

conjunction with the Oahe unit will do much to help alleviate a portion of this damage in future years.

The subdistrict board of directors recognizes the tremendous impact the Oahe unit will have on the State and since the subdistrict was organized they have worked tirelessly to further its development. Through one of its committees they have had under consideration repayment contracts for the Oahe unit. These call for the Oahe Conservancy Subdistrict to operate the entire Oahe unit through a master contract between the United States and the subdistrict. The subdistrict will also act as principal and guarantor for payments on the construction costs.

Under the terms of this contract the subdistrict will commit a portion of its districtwide taxing power to:

1. Assist irrigation districts in paying operation, maintenance, and replacement deficits that are expected to occur during the development period;
2. Finance operation, maintenance and replacement and construction costs for a small number of irrigable acres that are within the service area but are not presently included in an irrigation district and;
3. Pay a construction component to be applied on the water supply works.

Participating contracts will then be entered into between the subdistrict and each water user entity covering water service through the Oahe unit project works. This contract will also set forth the relationships which will exist between the subdistrict and the water user entity.

A security contract will be enacted between the United States and each irrigation district to become effective only in the event the subdistrict should default on the terms of the master contract.

Prior to the enactment of the Federal Water Project Reclamation Act (Public Law 89-72) contract negotiations were nearly completed. Since that time the subdistrict has agreed to act jointly with the South Dakota Department of Game, Fish, and Parks as a local non-Federal sponsor for certain fish, wildlife and recreation areas proposed in connection with the initial stage of the Oahe unit. This intent has been forwarded, in writing, to the Secretary of the Interior.

As a result of this agreement it has been necessary to go back and take a second look at some of the contract provisions in order to make them reflect this agreement. Considerable progress has been made between the Bureau of Reclamation, water user entities and the subdistrict in ironing out these various types of contracts and we believe that a complete agreement will be reached in the near future.

We are aware that in deciding whether or not a project should be authorized many factors are considered. One of these being the degree of local support present for the project under consideration. Being a representative of a grassroots organization in direct daily contact with the local people it gives me great pleasure to report that the Oahe unit has the strong support of almost all the people in the subdistrict.

It should be mentioned, however, in all fairness to the committee, that while general overall support for the project is prominent there exists in occasional instances local opposition to irrigation.