

The South Dakota Department of Game, Fish, and Parks and their Oahe Conservancy Subdistrict have indicated by letter, their intent to administer and share in the separable costs of the unit in accordance with this act.

Local centralized operation and maintenance of the multipurpose Oahe unit facilities would be provided by the Oahe Conservancy Subdistrict. The conservancy subdistrict would also act as fiscal agent for reimbursable costs.

There will be a master contract between the United States and the Oahe Conservancy Subdistrict which will include standard provisions of Bureau repayment contracts. These provisions will include requirements that irrigable lands in excess of 160 acres in a single beneficial ownership cannot be served with project water unless the owner executes a recordable contract agreeing to dispose of the excess holding within 10 years.

Other subsidiary or supporting contracts will include:

1. Participating contracts between the Oahe Conservancy Subdistrict and water users, including irrigation districts, municipalities, and other agencies.
2. Security contracts between the United States and the irrigation districts. These contracts will be invoked only if the Oahe Conservancy Subdistrict defaults in its obligation.
3. A three-way contract among the United States, the Oahe Conservancy Subdistrict, and the South Dakota Department of Game, Fish, and Parks.

Preliminary drafts of these contracts have been prepared and are being negotiated with the board of directors of the Oahe Conservancy Subdistrict. Substantial agreement has been reached on major provisions to be included in the contracts.

Senator McGOVERN. I think it would be interesting to note at this point the really remarkable degree of local support in concrete terms that has been registered for this project this last November by a better than 3-to-1 margin.

The voters in the area gave the Oahe Conservancy Subdistrict Board contracting authority needed to move ahead with the project, and they also gave them the authority to increase taxation from one-tenth of a mill to 1 mill.

I think that is very remarkable in view of the understandable resistance these days about raising tax authority, to get that kind of a vote as recently as last November. I believe it underscores the very strong local support for the project that the Secretary is referring to.

Mr. HOLUM. Of course, it is very comforting for the executive branch to know that the repayment obligations that the United States requires in this type of water resource project will be met and that the local people have taken the necessary action. Their elected officials have been ready to negotiate and commit themselves to these obligations that are required before construction starts.

Yes, we are in splendid position as far as the willingness of the people of the State of South Dakota to accept the financial obligations that the United States requires. They will testify, I am sure, in more detail.

It is indeed difficult to measure and quantify all of the benefits that would accrue as a result of development of the initial stage of the