

Uncompensated adverse effects relate to agricultural lands taken out of production by construction of project works.

The estimated project costs of \$191,389,000 plus the proper share of existing Missouri River Basin project costs of \$42,649,000 total \$234,038,000. These costs are allocated among the functions served by the unit as follows:

Irrigation	\$205, 790, 000
Municipal and industrial water.....	11, 324, 000
Fish and wildlife enhancement.....	11, 066, 000
Flood control.....	1, 234, 000
Recreation	2, 624, 000
Highway betterment.....	2, 000, 000
Total.....	234, 038, 000

All project and assigned costs allocated to irrigation are reimbursable. Average annual payment capacity of irrigable lands in the initial stage is \$11.40 per acre. Deduction of a contingency and incentive allowance of \$1.40 per acre results in a recommended average annual water charge of \$10 per acre. Operation, maintenance, and replacement costs are estimated at \$6.80 per acre which leaves \$3.20 per acre for amortization of project costs.

Irrigation water users and the Oahe Conservancy Subdistrict will repay a total of \$33,440,000 or about 16 percent of the costs allocated to irrigation in the 50-year repayment period.

Missouri River Basin project power revenues will repay the remaining \$172,350,000, or about 84 percent allocated to irrigation in the 50-year period.

The Report on Financial Position, Missouri River Basin project, dated December 1963, demonstrates that revenues would be available to repay these costs within 50 years following the permissible development period.

The accounting concepts and criteria employed in that report were approved by the Congress through enactment of legislation reauthorizing the Garrison diversion unit of the Missouri River Basin project, the act of August 5, 1965 (Public Law 89-108).

The allocation of \$11,324,000 to municipal-industrial water supply, and interest during construction amounting to \$534,000, would be repaid with interest by these water users.

No additional capacity or special structures are required in the system to convey municipal-industrial water and no specific costs are included for this purpose. Delivery of water will be made at canalside and at the James River.

All works required to transport, treat, and store the water from point of delivery will be the responsibility of the water users. Joint costs allocated to municipal-industrial water users would be repaid, with interest, at an average charge of about \$26 per acre-foot. The municipalities will also pay O.M. & R. charges estimated at \$2.70 per acre-foot of water.

To comply with cost-sharing provisions of the Federal Water Project Recreation Act, it would be necessary that a non-Federal public body be responsible for the repayment of \$326,000 of specific costs for recreation facilities and \$674,000 of specific costs for fish and wildlife enhancement facilities, including interest during construction.