B. Costs and User Charges

The Corps of Engineers provides space in multipurpose reservoirs for water supply storage. Where necessary, facilities are incorporated in project structures to provide for the release or withdrawal of stored water for water supply purposes. This water supply storage space is sold to States, municipalities, private concerns, or individuals, who, in turn, may sell water withdrawn from the storage space to others.

The purchase price of the storage space consists of the total investment cost of specific water supply facilities, plus an allocated share of the investment cost of the joint-use facilities. Since the cost of water supply storage space varies with the cost of the structure, it is not practicable to develop a standard unit of cost. The present trend is for costs allocated to water supply storage space to be in the range of $30 to $100 per acre-foot. The Corps has no information concerning the extent to which tax resources or borrowings are used to cover the cost of purchasing water supply storage space, or the user charges for the sale of water to the consumer.

C. Trend of Capital Outlays

Between January 1948 and July 1958 about 3.4 million acre-feet of water supply, worth about $41.3 million, were placed under agreement and included in Corps of Engineers reservoirs. The Water Supply Act of 1958 (title III of Public Law 87–88) greatly expanded the authority to include water supply and, subsequent to passage of that act, agreements have been completed covering water supply storage of about 1.8 million acre-feet of storage worth approximately $87.2 million. In addition, 800,000 acre-feet of storage for which contracts have not been signed are included in projects now under construction. The trend of water supply storage contracts is shown in table II.

Table II

Fiscal year	Water supply acre-feet	Storage space agreements dollar value	Fiscal year	Water supply acre-feet	Storage space agreements dollar value
1948	16,780	$572,030	1958	637,600	$10,931,473
1949	80,351	755,000	1959	42,000	3,489,021
1950	5,800	785,000	1960	86,200	3,241,749
1951	92,500	1,671,420	1961	696,400	20,030,515
1952			1962	443,100	19,307,638
1953			1963	45,540	4,004,970
1954	606,950	6,756,360	1964	16,782	1,415,323
1955	284,200	4,705,791	1965	395,755	29,983,349
1956	251,263	2,150,000	1966	90,781	5,745,575
1957	1,383,500	13,900,000			

Construction of these projects was and is being financed with appropriated funds. The cost of water supply storage is reimbursed by the users in accordance with section 301 of the Water Supply Act of 1958.

D. Needs and Prospective Capital Outlays

It is estimated that approximately 75 million acre-feet of storage will be needed by the year 2000 to assure adequate supplies of water for municipal and industrial use. This projected need is based on expected population growth, anticipated increase in the per capita