

(b) Local sponsoring organizations, qualified by State law, assume full responsibility for operation and maintenance of municipal and industrial water supply facilities installed under the watershed program. Consequently, only limited information is readily available upon which to determine annual maintenance and operating expenses. From a limited sample of the projects, for which some information is available, estimated operation and maintenance costs range from less than \$10,000 to about \$50,000 yearly depending upon the size and complexity of the facility.

2. USER CHARGES

As in the case of operation and maintenance costs, only limited data are available on user charges. Therefore, we are not in a position to state the extent to which user charges cover services, operation and maintenance costs, or liquidation of the indebtedness.

C. TREND OF CAPITAL OUTLAYS

1. The following tabulation shows the annual accomplishments since provisions for municipal or industrial water supply were included in the watershed program:

Year	Number of reservoirs with municipal and industrial water supply completed	Capital investment (non-Federal)
1957-59	6	\$2,084,658
1960	1	3,880
1961	4	1,335,847
1962	4	162,628
1963	5	587,029
1964	8	1,706,856
1965 (to June 30, 1965)	3	409,152

2. All of the capital outlays listed above were accounted for by cities, counties, towns, special districts, public authorities, or other local public bodies.

3. The source of financing for these capital outlays was distributed as follows:

	Percent
Appropriations from tax resources and borrowing in municipal bond market ..	59
Federal Government grant assistance (ARA)	5
Borrowing from the Federal Government (Farmers Home Administration) ..	36

D. NEEDS AND PROSPECTIVE CAPITAL OUTLAYS

1. (a) In projecting the needs and prospective capital outlays during the decade 1966-75, consideration was given to such factors as the current backlog of unmet needs, expanding population and increasing per capita consumption, greater industrial needs, and recognition by a growing number of communities of the opportunities afforded by participation in the watershed program.

(b) The estimated capital requirements to be met by sponsoring organizations for municipal or industrial water supply facilities installed