Mr. Chairman, we are appearing today to present our views on S. 2779, a bill to authorize the Secretary of the Interior to construct necessary drainage works for the Vernal Unit of the Central Utah Project and the Emery County Project, both participating projects of the Colorado River Storage Project, authorized by the act of April 11, 1956.

We recommend enactment of the bill, provided it is amended as outlined in the Department's letter on this matter.

Construction of the Vernal Unit began in 1959 and the Emery County Project in 1962. The first supply of supplemental irrigation water was delivered to the Vernal Unit in 1962, and to the Emery County Project in 1966. Since that time, the acreage requiring drainage has increased and the cost of drainage work has risen. Drainage facilities have not been completed primarily because of the limitation on drainage expenditures placed in the repayment contracts for these projects. As a result, the originally contemplated project benefits have not fully materialized and the ability of the water users to continue making full payments under existing contracts is jeopardized.
We have reviewed this situation and conclude that the proposed drainage facilities are necessary to sustain crop production. A preliminary review of the payment capacity for each of the projects indicate that the water users have limited, if any, ability to repay the additional drainage costs.

**VERNAL UNIT**

The Vernal Unit repayment contract of July 14, 1958, with the Uintah Water Conservancy District established the repayment obligation of the water users at $1,500,000, including drainage facilities at a cost not to exceed $675,000. Adequate drainage facilities have been completed for about 1,250 acres within the contract limitations of $675,000. Further construction has now stopped. Additional drainage facilities estimated at $1,325,000 are needed. The increased cost over the original estimate is due to: (1) The amount of land requiring drainage has increased to 3,700 acres; (2) the spacing of drains on part of the area must be at intervals of 800 feet rather than 1,600 feet as originally planned; and (3) construction cost indices have increased substantially since 1957.

If the additional drainage facilities are not provided, it is estimated that about 1,050 acres of class 1 and 2 lands will lose productivity in about 5 years and that about 1,400 acres of potential class 2 land, now in wet pasture, will be limited to that kind of
forage production rather than go into higher productivity. These factors have seriously reduced the ability of the water users to pay their present obligation for construction and annual operation and maintenance costs, and will jeopardize continuity of the water resource investment.

**EMERY COUNTY PROJECT**

The repayment contract of May 15, 1962, as amended, with the Emery Water Conservancy District established the repayment obligation of the water users at $2,433,600. That amount included drainage facilities not to exceed $990,000.

Drainage facilities have been completed for about 900 acres. Additional facilities are needed but cannot be constructed because the cost ceiling has been reached. It is estimated that the remaining drainage system to provide adequate drainage for the project, as originally intended, will cost approximately $1,210,000 at current prices.

The increase in the estimated cost of the drainage system is due to (1) an increase of the lands requiring drainage to 2,500 acres, and the area will continue to increase unless drainage is accomplished, and (2) the estimated construction cost has increased substantially
since the repayment contract was signed, and the overhead cost has continued to increase because of delays in an orderly construction program.

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

GENERAL

The incremental cost for drainage works for these projects represents a relatively modest investment to sustain agricultural productivity on 33,475 irrigable acres having an irrigation allocation of about $19 million.

The additional proposed drainage costs average about $75 an irrigable acre, which would result in a total cost for drainage of about $125 per acre on all irrigable lands as compared with the original estimate of about $50 per acre. Unless the drainage works are provided, serious productivity losses will occur on the two projects.

The districts' abilities to repay the outstanding repayment obligations to the United States will be reduced. The remaining
obligations are $1,288,567 for the Vernal Unit and $2,238,400 for the Emery County Project. Failure of the farm operations on either of the projects would also impact the local agricultural economy, associated business communities, and the local tax base.

We believe the United States should complete the needed drainage facilities in order to provide benefits that support the $19 million irrigation allocation for the two projects. The lands were certified as irrigable, on the basis that drainage would be provided after the impact of project operation had been observed and the drainage requirements were more closely defined. Preliminary studies show the water users have only limited, if any, additional payment capacity to repay the increased drainage costs. If the drains are not provided, the water users probably will be unable to continue making full payments under the existing contracts.

Rights-of-way for the drainage systems should be provided by the water users at no cost to the United States. Prior to initiating construction of the additional drains, a study of repayment capacity should be finalized and a determination made on what additional costs, if any, should be repaid by the water users. The bill should be amended to provide the flexibility needed to make this determination.
The proposed bill with amendments suggested by the Department would authorize the Secretary of the Interior to construct the needed drainage facilities to the extent that he determines necessary and would permit the project area to retain its basic productivity, thus protecting the existing Federal investment. The cost of the drainage work, beyond that paid for by the water users, would be repaid from available revenues in the Upper Colorado River Basin Fund. We support the amended legislation with the understanding that rights-of-way would be provided at no cost to the United States, and the extent of the drainage program would be reviewed carefully and limited to those lands that are in critical need and should be drained to protect the Federal investment.

An environmental assessment for the proposed drainage work revealed that the drainage construction activities would not constitute a major Federal action significantly affecting the environment pursuant to the National Environmental Policy Act of 1969. Such work would, in fact, enhance project operations.

We appreciate the opportunity to appear before this committee in support of this much needed legislation.
Dear Mr. Chairman:

This responds to your request for our views concerning S. 2779, a bill "To authorize the Secretary of the Interior to construct necessary drainage works for the Vernal unit of the Central Utah project and the Emery County project, participating projects, Colorado River storage project."

We recommend enactment of the bill amended as suggested herein.

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

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

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

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

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

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

Emery County Project

Construction of the Emery County Project began in 1962. Water delivery features were completed for works originally planned to serve supplemental water to 18,775 irrigable acres. The first supply of irrigation water was delivered in 1966. The existing repayment contract of May 15, 1962, as amended, with the Emery Water Conservancy District established the repayment obligation of the water users at $2,433,600. That amount included drainage facilities necessary for project purposes, but not to exceed $990,000. The remaining irrigation cost of $7,302,368 is to be paid by power and other revenues from the UCRBF.
Drainage facilities have been completed for about 900 acres within the contract limitation. Additional facilities are needed but have not been constructed because the cost would exceed the drainage limitation of $990,000 in the repayment contract. It is estimated that the remaining drainage system to provide adequate drainage for the project, as originally intended, will cost approximately $1,210,000 at current prices.

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

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

Discussion

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

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

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

Construction of the needed drainage facilities should be completed in order to provide benefits that support the $19 million irrigation allocation for the two projects. The lands were certified as irrigable, on the basis that drainage would be provided after the impact of the project operation had been observed and the drainage requirements are more closely defined. The water users do not have additional payment capacity to repay the increased drainage costs, and unless the drains are provided the water users probably will be unable to continue making full payments under the existing contracts. However, required rights-of-way for the drainage system should be provided by the water users at no cost to the United States on the Emery County Project and on the Vernal Unit.

Our review of the projects indicates that the proposed drainage facilities are necessary to sustain crop production on those areas that are being adversely affected by perched water tables and the lack of water movement through the relatively impermeable soils. We have also made preliminary payment capacity studies for each of the projects, and in view of the current and expected price relationships for agricultural products, find that the individual water users and the districts have limited, if any, capacity to repay the additional drainage costs of $1,325,000 for the Vernal Unit and $1,210,000 for the Emery County Project. Prior to commencement of construction we would make final repayment capacity determinations with a view to determining what part of such costs should be repaid by the water users and what part from power revenues. To provide flexibility to make this determination, the bill should be amended by deleting the words on line 6 and 7 of page 2 "without increasing the repayment obligation of the water users of either project" and inserting "with repayment to be made based on ability of irrigation water users to repay as determined by the Secretary." Beyond this, the cost of the drainage work would be repaid from available revenues in the Upper Colorado River Basin Fund. With this change, we would support the proposed legislation with the understanding that rights-of-way would be provided at no cost to the United States, and the extent of the drainage program would be reviewed carefully and limited to those lands that are in critical need and should be drained to protect the Federal investment.
The Bureau of Reclamation has made an environmental assessment for the proposed drainage work and determined that the drainage construction activities would not constitute a major Federal action pursuant to the National Environmental Policy Act and an environmental impact statement pursuant to section 102(2)(C) thereof is not required.

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

Sincerely yours,

[Signature]

Assistant Secretary of the Interior

Hon. Henry M. Jackson
Chairman, Committee on Interior and Insular Affairs
United States Senate
Washington, D. C. 20510
IN THE SENATE OF THE UNITED STATES

December 5, 1973

Mr. Moss introduced the following bill; which was read twice and referred to the Committee on Interior and Insular Affairs

A BILL

To authorize the Secretary of the Interior to construct necessary drainage works for the Vernal Unit of the Central Utah project and the Emery County project, participating projects, Colorado River storage project.

1 Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

2 That the Secretary of the Interior is authorized to construct drainage facilities for the Vernal Unit of the Central Utah Project and the Emery County Project to the extent that he determines necessary for the sustained crop production on the irrigable lands of these projects. The Secretary is further authorized to negotiate and execute amendments to contract numbered 14–06–400–778, dated July 14, 1958, between
the United States and the Uintah Water Conservancy District and contract numbered 14–06–400–2427, dated May 15, 1962, between the United States and the Emery Water Conservancy District to provide for the cost of such drainage works to be paid from the Colorado River storage project with repayment to be made based on ability of the basin fund without increasing the repayment obligation of the water users of either project.

To authorize the Secretary of the Interior to construct necessary drainage works for the Emery Unit of the Central Utah Project, participating projects, Colorado River storage project.

A BILL

Passed and referred to the Committee on Interior and Insular Affairs

December 5, 1973

By Mr. Moss

The Secretary of the Interior is authorized to acquire

projects and the Emery County Project, participating projects, Colorado River storage project.

A BILL

Passed and referred to the Committee on Interior and Insular Affairs

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