

SEC. 2. Sale of Pilot Butte Power Plant to the Midvale Irrigation District:

1. Power plant was initially built to operate drag line for construction of Wyoming Canal and was a part of the project.

2. Power plant was returned to federal government agent (Bureau of Reclamation) by the 1931 Repayment contract, as at that time the bureau negotiators convinced the District Commissioners (two of whom were not project land-owners) that the power plant would be a liability to the District and the bureau would be doing the irrigators a big "favor" to take it off their hands. Since 1931 the sale of power, under proper management and crediting of revenue, should have repaid the federal government the costs of the power plant as well as the construction costs of the District works, therefore, it may be assumed the present repayment obligation has effect of making the irrigators pay twice for the project.

3. Due to the need for permanent (concrete) canal linings to stop the leakage of the canals and laterals, as well as major repair and/or replacement of some of the big drop structures, there is need for a source of annual revenue to rebuild and correct mistakes that have been made—this need could come from power plant revenue.

Sec. 3. Sale of lands in Third Division and Cottonwood bench:

1. This would get the bureau of reclamation out of the land business as well as "off" the land classification hook implied where attempts are made to establish a so-called "economical farm unit" by land class on Riverton Project and eliminate the implication of any guarantee by the Government as to arability of the lands. Also, proceeds from the sale of lands would return to reclamation fund a part of the amount expended to buy out Third Division entrymen.

2. In private ownership the lands would be on County Tax rolls.

3. Limit the amount of land to be owned by an individual yet a man and wife could own a section of irrigated and a section of dryland. The 320-320 should thus allow a family to convert to a livestock economy.

4. The land limitation under reclamation laws would not apply on lands in the Midvale District if construction charges are cancelled and farm units could be increased in size to be more in line with present farm operations than under the original Reclamation Act of 1902 which restricted the acreage to 160.

5. Land owners could adjudicate their water rights under the Statutes of the State of Wyoming and, thus, have a better opportunity to obtain long term financing and better appraisals by lending agencies to increase the size of farm units and/or do needed rehabilitation work such as farm ditches, drainage etc. which are now prohibited due to priorities established in favor of the federal government.

6. Would also preserve the water rights for Wyoming rather than let it go "on demand" down the river to float barges on the Mississippi.

7. With the lands in Third Division and Cottonwood Bench made available for purchase and a more favorable climate to obtain financing, it is quite possible some of the Midvale land owners would want to add to their present holdings; however, the purchasers of the Third Division and Cottonwood bench lands should also have the privilege of determining by majority vote whether they want to come under the Midvale District or form a District of their own and have a "pro rated share of the joint works" as defined in the Midvale Irrigation District Amendatory Contract of 1952. (The Third Division Irrigation District has been established under Wyoming Statutes, and the status of this District at present has not been determined.)

(NOTE.—Substantiating evidence for the various points may be found in various reports, and hearings in regard to the Riverton Project as well as in the Reclamation laws pursuant to this project.)

BISMARCK, N. DAK., December 7, 1967.

Senator CLIFFORD HANSEN,
Senate Office Building, Washington, D.C.:

The Upper Missouri Water Users Association convened in 20th annual conference in Bismarck, N. Dak. today; endorsed proposed reauthorization of Riverton project and urge enactment of S. 670. Please relay to Chairman Anderson.

VERNON COOPER, *President*.