that agency to gain control over the drainage outflow as a water resource. Although an application for a water right was filed with Colorado authorities, the claim has never been adjudicated as it has not been possible to establish that the outflow is anything other than a natural flow of the Arkansas River into which it discharges.

There has been no routine scheduled maintenance on the tunnel since 1959 and the tunnel has deteriorated steadily. The first 1,000 feet of the facility, drilled in unconsolidated glacial materials and terrace gravels, was supported by timber sets and lagging which have rotted away. Absent support, cave-ins have occurred and the collapsed overburden has blocked the tunnel drainage while at the same time causing sink holes to appear on the surface along the tunnel axis.

These collapses create problems of two kinds. *First*, roads and utilities crossing the tunnel alignment are in danger of structural damage. Colorado State Highway No. 91, the major route connecting Leadville and the Upper Arkansas Valley to Denver, crosses the tunnel alignment, and a 12 inch water line supplying Leadville with its municipal water supply also crosses the tunnel. The *Second* potential cause of danger comes from saturation of the adjacent gravels with drainage outflows backed up by the blocked tunnel. Groundwater levels have been raised as much as 60 feet and could well contribute to landslides of the terrace materials unless the drainage pattern is restored.

Emergency measures have been undertaken by the Bureau of Reclamation periodically since about 1968, but they have not been sufficient to restore the drainage flow and to lower the artificially elevated water table.

DESCRIPTION OF AUTHORIZED WORKS

The work authorized to be performed by title VI consists of the installation of a steel-reinforced, concrete-lined, horseshoe-shaped tunnel, extending inward from the portal of the drainage tunnel to a

distance of approximately 1,000 feet. This amount of construction is estimated to extend through the unconsolidated gravel materials and penetrate structurally competent rock formations. It is the intent of the Committee in proposing title VI that rehabilitation of the tunnel not extend beyond the point that the rock formation is evidently self-supporting.

EFFECT OF PROGRAM

The Committee anticipates that the installation of the reinforced concrete tunnel lining will effectively prevent further collapse of the tunnel roof and prevent the occurrence of additional sinkholes now posing a threat to Highway 91 and the Leadville water line. Opening of the tunnel to a free-flowing discharge of drainage water will allow the groundwater level in the adjoining formations to recede and stabilize at natural levels. These two effects will remove the threat to life and property from collapses and landslides.

After completion of the rehabilitation work, it will be possible to monitor the quantity and quality of the drainage effluent and thereby determine with some certainty the impact of the discharge on the receiving stream from the standpoint of water quality considerations. The tunnel will also preserve the option of further rehabilitation of the tunnel to its full length of 11,300 feet if the needs of the domestic mining industry should ever suggest a resumption of commercial mineral production from the affected mineral deposits.

ECONOMIC EVALUATION

The rehabilitation of the Leadville Mine Drainage Tunnel is not a water resource development program in the functional sense and therefore does not lend itself to economic and financial evaluation by the customary standards and principles of such programs. The amount authorized to be appropriated is a Federal obligation to prevent loss of life and property and should be considered as an alternative to the future payment of claims for damages of probably greater magnitude than the \$2,750,000 authorized by this title. Accordingly, all expenditures incurred pursuant to this title are correctly nonreimbursable as are those emergency expenditures made by the Bureau of Reclamation, Department of the Interior, from other sources.

SECTION-BY-SECTION ANALYSIS

Title VI consists of two sections as follows:

Section 601 authorizes a program of rehabilitation for the Leadville Mine Drainage Tunnel and describes the scope of work to be performed. The section also authorizes continuing maintenance of the rehabilitated tunnel.

Section 602 authorizes appropriations in the amount of \$2,750,000 at January 1976 price levels for rehabilitation of the tunnel, authorizes appropriations as necessary for maintenance as well as a program of water quality monitoring for the tunnel discharge, and provides that funds authorized by this title shall be nonreimbursable as will be the emergency expenditures from other sources.

TITLE VII

MCGEE CREEK PROJECT, OKLAHOMA

PURPOSE

The purpose of title VII is to authorize the Secretary of the Interior to construct the McGee Creek Project, Oklahoma. The measures to be constructed pursuant to this Title will be subject to the controlling provisions of the Federal Reclamation Act of 1902, as amended and supplemented.

SETTING AND BACKGROUND

The McGee Creek Project will be located on McGee Creek, a tributary of Red River in the southeastern Oklahoma County of Atoka. This area of Oklahoma is well watered and heavily timbered in contrast to the more open and arid western and northern areas of the State. While agriculture is the predominant industry of the region, the absence of large contiguous bodies of open land limits economic growth from agriculture. Most of the cleared land in the area is devoted to livestock production and to feedstuffs for the livestock. Approximately one half of the general area of the McGee Creek project has been cleared for agriculture and other land use purposes, while the remainder is in commercial timber.

Atoka County also contains areas of outstanding wilderness and scenic character which have been substantially unaltered by activities of man.

Further economic growth in southeastern Oklahoma is dependent largely on development of industries other than agriculture. These developments are, in turn, dependent upon utilization of the abundant supplies of high quality water.

There is also a clear and unquestioned need for additional water supplies with which to meet growing demands found in the major population areas such as the metropolitan area of Oklahoma City and to enhance the quality of present supplies.

The potential for meeting local and regional needs by means of the McGee Creek Project has been evident for many years and initial studies were conducted by the Corps of Engineers, Department of the Army. Feasibility investigations by the Secretary of the Interior were authorized in 1973 and an intensive program of studies has been carried out by a multidisciplinary team in coordination with State and local agencies and individuals. These studies are summarized in an Interim Report on McGee Creek Project, Oklahoma, dated April 1976 and which was released to interested parties in June 1976.

The report summarizes four alternative plans for meeting the perceived needs of the area. They were carried out in accordance with the precepts of the Administration's Multiple Objective Planning system. Plan. D, set forth in the report, most completely meets the needs of the region and is the project plan authorized by Title VII.

DESCRIPTION OF PROJECT PLAN AND FACILITIES

McGee Creek Project will be a multiple purpose development for the major purpose of furnishing municipal and industrial water supply

for the immediate project area and for the City of Oklahoma City, Oklahoma. Flood control, water based recreation, fish and wildlife enhancement, a wildlife management area and a natural scenic area will also be provided.

The principal facility of the project will be McGee Creek Dam and Reservoir, located on McGee Creek about 15 miles southeast of Atoka, Oklahoma. The dam will be rolled earth fill and will be 156 feet in height and 2,300 feet in length. An auxiliary dike, 4800 feet in length and 59 feet in height, will complete the reservoir impoundment with a total capacity, at maximum water surface, of 278,000 acre-feet. The reservoir capacity will be utilized as follows:

	<i>Acre feet</i>
Sediment retention.....	6,600
Conservation yield.....	92,800
Flood control.....	86,000
Spillway surcharge.....	92,600
Total.....	278,000

The reservoir will produce an estimated firm yield of 68,000 acre-feet annually, most of which will be conveyed to the existing Atoka Reservoir by pipeline, a distance of about sixteen miles. This conduit and the pumping facility required for its operation will be elements of the project. From Atoka Reservoir, which was built by Oklahoma City, the water will be either transported through existing facilities to Oklahoma City or to the City of Atoka. Water not required initially to meet these markets will be released to the channel of McGee Creek for improvement of the aquatic habitat until such time as it is required for municipal and industrial purposes in the project area.

The project plan also involves the acquisition of 18,900 acres of undeveloped land adjacent to the upper end of the reservoir area. This land area consists of two portions:

1. 10,000 acres for mitigation of wildlife losses due to construction of the project and for a major wildlife management area, and
2. 8,900 acres for the preservation of a natural scenic area having suitable characteristics for wilderness preservation. This area will be managed compatibly with its wilderness character although title VII does not statutorily designate the area as an element of the National Wilderness Preservation System.

Conventional water resource oriented recreation and fish and wildlife facilities will also be provided as elements of the project. These include the creation of a fishing basin downstream from the dam and the provision of a recreational corridor for a distance of 4.7 miles.

ECONOMIC AND FINANCIAL ASPECTS

The total estimated cost of the McGee Creek Project on the basis of January 1976 price levels is \$83,239,000, the amount authorized to be appropriated by title VII. This amount is tentatively allocated to water resource development purposes as follows:

Municipal and industrial water.....	\$72,261,000
Flood control.....	1,469,000
Fish and wildlife.....	933,000
Recreation.....	2,397,000
Environmental quality.....	5,339,000
Archeological preservation.....	840,000
Total.....	83,239,000

The sums allocated to municipal and industrial water supply will be reimbursed with interest at the rate specified by title VII, from revenues deriving from the marketing of water to the several entities participating in the project. A charge of approximately \$0.25 per thousand gallons, delivered at Atoka Reservoir, will defray allocated operation, maintenance, and construction costs associated with the water supply function.

Non-federal public bodies will underwrite the operation and maintenance costs of specific fish and wildlife and recreation facilities and will repay construction costs in accordance with the precepts of the Federal Water Project Recreation Act. The sums of \$74,300 and \$382,000 will be returned with interest for fish and wildlife enhancement and recreation, respectively, from these sources.

All other costs of the McGee Creek project will be nonreimbursable. Flood control is nonreimbursable by precedent and policy; archeological salvage is nonreimbursable in accordance with existing statutes; fish and wildlife and recreation amounts are nonreimbursable in accordance with the cost-sharing provisions of the Federal Water Project Act, as amended; and environmental quality is nonreimbursable in recognition of the absence of identifiable beneficiaries apart from the general public.

The benefit-to-cost ratio of the McGee Creek project has been computed as 1.20.

SECTION-BY-SECTION ANALYSIS

Title VII is comprised of seven sections as follows:

Section 701 authorizes the McGee Creek project, sets forth its purposes and enumerates the principal physical works authorized to be constructed.

Section 702 specifically authorizes the acquisition of 20,000 acres of private lands for the purposes of wildlife management and for the preservation of the scenic character of the land resource. The section also authorizes the construction of facilities required for management and use of the acquired areas.

Section 703 authorizes the Secretary of the Interior to promulgate regulations governing use of the wildlife management and natural scenic areas and to contract with non-Federal public bodies for their operation, maintenance and administration.

Section 704 sets forth the interest rate criterion governing the return of interest-bearing costs of facilities constructed pursuant to title VII.

Section 705 sets forth the provisions controlling project repayment. Specifically, it authorizes the Secretary to contract for delivery and marketing of municipal water; authorizes natural scenic and wildlife management areas to be nonreimbursable; requires repayment contracts to be executed as a condition to start of construction; authorizes transfer of operation and maintenance to the repayment entity; and provides that the managing entity be reimbursed for operation expense allocated to nonreimbursable purposes. The section also provides that the repayment entity may have a permanent right to use of the reservoir for water supply upon completion of contract provisions.

Section 706 invokes the cost-sharing provisions of the Federal Water Project Recreation Act to the McGee Creek project, exclusive of the natural scenic and wildlife management areas.

Section 707 authorizes \$83,239,000, based on January 1976 price levels, to be authorized for construction of the McGee Creek project. The section also authorizes appropriations for operation and maintenance.

SUMMARIZED INFORMATION APPLICABLE TO ALL TITLES

COMMITTEE AMENDMENT

The Committee on Interior and Insular Affairs adopted one amendment to H.R. 14578. The amendment has no substantive effect on the legislation and serves to correct an erroneous date in the short title of the bill.

COSTS

The Committee estimate of costs associated with enactment of H.R. 14578 is \$332,440,000, based on January 1976 price levels, the amount authorized to be appropriated by the seven titles. The sum is tabulated below:

<i>Title number and project</i>	<i>Amount authorized</i>
I—Kanopolis Unit, Kansas.....	\$30,900,000
II—Oroville-Tonasket Unit, Washington.....	39,370,000
III—Uintah Unit, Utah.....	90,247,000
IV—American Canal Extension, Texas.....	21,714,000
V—Allen Camp Unit, California.....	64,220,000
VI—Leadville Mine Drainage Tunnel, Colorado.....	2,750,000
VII—McGee Creek project, Oklahoma.....	83,239,000
Total.....	332,440,000

INFLATIONARY IMPACT

The Committee on Interior and Insular Affairs has considered the potential impact of H.R. 14578 on the National economy and concludes that its enactment would produce little or no inflationary pressures. In the near term, Federal outlays would be limited to advance planning studies aggregating only about \$2 million per year. Scheduling of construction starts would coordinate with completion of now ongoing programs of the Bureau of Reclamation and would be such that the annual budget of that agency would not be significantly increased, if at all, in any given fiscal year.

BUDGET ACT COMPLIANCE

An analysis of spend-out and revenue associated with enactment of H.R. 14578 has been prepared by the Congressional Budget Office any is set forth below in its entirety.

CONGRESS OF THE UNITED STATES,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., July 29, 1976.

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

DEAR MR. CHAIRMAN: Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the

attached cost estimate for H.R. 14578, Reclamation Authorization Act of 1976.

Should the Committee so desire, we would be pleased to provide further details on the attached cost estimate.

Sincerely,

ALICE M. RIVLIN, *Director.*

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

JULY 29, 1976.

1. Bill number: H.R. 14578.
2. Bill title: Reclamation Authorization Act of 1976.
3. Purpose of bill: The proposed legislation authorizes appropriations for seven federal water reclamation projects designed to provide water for irrigation, improve municipal water supplies, conserve fish and wildlife resources, and to preserve the environment.

4. Cost estimate:

[In millions of dollars]

	Fiscal year—					Other years total
	1978	1979	1980	1981	1982	
Authorization level ¹	332.5					
Construction costs.....	5.8	31.7	76.3	95.7	68.4	54.5
Operation and maintenance costs.....				.025	.025	
Total costs.....	5.8	31.7	76.3	95.725	68.425	54.5
Revenue.....				.14	.14	

¹ The authorization level includes \$50,000 estimated for operation and maintenance for fiscal years 1981 and 1982.

5. Basis for estimate: Since the legislation authorizes appropriations for FY 1978, it is assumed that construction on all projects will begin during the same fiscal year. Costs per year were estimated from the engineering-design studies of the Bureau of Reclamation which indicated the amount of construction that would be accomplished in each year based on 1975 price levels.¹ These costs have been adjusted in the estimate to reflect 1976 price levels and projected increases in construction costs over time. The percentage increase for each year was based on the price deflator for nonresidential structures.

The cost estimates for the Oroville-Tonasket, Allen Camp, and Uintah units, all of which require more than five years to complete, include the total amount required after the first five years. These totals also have been adjusted to reflect expected future increases in construction costs.

Revenue is the amount to be repaid annually by the El Paso County Water Improvement District Number 1 based on the District's repayment capacity. The annual amount is \$12.07 per acre-foot for 11,600 acre-feet of salvaged water as specified in the legislation.

¹ See Kanapolis Unit Feasibility Report, February 1976; Oroville-Tonasket Unit Extension Feasibility Report, May 1975; Uintah Unit Feasibility Report, April 1975; Allen Camp Unit Special Report, March 1976; and McGee Creek Interim Report, April 1976.

A three-year construction schedule is projected for the American Canal Extension, so it is assumed that repayment will begin in the fourth year. No repayment is required for the Leadville Mine Drainage Tunnel. The other projects require no repayment until a 10-year development period has ended.

It is assumed that funds for operation and maintenance will not be needed until completion of the projects. Operation and maintenance costs of the American Canal Extension will be borne by the water users.

The authorization levels and costs by project are presented below.

	Fiscal year—					Other years total
	1978	1979	1980	1981	1982	
Title I—Kanapolis unit, Kansas:						
Authorization level.....	30.9					
Construction costs.....	.5	4.5	11.6	10.6	3.7	
Title II—Oroville-Tonasket, Was.:						
Authorization level.....	39.37					
Construction costs.....	.40	.90	3.00	5.60	9.90	19.60
Title III—Uintah, Utah:						
Authorization level.....	90.2					
Construction costs.....	.3	.9	13.6	24.6	26.2	24.6
Title IV—American Canal, El Paso, Tex.:						
Authorization level.....	21.7					
Construction costs.....	2.3	9.8	9.6			
Revenue.....				.14	.14	
Title V—Allen Camp, unit, Calif.:						
Authorization level.....	64.22					
Costs.....	.83	4.94	17.53	20.36	10.28	10.28
Title VI—Leadville Mine drainage tunnel, Colo.:						
Authorization level ¹	2.85					
Construction costs.....	.60	1.80	.40			
Operation and maintenance costs.....				.025	.025	

¹ The authorization level includes \$25,000 estimated for operation and maintenance of the project each year.

6. Estimate comparison: Construction costs in constant 1975 prices are available from the Bureau of Reclamation. The Subcommittee on Water and Power Resources of the House Interior Committee estimates the annual repayment for the American Canal Extension to be between \$232,000 and \$290,000.

7. Previous CBO estimate: None.

8. Estimate prepared by: Arleen Fain Gilliam (225-9676).

9. Estimate approved by: Ray Scheppach, James L. Blum, Assistant Director for Budget Analysis.

COMMITTEE RECOMMENDATION

On the basis of a voice vote, indicating no dissent, the Committee on Interior and Insular Affairs recommends enactment of H.R. 14578.

DEPARTMENTAL REPORTS

Departmental Reports on the several Titles of H.R. 14578 were requested and submitted on the originally introduced individual bills.

There follows a cross index of reports received from the Executive agencies on each Title.

Original bill No.	Agency submitting report ¹	Date	Title No.
H.R. 7044	Department of the Interior	Apr. 23, 1976	I
	Department of the Army	July 1, 1976	I
H.R. 8777	Department of the Interior	May 4, 1976	II
H.R. 13369	do.	May 18, 1976	III
H.R. 1746	do.	May 27, 1976	IV
	Department of State	May 26, 1976	IV
H.R. 6668	Department of the Interior	June 1, 1976	V
H.R. 13097	do.	June 9, 1976	VI
	Environmental Protection Agency	None	VI
H.R. 4923	Department of the Interior	June 15, 1976	VII

¹ All reports received are set forth in their entirety in this report.

The Committee observes that only one of the seven activities received the unqualified endorsement of the Executive Branch. Comments on the other six proposals ranged from suggesting short deferrals to outright opposition. Varying reasons were given by the Departmental witnesses as the basis for the Departmental position. Without exception, the proposals were shown by the record to meet acceptable tests of justification and feasibility.

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., April 23, 1976.

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 a bill, H.R. 7044 "To authorize the Secretary of the Interior to construct, operate, and maintain the Kanopolis Unit of the Pick-Sloan Missouri Basin Program, Kansas, and for other purposes." The potential Kanopolis Unit would be located along the Smoky Hill River in Ellsworth, McPherson, and Saline Counties in central Kansas.

The Department is opposed to consideration of the proposed bill at this time and recommends that the Committee defer further consideration of the bill until the feasibility study has been reviewed and approved as required by law.

The proposed feasibility report of the Commissioner of the Bureau of Reclamation concerning the Kanopolis Unit is at this time undergoing a 30-day review by Interior agencies. Once this review is completed and the comments accommodated, the feasibility report will be submitted to the Secretary of the Interior for his consideration and adoption as his proposed report, and the proposed report will then be circulated to Federal, State, and local agencies for the 90-day review required by law.

The feasibility study on which the report is based considers several alternatives, including a no development plan, a plan that emphasizes National Economic Development (NED) objectives, a plan that emphasizes Environmental Quality (EQ) objectives and a combination plan that emphasizes both NED and EQ objectives.

Under the no development alternative the economy of the area would continue to be based primarily on nonirrigated farming. The extent and viability of future growth in the area would depend on future hydrologic conditions or the development of some other alternative water supply by the local agencies.

The NED alternative would furnish water for municipal and industrial use by the city of Salina, Kansas, and the State of Kansas; water for irrigation of 20,000 acres of land; and water for fishery flows in the Smoky Hill River. Present levels of flood protection and recreation would continue to be furnished by the existing Kanopolis Dam and Lake.

The EQ alternative would provide water for increased fishery flows and environmental quality flows in the Smoky Hill River. In addition, Federal lands adjacent to Kanopolis Lake would be managed for wildlife habitat enhancement. There would be 350 acres of land acquired for wildlife habitat, 150 acres of land would be acquired for environmental preservation, and measures would be taken to increase the inactive storage and enhance the Kanopolis Lake fishery and recreation. Present levels of flood protection would continue to be furnished by the existing Kanopolis Dam and Lake.

The combination NED and EQ alternative would provide all of the functions to both the NED and EQ alternatives except for the environmental quality flows of the EQ alternative.

We will be able to comment on the costs and benefits of the various alternatives and the merits of this legislation when the study process has been completed. We recommend that no further action be taken on the bill until that time.

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.

DEPARTMENT OF THE ARMY,
Washington, D.C., July 1, 1976.

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

DEAR MR. CHAIRMAN: This is in reply to your request for the views of the Department of the Army on H.R. 7044, 94th Congress, a bill "To authorize the Secretary of the Interior to construct, operate, and maintain the Kanopolis unit of the Pick-Sloan Missouri Basin program, Kansas, and for other purposes."

Kanopolis Dam and Lake on the Smoky Hill River near Salina, Kansas is administered by the Department of the Army Corps of Engineers and was constructed by the Corps for flood control purposes in the 1940's as authorized in the Act of June 28, 1938, as modified.

Enactment of the bill, H.R. 7044, would modify this project to authorize that it serve additional purposes of supplying irrigation and municipal and industrial water as well as outdoor public recreation, fish and wildlife conservation and development, and unstated

other purposes. Construction, operation, and maintenance for these purposes would be the responsibility of the Secretary of the Interior with \$42 million authorized to be appropriated to him for the construction work.

These modifications and further developments of the Kanopolis project outlined in this bill are extracted from a plan for the project developed under the sponsorship of the Bureau of Reclamation. This plan has not yet been processed to the Office of the Secretary of the Army and the Chief of Engineers for our necessary review and comment on the soundness of the proposed changes in natural resources use which would require substantial further financial investments.

The Department of the Army understands that the subject plan is still under review at the field office level of the Bureau of Reclamation for resolution of important issues related to procedures for the allocation of costs, justification for proposed fish and wildlife mitigation measures, proposed lake management practices, and the division of responsibilities between the Corps and the Bureau.

Accordingly, the Department of the Army opposes enactment of H.R. 7044 because it is premised on a plan of development which must be subject to further review and such revisions as prove necessary before it warrants presentation and serious consideration by the Congress.

The Office of Management and Budget advises that, from the standpoint of the Administration's program, there is no objection to the presentation of this report for the consideration of the Committee.

Sincerely,

VICTOR V. VEYSEY,
Assistant Secretary of the Army.

ESTIMATED ADDITIONAL MAN-YEARS OF CIVILIAN EMPLOYMENT AND EXPENDITURES FOR THE 1ST 5 FISCAL YEARS, KANOPOLIS UNIT—P-SMBP

[As required by Public Law 801, 84th Cong.]

	1st yr	2d yr	3d yr	4th yr	5th yr
Estimated additional man-years of civilian employment:					
Executive direction.....	2	2	2	2	2
Administrative services and support:					
Clerical.....	3	5	5	5	4
Personnel.....	1	1	1	1	1
Total administrative services and support.....	6	8	8	8	7
Substantive (program):					
Engineers.....	3	6	7	7	5
Engineering aids.....	9	27	29	29	25
Geologists.....	1				
Agriculturalists.....			1	1	1
Economists.....	1				
Land appraisers and negotiators.....	1	3	1		
Total substantive.....	15	36	38	37	31
Total estimated additional man-years of civilian employment.....	21	44	46	45	38
Estimated additional expenditures:					
Personal services.....	\$400,000	\$875,000	\$910,000	\$890,000	\$750,000
All other.....	75,000	3,975,000	10,175,000	8,500,000	2,440,000
Total estimated additional expenditures.....	475,000	4,850,000	11,085,000	9,390,000	3,190,000

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., May 4, 1976.

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. 8777, a bill to authorize the Secretary of the Interior to construct, operate, and maintain the Oroville-Tonasket Unit Extension, Okanogan-Similkameen Division, Chief Joseph Dam Project, Washington, and for other purposes.

We are opposed to consideration of the bill at this time.

The proposed feasibility report on the Oroville-Tonasket Unit Extension is presently undergoing the 90 day review by Federal agencies, the Columbia River Basin States, and other interested entities. A draft environmental statement has been filed with the Council on Environmental Quality and also is under review. Until the final report has been reviewed and processed in accordance with established procedures and forwarded to the Congress, we are unable to make any recommendations with respect to the enactment of H.R. 8777.

We wish to stress the undesirability of commenting on, or making recommendations on, proposed legislation for reclamation projects before the related feasibility studies have been completed pursuant to statutory requirements. Until the feasibility report is completed and reviewed, we cannot make soundly based recommendations or comments. It is clearly important that statutory review requirements be followed so that affected States and other administrative agencies be given the opportunity to comment on our proposed feasibility report, and the report which we finally submit to the Congress reflects their views.

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

Sincerely yours,

JOHN H. KYL,
Assistant Secretary of the Interior.

DEPARTMENT OF THE INTERIOR
OROVILLE-TONASKET UNIT EXTENSION, CHIEF JOSEPH DAM PROJECT, WASHINGTON
[Additional data required for project authorization under Public Law 801, 84th Cong.]

	1st year		2d year		3d year		4th year		5th year	
	Additional positions	Total staff	Additional positions	Total staff	Additional positions	Total staff	Additional positions	Total staff	Additional positions	Total staff
EXECUTIVE DIRECTION										
Administrative services and support:										
Administrative officer.....	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Clerical and stenographic.....	(1)	(1)	(1)	(1)	(2)	(3)	(2)	(3)	(2)	(3)
Subtotal, administrative.....	(2)	(2)	(2)	(2)	(3)	(4)	(3)	(4)	(3)	(4)
Substantive (program):										
Engineering aides and technicians.....	(1)	(1)	(2)	(13)	(3)	(24)	(3)	(28)	(3)	(30)
Engineers.....	(1)	(1)	(1)	(1)	(1)	(4)	(1)	(6)	(1)	(6)
Inspectors.....	(1)	(1)	(1)	(1)	(1)	(6)	(1)	(6)	(1)	(6)
Other (field office head, safety, and right-of-way agents).....	(1)	(1)	(1)	(3)	(1)	(6)	(1)	(6)	(1)	(6)
Subtotal, substantive.....	(4)	(4)	(5)	(17)	(6)	(40)	(6)	(56)	(6)	(54)
Total positions.....	6	6	7	18	9	44	9	60	9	58
Total estimated additional man-years.....	2.3	2.3	2.3	18	4.5	44	4.9	50	4.9	49
Expenditures for additional man-years ¹	\$23,000	\$23,000	\$40,000	\$40,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000
Total estimated man-years of civilian employment.....	13.0	13.0	34.0	34.0	47.0	47.0	47.0	47.0	47.0	47.0
Total estimated expenditures:										
Project personal services.....	\$175,000	\$175,000	\$515,000	\$515,000	\$720,000	\$720,000	\$720,000	\$720,000	\$720,000	\$720,000
All other.....	725,000	725,000	2,455,000	2,455,000	4,490,000	4,490,000	4,490,000	4,490,000	4,490,000	4,490,000
Total estimated expenditures.....	\$900,000	\$900,000	\$2,970,000	\$2,970,000	\$5,210,000	\$5,210,000	\$5,210,000	\$5,210,000	\$5,210,000	\$5,210,000

¹ Salary levels are those which become effective October 1975.

² Data shown in columns for additional positions, additional man-years, and expenditures for additional man-years are based on positions estimated for recruitment outside the Bureau, but within the region. Regional experience would indicate such recruitment is necessary only for the low-grade (GS-3 and 4) engineering and clerical positions. The region does not have available experience

records as to the effect intra-Bureau transfers to key positions might have on recruitment of non-Bureau personnel.
³ 1st-yr activity will use general investigations personnel and details from other offices.
⁴ Estimate for advance planning funds.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., May 18, 1976.

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. 13369, a bill to authorize appropriations for the Uintah Unit, central Utah project, Utah, and for other purposes.

We recommend enactment of H.R. 13369.

The principal purposes of the bill are to authorize appropriations for the construction of the project and to reaffirm the authorization for the Uintah Unit provided by section 1 of the Act of April 11, 1956 (70 Stat. 105) as amended by section 501(a) of the Colorado River Basin Project Act (82 Stat. 897). Appropriations are authorized in the amount of \$78,322,000 (at January 1975 price levels) starting with fiscal year 1978.

The Uintah Unit is located in Duchesne and Uintah Counties in northeastern Utah. The unit will provide water for irrigation of 52,970 acres of land, of which 32,970 are Indian owned, and for municipal and industrial use, recreation, and fish and wildlife enhancement. Flood control will also be provided. The Uintah Unit was authorized for construction by the Colorado River Basin Act of 1968, subject to a finding of feasibility by the Secretary of the Interior. The Secretary certified the unit on August 20, 1975, and following approval of the report by the Executive Office of the President, the report was submitted to Congress in April of this year.

The Uinta and Whiterocks Dams and Reservoirs are the main project features. The project will increase usable irrigation water supplies at existing project canal headings by an average of 52,000 acre-feet annually. The project will also provide an average of 1,000 acre-feet for municipal and industrial purposes annually for use in the vicinity of the city of Roosevelt.

In addition to developing new water supplies, the Uinta and Whiterocks Reservoirs will replace irrigation storage presently provided in 13 upstream reservoirs in order that these reservoirs may be relieved of responsibility for irrigation storage and be stabilized for fisheries and recreation.

As part of the project irrigation development, some reaches of existing canals will be lined in order that water now lost through excessive seepage will be saved for beneficial use.

Of the total construction cost of \$78,322,000 based on January 1975 prices \$69,650,000 is for reclamation and joint use of facilities to be funded under section 5 of the Colorado River Storage Project Act and \$8,672,000 is for specific recreation and fish and wildlife facilities to be financed under section 8.

Annual operation, maintenance, and replacement (OM&R) costs of project features except recreational facilities are estimated at \$38,000 on the basis of 1972-74 prices. The OM&R costs for recreational facilities would be an obligation of the operating entities.

The economic analysis for the Uintah Unit has been based on a 100-year period of analysis using 3.25 percent interest rate which was in effect at the time the project was authorized.

The average annual benefits total \$3,940,200 and consist of \$2,350,000 for irrigation, \$150,000 for municipal and industrial water, \$1,113,000 for recreation, \$234,200 for fish and wildlife, \$33,000 for flood control, and \$60,000 for employment opportunities for Ute Indians. The average annual equivalent costs are \$2,954,000. This gives a favorable benefit-cost ratio for the project of 1.3 to 1.

The analysis of benefits related to upstream reservoir stabilization was originally based upon a single purpose alternative concept which included benefits related to preservation of wilderness and roadless areas. These were not considered to comprise an appropriate benefit category. Consequently, an additional analysis of recreation benefits resulting from upstream reservoir stabilization using the traditional visitor-day average value approach has been undertaken and just completed. Using that method for calculating recreation benefits from upstream reservoir stabilization, the overall benefit cost ratio for the project is 1.2 to 1.

A further study is currently underway to analyze the biological resources of the project area. This is being done by the Utah Division of Wildlife Resources under a contract with the Bureau of Reclamation. The study will be completed in September of 1977, with an interim report in September of this year.

A very significant aspect of this project is the inclusion of a substantial body of Indian lands. On September 20, 1965, the Ute Indian Tribe of the Uintah and Ouray Reservation, Central Utah Water Conservancy District, Bureau of Indian Affairs and the Bureau of Reclamation signed an agreement approved by the Secretary of the Interior. In the agreement, the tribe consented not to assert claims to, and to defer rightful use of waters in the Uinta Basin in return for certain assurances for recognition of water rights and for resource development for tribal benefit, including irrigation of Indian lands in the ultimate phase of the central Utah Project. Passage of this bill would help fulfill that agreement and confirm the good faith of the United States in meeting those assurances.

More recently, the leaders of the Ute Indian tribe testified before a Senate Committee requesting completion of the Uintah Unit and expounding on the many advantages of such an action.

In view of all of the above factors, we believe that passage of this bill is both necessary and desirable at this time.

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.

DEPARTMENT OF THE INTERIOR—BILL TO AUTHORIZE CONSTRUCTION OF UINTAH UNIT: CENTRAL UTAH PARTICIPATING PROJECT

[Estimated additional man-years of civilian employment and expenditures for the 1st 5 yrs of proposed new or expanded program]

	1st yr	2d yr	3d yr	4th yr	5th yr
Estimated additional man-years of civilian employment:					
Executive direction:					
Executive	1	1	1	1	1
Stenographic	1	1	1	1	1
Total, executive direction	2	2	2	2	2
Administrative services and support:					
Clerical	1	3	3	2	2
Property management	1	1	1	1	1
Total, administrative services and support	2	4	4	3	3
Substantive (program):					
Engineering aids	12	37	37	17	17
Engineers	5	12	12	8	8
Total, substantive	17	49	49	25	25
Total estimated additional man-years of civilian employment	21	35	55	10	10
Estimated additional expenditures (thousands):					
Personal services	\$320	\$825	\$22,860	\$450	\$450
All other	9,801	24,739	22,860	13,425	13,425
Total estimated additional expenditures	10,121	25,564	23,685	13,875	13,875

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., May 27, 1976.

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. 1746, a bill "Authorizing the extension of the American Canal at El Paso, Texas, and for other purposes."

We recommend that the bill not be enacted.

The bill would authorize the Bureau of Reclamation to construct, operate, and maintain, wholly within the United States, an extension of the American Canal at El Paso, Texas, totaling approximately fifteen miles in length, including enlargement of an existing reach of the Franklin Canal and modification of the American and Franklin Canal facilities.

The purposes of the bill are to extend and upgrade the existing canal facilities in order to provide greater efficiency in water use for the existing Rio Grande Project (a Bureau of Reclamation project for irrigation purposes), reduce or eliminate safety and health hazards at existing facilities, and enable the retrieval and use of a portion of the United States' share of the apportioned water of the Rio Grande River according to the 1906 treaty with Mexico.

The American Dam on the Rio Grande and the American Canal were completed in 1938 for the purpose of delivering United States water to the Rio Grande Project. The American Dam is approximately 2 miles upstream from the International Dam (known locally as the Mexican Dam, but not part of the project). The American Canal

extends from the American Dam to the Franklin Canal and has an operating capacity of 1,200 cubic feet per second. Water not required for project use on lands served by the Franklin Canal is diverted through two wasteways to the Rio Grande below the International Dam. It then flows approximately 15 miles to the Riverside Heading where it is diverted into the Riverside Canal for use on project lands. Approximately 60,000 acres of project lands are located downstream from American Dam.

In 1968, as authorized by Public Law 88-300 (referred to as the "American-Mexico Chamizal Convention Act of 1964"), an area belonging to the United States was transferred to Mexico. The contract to accomplish the transfer was administered by the International Boundary and Water Commission, and it included the relocation of a reach of the Rio Grande and the relocation and enlargement of a 1.7-mile-long reach of the Franklin Canal parallel to the Rio Grande. The relocated section of the Franklin Canal, which has a capacity of 1,200 cubic feet per second, serves as an added segment to the existing American Canal. The Franklin Canal was originally constructed before the turn of the century with local funding for irrigation purposes. It is now operated by the Bureau of Reclamation as part of the Rio Grande Project.

At the present time, United States water destined for project use from the Riverside Canal is released to the Rio Grande from two wasteways downstream from the International Dam. The water is conveyed in the river to the Riverside Heading.

A considerable amount of project water released to the Rio Grande downstream from the International Dam is lost before the water reaches the Riverside Heading. The losses occur because of seepage, evapotranspiration, and illegal diversions by the Mexicans. The Mexicans are able to divert water directly from the river in excess of the water use permitted under terms of the 1906 treaty, which required that a maximum of 60,000 acre-feet of water would be delivered at the heading of the Mexican's Acequia Madre.

If the construction proposed by H.R. 1746 were completed, the losses of water because of illegal pumping by the Mexicans, seepage, and evapotranspiration would be reduced. As a result, we estimate that the required project diversions at American Dam would be reduced by as much as 11,600 acre-feet annually, and less water would need to be released from Elephant Butte Reservoir to satisfy Rio Grande Project requirements. At \$3.50 per acre-foot, the annual value of water saved would be at least \$40,000.

Upstream from the Ascarate Wasteway, the Franklin Canal is located in a highly developed, congested urban area of El Paso. That reach of the canal has been the subject of much criticism over the years because of the number of drownings (35 during the past 23 years) and because of the unsightly and unhealthful conditions resulting from the dumping of garbage and trash on the canal right-of-way. H.R. 1746, if enacted, would permit the abandonment of that reach of the Franklin Canal. Because a few water users would still require water deliveries, a 2.1-mile-long buried pipeline will be constructed in the canal right-of-way. Water for the pipeline would be pumped from the new Ascarate Lateral.

The construction proposed by H.R. 1746 would cost an estimated \$20,896,000 (based on July 1975 prices). We have received estimates

that the water users would be capable of repaying approximately \$1,600,000 over a 40-year or about 8 percent of the estimated cost, although the Department believes that figure might be increased.

Without commenting on possible international implications of the project, which should be addressed by the Department of State, this Department finds that the project is hard to justify as currently proposed.

With a Federal expenditure of almost \$22 million, the quantifiable economic benefits appear to be about \$40,000 or slightly more a year, measured in greater water use efficiency but with no additional benefits of any magnitude. There is a water deficiency at the Rio Grande Project, but there is no prospect of any significant improvement through the proposed project. The replacement of a portion of Franklin Canal is a benefit accruing largely to the city of El Paso, yet that city is apparently unwilling to contribute to the repayment of project cost. The overall repayment is minimal. The investment is not necessary to implement the 1906 treaty.

No thorough feasibility has been as yet undertaken. There do not appear to be other ways to solve the water diversion problem. Presumably less extensive measures could be taken to alleviate the safety and cleanliness problems.

Based upon the minimal benefits and the minimal repayment potential of the proposed project, the Department cannot support enactment of H.R. 1746.

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 KYLE,
Assistant Secretary of the Interior.

DEPARTMENT OF THE INTERIOR—BILL TO AUTHORIZE AMERICAN CANAL EXTENSION: RIO GRANDE PROJECT
TEXAS-NEW MEXICO

[Estimated additional man-years of civilian employment and expenditures for the 1st 5 yr of proposed new or expanded program]

	1st yr	2d yr	3d yr	4th yr	5th yr
Estimated additional man-years of civilian employment					
Executive direction:					
Executive.....					
Stenographic.....					
Total, executive direction.....	0	0	0	0	0
Administrative services and support:					
Clerical.....	1	2	2	2	
Property management.....					
Total, administrative services and support.....	1	2	2	2	
Substantive (program):					
Engineering aids.....	10	16	16	16	
Engineers.....	4	4	4	4	
Total, substantive.....	14	20	20	20	
Total estimated additional man-years of civilian employment.....	15	22	22	22	
Estimated additional expenditures:					
Personal services.....	\$267,000	\$388,000	\$400,000	\$400,000	
All other.....	562,000	3,212,000	8,750,000	7,715,000	
Total estimated additional expenditures.....	829,000	3,600,000	9,150,000	8,115,000	

DEPARTMENT OF STATE,
Washington, D.C., May 26, 1976.

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

DEAR MR. CHAIRMAN: The Department of State appreciates your requesting, by your letter of May 11, a report on H.R. 1746, entitled "A Bill Authorizing the extension of the American Canal at El Paso, Texas, and for other purposes."

The proposed project, according to an estimate made by the Department of the Interior, would reduce losses of water to the United States amounting to 11,600 acre-feet annually. However, the construction of the project, and hence the enactment of the bill, would not directly affect compliance with a treaty obligation to Mexico. The proposal is therefore essentially a matter of domestic concern, and the Department defers to the Department of the Interior regarding the feasibility of the project.

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

Sincerely yours,

ROBERT J. McCLOSKEY,
Assistant Secretary for Congressional Relations.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., June 1, 1976.

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. 6668, a bill "To authorize the Secretary of the Interior to construct, operate, and maintain the Allen Camp unit, Pit River Division, Central Valley project, California, and for other purposes."

We recommend that the bill not be enacted, because we are unable to take a position concerning the Allen Camp unit until a final feasibility report has been reviewed and processed in accordance with established procedures and forwarded to the Congress.

H.R. 6668 would authorize the Secretary of the Interior to construct, operate and maintain the Allen Camp unit in the Pit River Division of the Central Valley Project in California. Construction funds of \$88 million based on January 1975 prices would be authorized to be appropriated, with a provision for adjustment due to cost fluctuations. The project would be built under the Federal reclamation laws for the purposes of providing irrigation water supplies, controlling floods, conserving and developing fish and wildlife resources, enhancing outdoor recreation opportunities and for other related purposes. The bill would require both financial and operational integration of the Allen Camp unit with the Central Valley project. Lands held in single ownership and eligible to receive Allen Camp water would be limited to 160 acres of Class I land or its equivalent, as determined by the Secretary. The bill specifically authorizes the Secretary of the

Interior to replace certain roads and bridges now under the jurisdiction of the Secretary of Agriculture which would become unusable if the Allen Camp unit were built. Surplus agricultural crops specified pursuant to provisions of the bill could not be grown on project lands for 10 years after enactment. Customary financial and cost-sharing provisions also are included in the bill.

The Allen Camp unit was authorized for study by Public Law 89-561, dated September 7, 1966. A feasibility report on a plan of development for the unit was completed in April 1967 and modified in June 1968. The proposed feasibility report was approved and adopted by the Secretary of the Interior on December 19, 1968. Further processing of the report was deferred pending completion of the Water Resources Council's Principles and Standards for Planning Water and Related Land Resources. On March 26, 1976, a special report on the Allen Camp Unit was released presenting the results of an appraisal of a modified plan of development for the unit. The report considered three alternatives for solving the area's water-related problems. Further work on the proposed feasibility report will require consideration of areas that might be added to the national wildlife refuge system and mineral studies, among other matters. A final environmental impact statement must also be prepared pursuant to the National Environmental Policy Act of 1969.

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.

DEPARTMENT OF THE INTERIOR

Subject matter: Bill to authorize construction of Allen Camp unit, Pit River division, Central Valley project.

Estimated additional man-years of civilian employment and expenditures for the first 5 years of proposed new or expanded program:

	1st yr	2d yr	3d yr	4th yr	5th yr
Estimated additional man-years of civilian employment:					
Executive direction:					
Executive	1	3	3	3	3
Stenographic	1	2	2	2	2
Total, executive direction	2	5	5	5	5
Administrative services and support:					
Clerical	1	3	3	3	3
Property management	0	1	1	1	1
Total, administrative services and support	1	4	4	4	4
Substantive (program):					
Engineering aids	8	15	15	15	15
Engineers	6	9	9	9	9
Total, substantive	14	24	24	24	24
Total estimated additional man-years of civilian employment	17	33	33	33	33
Estimated additional expenditures (thousands):					
Personal services	\$280	\$490	\$500	\$510	\$520
All other	480	3,260	13,500	15,840	7,350
Total estimated additional expenditures	760	3,750	14,000	16,350	7,870

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., June 8, 1976.

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 a bill, H.R. 13097, to authorize engineering investigation, stabilization, and rehabilitation of the Leadville mine drainage tunnel and the construction of facilities for the treatment of the drainage effluent.

We recommend that the Committee defer action on the bill at this time, pending further review by the Department and the Administration of various alternative solutions now under consideration. The regional office of the Bureau of Reclamation has made preliminary studies and recommendations concerning the possible solution to the existing public safety and water quality problems at the Leadville mine drainage tunnel. The Administration has not yet had time to establish its position with respect to the potential options, and further consideration is needed by the Department and among Administration agencies. We estimate that satisfactory review can be completed in about 2 months.

The bill would authorize and require the Secretary of the Interior to undertake investigations and to establish and implement stabilization and rehabilitation measures for the Leadville mine drainage tunnel in Colorado. The bill would also require the construction of water treatment facilities to improve the quality of the tunnel drainage effluent. Plugging the tunnel in lieu of rehabilitation would be an authorized option under the proposal. Consultation with the Governor of Colorado would be required in carrying out the investigations and rehabilitation measures. Funds are authorized in the amount of \$5,400,000 for rehabilitation, or \$12,300,000 (January 1975 prices) for plugging the tunnel, and to repay funds expended from Fryingpan-Arkansas Project appropriations, and all funds authorized would be nonreimbursable. The principal purposes of the bill are for public safety and water quality.

The Leadville drainage tunnel was constructed by the Bureau of Mines beginning during World War II as a war measure for the primary purpose of providing continuous water drainage of certain mines in the Leadville mining district to make available mineral resources in the district for the war effort. It was believed that without the tunnel, complete exploitation of the mines in the district could not be realized. Work began on the tunnel in December 1943, but was slowed by unexpectedly poor underground conditions. In 1945 the war ended, and after the first 6,600 feet had been driven, appropriations were exhausted and tunneling was abandoned. After the Korean War broke out, further appropriations were authorized and tunneling resumed, continuing until March, 1952, when the tunnel was completed to its total length of 11,299 feet. Little production or exploration has occurred in the district since World War II. Until 1959, the Bureau of Mines continued a minimal maintenance program on the tunnel, including the construction of a concrete lining in the first 100 feet.

In 1959, the tunnel was transferred from General Services Administration's surplus property list to the Bureau of Reclamation with

the expectation that water from the tunnel could be used for Reclamation project purposes. The transfer agreement contained the proviso, ". . . the Bureau of Reclamation has no present intention of spending any funds for operation and maintenance of the tunnel."

The expectations of the Bureau of Reclamation concerning use of water from the tunnel have not been fulfilled. Measurements of the quantity of water have shown that only 4 ft³/s are available and the water presently contains metallics. A water right claim filed by the Bureau with the Colorado State Engineer many years ago has not been adjudicated, and it will not be possible to obtain a water right to tunnel flows unless they can be shown to be independent of the Arkansas River.

Because of the lack of maintenance, the condition of the tunnel has deteriorated. The first 630 feet of tunnel are in unconsolidated glacial moraine and terrace gravels. As the timber sets and lagging rotted away, cave-ins developed. Collapsed areas appeared at the surface as sinkholes, some of which were as much as 30 feet deep. One such sinkhole developed less than 15 feet from State Highway 91 which crosses the tunnel approximately 525 feet from the outlet. (Both the tunnel under the highway and the sinkhole were subsequently back-filled under emergency measures).

Caving of the tunnel has also impeded the natural flow of water from the tunnel, with the result that the water table in the glacial moraine above the tunnel, which has been monitored through observation wells, has shown a marked rise in recent years. It is feared that too much of a rise might create an unstable condition above the tunnel and could endanger a trailer court downstream from the tunnel portal, as well as the highway.

Since 1959, the Bureau of Reclamation has expended nearly \$330,000 for surveillance and to provide temporary measures for public safety. These measures have included acquiring 8.0 acres of land, providing protective fencing, filling sinkholes and about 450 feet of the tunnel, installing observation wells, and installing and operating a pump to lower ground water levels affected by tunnel blockage.

A point source discharge permit (National Pollution Discharge Elimination System) for the Leadville mine drainage tunnel has been issued by the Environmental Protection Agency pursuant to the Federal Water Pollution Control Act Amendments of 1972 (Public Law 92-500). Because of the heavy metals presently in the drainage outflow from the tunnels, the water may require treatment to comply with the effluent standards as established by the permit. Reclamation has been performing water quantity and quality monitoring of the drainage effluent to assist in developing a solution to the water quality problem.

Several approaches have been considered to solve the safety and water problems. Proposals that have been investigated by Reclamation include rehabilitation of the first 1,000 feet of tunnel with a 8-foot horseshoe-shaped concrete lining, at an estimated cost of \$2.2 million. (Bureau of Reclamation and Bureau of Mines engineering personnel believe there is little public safety threat presented by the tunnel beyond 1,000 feet). This would remove hazards of sinkholes appearing on the surface above the tunnel and prevent water buildup and thus alleviate dangers caused by the accumulation of water behind blocked areas in the tunnel. It would not necessarily restore access to the

entire length (approximately 2 miles) of the tunnel. However, by providing substantially unrestricted access to the first 1,000 feet, this plan would facilitate further work in the tunnel at some future time if desired to accommodate the resumption of mining operations in the area.

A possible variation of this plan, if it were not necessary to maintain unrestricted access to the tunnel, would be to construct either a 6-foot-diameter steel liner plate tunnel (which is feasible) or a small drainage pipe (if found feasible) which could be installed in the first 1,000 feet at less cost. We estimate the 6-foot-diameter steel liner plate tunnel could be installed in the first 1,000 feet for \$1.7 million.

If found feasible to do so, a smaller drainage pipe might be installed for even less cost, in conjunction with packing additional gravel in the tunnel as was done earlier on an emergency basis.

Another possibility which has been considered is to drill an entirely new tunnel adjacent to the existing one, to intersect the existing one at a depth of 1,000 feet. This would provide the same relief as the above plans for the problems of water buildup, and could be easier because it would not be necessary to deal with existing collapses, backfilling, old timbers and rails, and other residues and problems that will be encountered in rehabilitating the old tunnel to a depth of 1,000 feet. This plan may not, however, adequately solve the problem of filling existing sinkholes and preventing future ones over the old tunnel.

The foregoing alternatives appear appropriate for further consideration to carry out the objectives of the bill which are to provide for public safety and water quality improvement.

We also propose further consideration of possibilities for joint and non-Federal participation in plans for rehabilitation and continued maintenance of the tunnel. Inasmuch as there is little Federal interest in continued maintenance of the tunnel, and interests other than the United States will be served by rehabilitating the tunnel, particularly if opportunity for mining use is to be provided, we believe there is opportunity for non-Federal participation. Accordingly, we believe that any legislation should provide for specific authority for the Secretary to transfer all or parts of the existing tunnel and such other associated interests of the United States to a non-Federal entity, such as the State of Colorado, for administration, operation and maintenance.

Another proposal is to plug the first 6,000 feet of the tunnel completely to eliminate the drainage discharge. This is specifically mentioned in the proposed bill and would fully solve any future safety and maintenance problems now associated with the tunnel, but it would be very costly, at an estimated \$13 million at 1976 prices, and would have other detrimental effects as well. It would preclude the possibility of any future use of the tunnel. It might cause reflooding of mines drained or flooding of new areas and the pollution of the Leadville municipal water supply. The Department recommends against adoption of this plan.

Another plan has been suggested by the State of Colorado and others which would call for rehabilitation and maintenance of the entire tunnel. This would anticipate possible future mining in the area and would, of course, go beyond the safety and water quality objectives of the bill. The total cost of this plan has not been estimated and could not be without further work and access to the tunnel, but it would be considerably more costly than limited rehabilitation and might well be even more costly than plugging the tunnel. While future mining operations in the area are entirely possible, we believe that, based on market conditions and projections, any substantial resumption of mining in the area is unlikely for the near future. Consideration of rehabilitation of the entire tunnel should await the development of more specific plans for mining the area. Moreover, any such rehabilitation should be undertaken with the financial participation and support of other interested parties such as the State and the mining developers who would benefit from the tunnel.

Any plan adopted should include provisions covering improvement of water quality. We believe that further studies must be made before a good plan of water treatment acceptable to the Environmental Protection Agency can be developed.

The possibility exists that the water quality problem might substantially improve if the tunnel blockage is removed. The concentration of metal residues in the water may be caused by the fact that the water buildup in the tunnel and adjacent grounds allow for prolonged contact of the water with the metallic substances. If the blockage is removed, the buildup eliminated, and the water is allowed to flow freely, without the prolonged underground contact, the quality of the drainage effluent may improve.

Consequently, we believe that authorizing the construction of water treatment facilities would be premature at this time under any alternative which we might recommend. After the impounded water is drained off, monitoring of the outflow from the tunnel would determine whether a water treatment facility is in fact needed, and if so, what kind of treatment would be required. Without this kind of study, we cannot give a good estimate of the cost of a water treatment facility, but a preliminary estimate would be about \$2 million. We estimate the annual cost of such monitoring to be \$40,000.

Reclamation has obligated approximately \$330,000 for emergency safety work on the tunnel using funds from the Fryingspan-Arkansas Project. Consideration should be given to reimbursement of these funds.

When we have completed the review process, we would be happy to discuss appropriate legislation with the Committee.

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.

LEADVILLE MINE DRAINAGE TUNNEL—ESTIMATED ADDITIONAL MAN-YEARS OF CIVILIAN EMPLOYMENT AND EXPENDITURES FOR THE 1ST 5 YR OF PROPOSED NEW OR EXPANDED PROGRAM

	1st yr	2d yr	3d yr	4th yr	5th yr
Estimated additional man-years of civilian employment:					
Executive direction:					
Executive.....					
Stenographic.....					
Total, Executive Direction.....					
Administrative services and support:					
Clerical.....					
Property management.....					
Total, administrative services and support.....					
Substantive (program):					
Engineering aids.....					
Engineers.....	3	3	2		
Total, substantive.....	3	3	2		
Total estimated additional man-years of civilian employment.....	3	3	2		
Estimated additional expenditures:					
Personal Services.....	\$75,000	\$75,000	\$50,000		
All others.....	525,000	1,725,000	300,000		
Total estimated additional expenditures.....	600,000	1,800,000	350,000		

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., June 15, 1976.

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. 4923, a bill "To authorize the Secretary of the Interior to construct, operate, and maintain the McGee Creek project, Oklahoma, and for other purposes."

We oppose enactment of H.R. 4923 and recommend that further consideration be delayed until the feasibility report on the project has been completed, reviewed, and approved.

H.R. 4923 would authorize the Secretary of the Interior to construct, operate, and maintain the McGee Creek project, Oklahoma. Construction funds of \$40 million, based on January 1975 prices, would be authorized to be appropriated, with a provision for adjustment due to cost fluctuations. The project would be built under the Federal reclamation laws for the purposes of storing, regulating, and conveying water for municipal and industrial use, conserving and developing fish and wildlife resources, providing outdoor recreation opportunities, developing a scenic recreation area, and controlling floods. The Secretary would also be authorized to purchase up to 20,000 acres of private land necessary to develop a scenic recreation area adjacent to McGee Creek and to construct appropriate facilities, make rules and regulations, and enter into agreements for the planning and management of the recreation area.

Customary financial and cost-sharing provisions are also included in the bill, except that costs of lands and facilities for developing the scenic recreation area would be nonreimbursable.

Additionally, H.R. 4923 would require a suitable contract for delivery of water and for repayment of all reimbursable construction costs, executed by the Secretary, before commencement of the project. The contract could be entered into without regard to the last sentence of section 9, subsection (c), of the Reclamation Project Act of 1939, which states: ". . . No contract relating to municipal water supply or miscellaneous purposes or to electric power or power privileges shall be made unless, in the judgment of the Secretary, it will not impair the efficiency of the project for irrigation purposes. . . ."

H.R. 4923 would require the Secretary to transfer to a qualified contracting entity the care, operation, and maintenance of the project works after executing such contract and completion or construction. H.R. 4923 would also provide for annual reimbursement to such qualified entities and their designees would have a permanent right to use the reservoir and related facilities in accordance with the contract.

The McGee Creek project was authorized for study by Public Law 93-122, dated October 9, 1973. A feasibility report on a plan of development for the project is scheduled for completion in June 1977. Further work on the proposed feasibility report will require consideration of areas that might be added to the National Wildlife Refuge System, Indian water rights, mineral studies, among other matters. A final environmental impact statement must also be prepared pursuant to the National Environmental Policy Act of 1969.

The Federal Water Project Recreation Act of 1965 (Public Law 89-72, section 31b) requires a 50 percent share of the costs of land, facilities, and project modifications for recreation enhancement be contributed by non-Federal interest. We know of no reason for changing this statutory arrangement in H.R. 4923.

Likewise, we do not believe that H.R. 4923 should be exempt from the provisions of the last sentence of section 9, subsection (c), of the Reclamation Project Act of 1939.

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,

CHRIS FARRAND,
Acting Assistant Secretary of the Interior.

DEPARTMENT OF THE INTERIOR

Subject Matter: Bill to authorize construction of McGee Creek Project, Oklahoma

Estimated additional man-years of civilian employment and expenditures for the first 5 years of proposed new or expanded program:

	1st yr	2d yr	3d yr	4th yr	5th yr
Estimated additional man-years of civilian employment:					
Executive direction:					
Executive.....	1	1	1	1	1
Stenographic.....	1	1	1	1	1
Total, executive direction.....	2	2	2	2	2
Administrative services and support:					
Clerical.....	2	4	6	6	5
Property management.....		1	1	1	1
Total, administrative services and support.....	2	5	7	7	6
Substantive (program):					
Engineering aids.....	15	21	27	27	21
Engineers.....	4	6	9	9	7
Total, substantive.....	19	27	36	36	28
Total estimated additional man-years of civilian employment.....	23	34	45	45	36
Estimated additional expenditures:					
Personal services.....	\$410,000	\$600,000	\$770,000	\$800,000	\$650,000
All other.....	628,000	8,550,000	19,254,000	31,047,000	15,497,000
Total estimated additional expenditures.....	1,038,000	9,150,000	20,024,000	31,847,000	16,147,000

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

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

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

REPORT

[To accompany H.R. 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. 10537,¹ 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.

¹ 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. 3539 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.....	465,000
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 relift 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
New money cost	25,570,000
Plus interest during construction	3,207,000
Investment cost	28,777,000
Annual equivalent at 5% percent discount rate	1,787,000
Plus operation and maintenance	160,000
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
Total	3,419,000
Less adverse effects	9,000
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
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-Herleid, 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.³/s). The currently estimated maximum inflow design flood (IDF) under the most extreme circumstances would have a peak flow of about 106,700 ft³/s. The addition of an auxiliary spillway, with a design capacity of 69,200 ft³/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 ft³/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 ft³/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 ft³/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 ft³/s, which, when combined, with the 29,300 ft³/s remaining in the modified concrete spillway making a total capacity of 98,500 ft³/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.

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.

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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 relief 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	
Total.....	51,577,000	
Less preauthorization costs.....	560,000	
Less project interest.....	4,020,000	
Costs to be allocated.....	47,557,000	
Irrigation.....	46,973,000	98.7
Fish and wildlife.....	322,000	.7
Recreation.....	262,000	.6
Total.....	47,557,000	100.0

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 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.

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.

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AUTHORIZING CONSTRUCTION OF OROVILLE-TONASKET UNIT EXTENSION, CHIEF JOSEPH DAM PROJECT, WASHINGTON

AUGUST 5, 1976.—Ordered to be printed

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

REPORT

[To accompany S. 3283]

The Committee on Interior and Insular Affairs, to which was referred the bill (S. 3283) to authorize the Secretary of the Interior to construct, operate, and maintain the Oroville-Tonasket unit extension, Okanogan-Similkameen division, Chief Joseph Dam project, Washington, and for other purposes, having considered the same, reports favorably thereon with amendments to the text and recommends that the bill (as amended) do pass.

The amendments are as follows:

1. Page 3, line 20, insert the following after "(80 Stat. 707).":

The aforesaid contract shall provide that irrigation costs properly assigned to privately owned recreational lands shall be repaid in full within fifty years with interest.

2. Page 5, line 5, insert a new section 7 numbering the remaining section accordingly.

SEC. 7. The provisions of the third sentence of section 46 of the Act of May 25, 1926 (44 Stat. 649, 560), and any other similar provisions of Federal reclamation laws as applied to the Oroville-Tonasket 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 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.

3. Page 5, line 7, strike "\$35,740,000 (January 1975 prices)" and insert in lieu thereof "\$39,370,000 (January 1976 prices)".

PURPOSE OF THE MEASURE

The purpose of S. 3283 which was introduced on April 9, 1976 by Senators Jackson and Magnuson of Washington State, is to authorize the construction, operation, and maintenance of the Oroville-Tonasket Unit Extension, Okanogan-Similkameen Division, Chief Joseph Dam Project in north central Washington State. Efforts undertaken will consist of replacement of an existing irrigation diversion and distribution system thereby increasing reliability of water service to 10,000 acres of productive agricultural lands and contributing to a substantial water saving as well as enhancement of fish habitat and water quality.

BACKGROUND AND NEED

In 1911, landowners in the Upper Okanogan Valley in north central Washington State joined together to form the West Okanogan Valley Irrigation District which later was expanded and became the Oroville-Tonasket Irrigation District. The main service canal was constructed in 1916 and additional service canals were constructed as additional lands were brought under irrigation. Major replacement of District facilities were made by the Works Progress Administration in 1940 and 1942. Additional repairs to the system were made by the Bureau of Reclamation in 1968.

In spite of the rehabilitation efforts, many of the facilities currently in use consist of wood flumes, wood-stave pipe, unlined canals, and deteriorated concrete canals. Some of the facilities still in use are over forty years old and contribute to water losses of 40% within the system. In addition, present diversion structures are subject to damage from periodic flooding and unstable soil conditions.

Water deliveries are not reliable and failure of the existing system at a crucial time during the irrigation season would be disastrous for approximately 10,000 acres of exceptionally high quality irrigated lands and would have a serious adverse impact upon the local economy.

Pursuant to Public Law 89-561, the Bureau of Reclamation has conducted a feasibility investigation of the replacement of the existing Oroville-Tonasket Irrigation District facilities.

DESCRIPTION OF THE PROJECT

Six pumping plants—one on the Similkameen River and five on the Okanogan—will lift irrigation water into eight adjacent closed pipe distribution systems. A series of thirteen relift pumping plants will provide pressure to serve higher benchlands. The distribution system will consist of 110 miles of pipe ranging from 33 to 4 inches in diameter.

Fishery enhancement will be accomplished by providing access to forty miles of potential spawning and rearing areas in the Similkameen River above the existing Enloe Dam and retention of certain existing irrigation canals which have potential as future fishery enhancement facilities. Enloe Dam and powerhouse were constructed in the early

1920's but use was discontinued in the early 1950's. Alternatives for providing fish passage at Enloe Dam include dam removal or fish laddering. It is expected that dam removal and/or laddering will be reevaluated during the advanced planning process by the Bureau of Reclamation.

FINANCIAL AND ECONOMIC ANALYSIS

The total estimated construction cost of the Oroville-Tonasket Unit Extension is \$39,370,000, based on January 1976 prices. In the economic analysis prepared for determining the feasibility of the project the construction cost is adjusted to include \$1,187,000 which represents the share of the cost of the Federal Columbia River Power System that will be used in supplying pumping power for operation of the unit. The allocation of the resultant project costs excluding interest during construction is as follows:

Irrigation.....	\$37,891,000
Fish and wildlife.....	1,780,000
Archaeological studies.....	390,000
Preauthorization investigations.....	496,000

Construction costs allocated enhancement of anadromous fisheries will be nonreimbursable as are costs of preauthorization investigations and archeological studies.

Annual operation, maintenance, replacement, and power costs associated with the project are estimated to be \$236,000. Of the costs allocated to irrigation, the local beneficiaries would repay all operation and maintenance costs as well as replacement and power costs as well as about 34% of the investment costs. The balance of the allocated irrigation costs would be repaid from net revenues of the Federal Columbia River Power System. The economic analysis presented by the Department indicates that the project has a benefits to costs ratio of 1.95 to 1.

LEGISLATIVE HISTORY

A hearing to take public and Administration testimony on S. 3283 was held before the Energy Research and Water Resources Subcommittee of the Senate Committee on Interior and Insular Affairs on May 6, 1976. A hearing on a companion measure, H.R. 8777, was held on May 4, 1976, before the Water and Power Resources Subcommittee of the House Committee on Interior and Insular Affairs. Authorization of the Oroville-Tonasket project was subsequently included in H.R. 14578, which was reported to the floor of the House on August 3, 1976.

COMMITTEE RECOMMENDATION AND TABULATION OF VOTES

The Senate Committee on Interior and Insular Affairs, in open business session on August 4, 1976, by unanimous vote of a quorum present recommends that the Senate pass S. 3283, if amended as described herein.

COMMITTEE AMENDMENTS

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

The first amendment, page 3, line 20 of the original bill provides that irrigation costs properly assigned to privately owned recreational lands shall be repaid with interest. This amendment reflects testimony received during the May 6 hearing in that non-agricultural use of water delivered by the facilities should be repaid utilizing the customary formula as applicable to municipal and industrial water supply features associated with reclamation projects.

The second amendment, page 5, line 5 of the original bill, adds a new Section 7 providing a Class I Equivalency for land ownerships to be served by project facilities. This means that the Secretary of the Interior may permit certain ownerships in excess of 160 acres in the area to receive project water. This flexibility is encouraged because of the relatively high altitude of associated project lands and other physical or climatological features which may effect agricultural production.

The third amendment, page 5, line 7 of the original bill reflects Departmental testimony concerning the present estimated costs for construction of the Oroville-Tonasket Unit Extension.

COST AND BUDGETARY CONSIDERATIONS

Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office prepared a five-year cost estimate for the expenditures authorized by S. 3283 and the construction of the Oroville-Tonasket Unit Extension. It is assumed that construction would not be initiated until fiscal year 1978 at the earliest, and cost estimates have been adjusted to reflect expected future increases.

Fiscal year:	Expenditures (millions)
1978.....	\$0.40
1979.....	.90
1980.....	3.00
1981.....	5.60
1982.....	9.90
Remainder.....	19.60

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

S. 3283, as reported by the Committee, would authorize the appropriation of \$39,370,000, based on January 1976 price levels.

EXECUTIVE COMMUNICATIONS

The report of the Department of the Interior is set forth in full as follows:

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., May 4, 1976.

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 with respect to S. 3283, a bill "To authorize the Secretary of the Interior to construct, operate, and maintain the

Oroville-Tonasket Unit Extension, Okanogan-Similkameen Division, Chief Joseph Dam Project, Washington, and for other purposes."

We are opposed to consideration of the bill at this time.

The proposed feasibility report on the Oroville-Tonasket Unit Extension is presently undergoing the 90 day review by Federal agencies, the Columbia River Basin States, and other interested entities. A draft environmental statement has been filed with the Council on Environmental Quality and also is under review. Until the final report has been reviewed and processed in accordance with established procedures and forwarded to the Congress, we are unable to make any recommendations with respect to the enactment of S. 3283.

We wish to stress the undesirability of commenting on, or making recommendations on, proposed legislation for reclamation projects before the related feasibility studies have been completed pursuant to statutory requirements. Until the feasibility report is completed and reviewed, we cannot make soundly based recommendations or comments. It is clearly important that statutory review requirements be followed so that affected States and other administrative agencies be given the opportunity to comment on our proposed feasibility report, and the report which we finally submit to the Congress reflects their views.

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,
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 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 Authorizations Act of 1976.

TITLE I

KANOPOLIS UNIT, KANSAS

SEC. 101. The Kanopolis 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 part of that project. The construction, operation, and maintenance of the Kanopolis unit for the purposes of providing irrigation water for approximately twenty thousand acres of land, municipal and industrial water supply, fish and wildlife conservation and development, environmental preservation, and other purposes shall be prosecuted by the Secretary of the Interior in collaboration with the Secretary of the Army acting through the Chief of Engineers, in accordance with the Federal reclamation laws (Act of June 17, 1902; 32 Stat. 338, and Acts amendatory thereof or supplementary thereto). The principal features of the Kanopolis unit shall include the modification of the existing Kanopolis Dam and Lake, an irrigation diversion structure, the Kanopolis north and south canals, laterals, drains, and necessary facilities to effect the aforesaid purposes of the unit.

SEC. 102. Upon expiration of existing leases for agricultural use of publicly owned lands, in the Kanopolis Reservoir area, the Secretary of the Army is authorized to enter into a management agreement covering said lands with the Kansas Forestry, Fish and Game Commission. The Secretary of the Army is further authorized to include provisions in such operating agreements whereby revenues deriving from future use of said reservoir lands for agricultural purposes may be retained by the game commission to the extent that they are utilized for wildlife management purposes at Kanopolis Reservoir.

SEC. 103. The Kanopolis 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 irrigator's ability to repay as determined by the Secretary of the Interior, and the terms of such contract shall not exceed fifty years following the permissible development period. Repayment contracts for the return of costs allocated to municipal and industrial water supply shall be under the jurisdiction of the Secretary of the Army, and such contracts shall be prerequisite to the initiation of construction of facilities authorized by this title. Costs allocated to environmental preservation and fish and wildlife shall be nonreimbursable and nonreturnable under Federal reclamation law.

SEC. 104. 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 (63 Stat. 1051; 7 U.S.C. 1421), 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 (62 Stat. 1251), as amended, unless the Secretary of Agriculture calls for an increase in production of such commodity in the interest of national security.

SEC. 105. The interest rate used for computing interest during construction and interest on the unpaid balance of the reimbursable costs of the Kanopolis 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 nor callable for fifteen years from date of issue.

SEC. 106. 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 Kanopolis unit, Pick-Sloan Missouri Basin program, 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.

SEC. 107. There is hereby authorized to be appropriated for fiscal year 1978 and thereafter, for construction of the Kanopolis unit, the sum of \$30,900,000 (January 1976 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. Of the funds authorized to be appropriated by this section, the Secretary of the Interior shall transfer to the Secretary of the Army all except those required for post-authorization planning, design, and construction of the single use irrigation facilities of the unit, and the Secretary of the Army shall utilize such transferred funds for implementation of all other aspects of the authorized unit. There are also authorized to be appropriated such sums as may be required for operation and maintenance of the works of said unit.

TITLE II

OROVILLE-TONASKET UNIT, WASHINGTON

SEC. 201. For purposes of supplying water to approximately ten thousand acres of land and for enhancement of the fish resource of the Similkameen, Okanogan, and Columbia Rivers and the Pacific Ocean, the Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized to construct, operate, and maintain the Oroville-Tonasket unit extension, Okanogan-Similkameen division, Chief Joseph Dam project, Washington, in accordance with the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto). The principal works of the Oroville-Tonasket unit extension (hereinafter referred to as the project) shall consist of pumping plants, distribution systems; necessary works incidental to the rehabilitation or enlargement of portions

of the existing irrigation system to be incorporated in the project; drainage works; and measures necessary to provide fish passage and propagation in the Similkameen River. Irrigation works constructed and rehabilitated by the United States under the Act of October 9, 1962 (76 Stat. 761) and which are not required as a part of the project shall be dismantled and removed with funds appropriated hereunder and title to the lands and right-of-way thereto which were conveyed to the United States shall be reconveyed to the Oroville-Tonasket Irrigation District. All other irrigation works which are a part of the Oroville-Tonasket Irrigation District's existing system and which are not required as a part of the project or that do not have potential as rearing areas for fish shall be dismantled and removed with funds appropriated hereunder.

SEC. 202. The Secretary is authorized to terminate the contract of December 26, 1964, between the United States and the Oroville-Tonasket Irrigation District and to execute new contracts for the payment of project costs, including the then unpaid obligation under the December 26, 1964, contract. Such contracts shall be entered into pursuant to section 9 of the Act of August 4, 1939 (53 Stat. 1187). The term of such contract shall be fifty years, exclusive of any development period authorized by law. The contracts for irrigation water may provide for the assessment of an account charge for each identifiable ownership receiving water from the project. Such charge, together with the acreage or acre-foot charge, shall not exceed the repayment capacity of commercial family-size farm enterprises as determined on the basis of studies by the Secretary. Project construction costs covered by contracts entered into pursuant to section 9(d) of the Act of August 4, 1939, as determined by the Secretary, and which are beyond the ability of the irrigators to repay shall be charged to and returned to the reclamation fund in accordance with the provisions of section 2 of the Act of June 14, 1966 (80 Stat. 200), as amended by section 6 of the Act of September 7, 1966 (80 Stat. 707). The aforesaid contract shall provide that irrigation costs properly assignable to privately owned recreational lands shall be repaid in full within fifty years with interest.

SEC. 203. Power and energy required for irrigation water pumping for the project, including existing irrigation works retained as a part of the project, shall be made available by the Secretary from the Federal Columbia River power system at charges determined by him.

SEC. 204. The provision of lands, facilities, and any project modifications which furnish fish and wildlife benefits in connection with the project shall be in accordance with the Federal Water Project Recreation Act (79 Stat. 213), as amended. All costs allocated to the anadromous fish species shall be nonreimbursable.

SEC. 205. For a period of ten years from the date of enactment of this title, no water from the project 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 (63 Stat. 1051; 7 U.S.C. 1421), 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 (62 Stat. 1251; 7 U.S.C. 1301), as amended, unless the Secretary of Agriculture calls for an increase in production of such commodity in the interest of national security.

SEC. 206. The interest rate used for purposes of computing interest during construction and, where appropriate, interest on the unpaid

balance of the reimbursable obligations assumed by non-Federal entities 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 from fifteen years from the date of issue.

SEC. 207. 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 Oroville-Tonasket 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 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.

SEC. 208. There is hereby authorized to be appropriated for construction of the works and measures authorized by this title for the fiscal year 1978 and thereafter the sum of \$39,370,000 (January 1976 prices), plus or minus such amounts, if any, as may be required by reason of changes in the cost of construction work of the types involved therein as shown by engineering cost indexes. There are also authorized to be appropriated such sums as may be required for the operation and maintenance of the project.

TITLE III

UINTAH UNIT, UTAH

SEC. 301. Pursuant to the authorization for construction, operation, and maintenance of the Uintah unit, central Utah project, Utah, as provided in section 1 of the Act of April 11, 1956 (70 Stat. 105), as amended by section 501(a) of the Colorado River Basin Project Act (82 Stat. 897), there is authorized to be appropriated for fiscal year 1978 and thereafter, for the construction of said Uintah unit, the sum of \$90,247,000 (based on January 1976 price levels) plus or minus such amounts, if any, as may be required by reason of changes in construction costs as indicated by engineering cost indexes applicable to the type of construction involved.

SEC. 302. Notwithstanding any other provision of law, lands held in a single ownership which may be eligible to receive water from, through, or by means of the Uintah 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.

TITLE IV

AMERICAN CANAL EXTENSION, EL PASO, TEXAS

SEC. 401. The Secretary of the Interior, acting pursuant to the Federal reclamation laws (Act of June 17, 1902; 32 Stat. 388, and Acts amendatory thereof and supplementary thereto), in order to salvage water losses, eliminate hazards to public safety, and to facilitate compliance with the convention between the United States and Mexico concluded May 21, 1906, providing for the equitable division of the waters of the Rio Grande, is authorized as a part of the Rio Grande project, New Mexico-Texas, to construct, operate, and maintain, wholly within the United States, extensions of the American Canal approximately thirteen miles in total length, commencing in the vicinity of

International Dam, El Paso, Texas, and extending to Riverside Heading; together with laterals, pumping plants, wasteways, and appurtenant facilities as required to assure continuing irrigation service to the project. Existing facilities no longer required for project service shall be removed or obliterated as a part of the program herein authorized.

SEC. 402. Construction of the American Canal extension shall not be undertaken until the Secretary of the Interior has entered into a repayment contract with the El Paso County Water Improvement District Number 1, in which said irrigation district contracts to repay to the United States, for fifty years, an annual sum representing the value of eleven thousand six hundred acre-feet of salvaged water at a price per acre-foot established by the Secretary on the basis of an up-to-date payment capacity determination. Costs of the American Canal in excess of those repaid by the El Paso County Water Improvement District Number 1 shall be nonreimbursable and nonreturnable in recognition of benefits accruing to public safety and international considerations.

SEC. 403. There is hereby authorized to be appropriated for fiscal year 1978 and thereafter for construction of the American Canal extension the sum of \$21,714,000 (January 1976 price levels), plus or minus such amounts, if any, as may be required by reason of changes in the cost of construction work of the types involved therein as shown by engineering cost indexes. There are also authorized to be appropriated such sums as may be required for the operation and maintenance of the project.

TITLE V

ALLEN CAMP UNIT, CALIFORNIA

SEC. 501. For the purposes of providing irrigation water supplies, controlling floods, conserving and developing fish and wildlife resources, enhancing outdoor recreation opportunities, and for other related purposes, the Secretary of the Interior, acting pursuant to the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388 and Acts amendatory thereof or supplementary thereto), is authorized to construct, operate, and maintain the Allen Camp unit, Pit River division, as an addition to, and an integral part of, the Central Valley project, California. The principal works of the unit shall consist of Allen Camp Dam and Reservoir and necessary water diversion, conveyance, distribution, and drainage facilities, and other appurtenant works for the delivery of water to the unit, a wildlife refuge, channel rectification works and levees, and recreation facilities.

SEC. 502. Subject to the provisions of this title, the operation of the Allen Camp unit shall be integrated and coordinated, from both a financial and an operational standpoint, with the operation of other features of the Central Valley project in such manner as will effectuate the fullest, most beneficial, and most economic utilization of the water resources hereby made available.

SEC. 503. Notwithstanding any other provision of law, lands held in a single ownership which may be eligible to receive water from, through, or by means of the Allen Camp 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.

SEC. 504. The costs of the Allen Camp unit allocated to flood control, conservation and development of fish and wildlife resources, and the enhancement of recreation opportunities shall be nonreimbursable.

SEC. 505. The Secretary is hereby authorized to replace those roads and bridges now under the jurisdiction of the Secretary of Agriculture

which will be inundated or otherwise rendered unusable by construction and operation of the unit. Said replacements are to be the standards (including provisions for the future) which would be used by the Secretary of Agriculture in constructing similar roads to provide similar services.

SEC. 506. 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 (63 Stat. 1051; 7 U.S.C. 1421), 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 (62 Stat. 1251), as amended, unless the Secretary of Agriculture calls for an increase in production of such commodity in the interest of national security.

SEC. 507. There is hereby authorized to be appropriated for fiscal year 1978 and thereafter the sum of \$64,220,000 (January 1976 price levels) for the construction of the Allen Camp unit, plus or minus such amounts as are justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the construction of works related to the Allen Camp unit. There are also authorized to be appropriated such sums as may be required to operate and maintain said unit and associated facilities.

TITLE VI

LEADVILLE MINE DRAINAGE TUNNEL, COLORADO

SEC. 601. The Secretary of the Interior is authorized to rehabilitate the federally owned Leadville Mine drainage tunnel, Lake County, Colorado, by installing a concrete-lined, structural steel-supported, eight-foot-diameter, horseshoe-shaped tunnel section extending for an approximate distance of one thousand feet inward, from the portal of said tunnel or for the distance required to enter structurally competent geologic formations. The Secretary is further authorized to maintain the rehabilitated tunnel in a safe condition and to monitor the quality of the tunnel discharge.

SEC. 602. There is authorized to be appropriated for fiscal year 1978 and thereafter \$2,750,000 (January 1976 price levels) for the rehabilitation of the tunnel. There is also authorized to be appropriated such sums as are necessary for maintenance of the rehabilitated tunnel, water quality monitoring and investigations leading to recommendations for treatment measures if necessary to bring the quality of the tunnel discharge into compliance with applicable water quality statutes. All funds authorized to be appropriated by this title, together with such sums as have been expended for emergency work on the Leadville Mine drainage tunnel by the Bureau of Reclamation, shall be nonreimbursable.

TITLE VII

M'GEE CREEK PROJECT, OKLAHOMA

SEC. 701. The Secretary of the Interior is authorized to construct, operate, and maintain the McGee Creek project, Oklahoma, in accordance with the Federal Reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto) and the

provisions of this title for the purposes of storing, regulating, and conveying water for municipal and industrial use, conserving and developing fish and wildlife resources, providing outdoor recreation opportunities, developing a scenic recreation area, developing a wildlife management area and controlling floods. The principal physical works of the project shall consist of a dam and reservoir on McGee Creek, appurtenant conveyance facilities and public outdoor recreation facilities.

SEC. 702. To provide for the protection, preservation, use, and enjoyment by the general public of the scenic and esthetic values of the canyon area adjacent to the upper portion of the McGee Creek Reservoir, the Secretary of the Interior is hereby authorized to purchase privately owned lands, not to exceed twenty thousand acres, for the aforesaid scenic recreation and wildlife management areas. The Secretary of the Interior is also authorized to construct such facilities as he determines to be appropriate for utilization of the scenic and wildlife management areas for the safety, health, protection, and compatible use by the visiting public.

SEC. 703. The Secretary of the Interior shall make such rules and regulations as are necessary to carry out the provisions and intent of section 702 of this title and may enter into an agreement or agreements with a non-Federal public body or bodies for operation and maintenance of the scenic recreational and wildlife management areas.

SEC. 704. The interest rate used for computing interest during construction and interest on the unpaid balance of the reimbursable costs of the project shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction of the project is commenced, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations which are neither due nor callable for redemption for fifteen years from date of issue.

SEC. 705. (a) The Secretary of the Interior is authorized to enter into a contract with a qualified entity or entities, for delivery of water and for repayment of all the reimbursable construction costs. All costs of acquiring, developing, operating, and maintaining the scenic recreation and wildlife management areas authorized by section 702 of this title shall be nonreimbursable.

(b) Construction of the project shall not be commenced until the contracts and agreements required by this title have been entered into.

(c) Upon execution of the contract referred to in section 705(a) of this title, and upon completion of construction of the project, the Secretary of the Interior shall transfer to a qualified contracting entity or entities the care, operation, and maintenance of the project works; and, after such transfer is made, will reimburse, subject to such amounts as may be provided in the appropriation Acts, the contractor annually for that portion of the year's operation and maintenance costs, which, if the United States had continued to operate the project, would have been nonreimbursable. Prior to assuming care, operation, and maintenance of the project works the contracting entity or entities shall agree to operate them in accordance with regulations prescribed by the Secretary of the Army with respect to flood control, and by the Secretary of the Interior with respect to fish, wildlife, and recreation.

(d) Upon execution of the contract referred to in section 705(a) of this title, and upon completion of construction of the project, the contracting entity or entities, their designee or designees, shall have a permanent right to use the reservoir and related facilities of the McGee Creek project in accordance with said contract.

SEC. 706. The conservation and development of the fish and wildlife resources, and the enhancement of recreation opportunities in connection with the McGee Creek project, except the scenic recreation and wildlife management areas authorized by section 702 of this title, shall be in accordance with provisions of the Federal Water Project Recreation Act (79 Stat. 213), as amended.

SEC. 707. There is hereby authorized to be appropriated for fiscal year 1978 and thereafter, for construction of the McGee Creek project the sum of \$83,239,000 (January 1976 price levels), plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the type of construction involved herein. There are also authorized to be appropriated such additional sums as may be required for the operation and maintenance of the project.

Speaker of the House of Representatives.

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