

December 27, 1940

MEMORANDUM COVERING PRELIMINARY REQUIREMENTS

PRICE RIVER - GOOSEBERRY PROJECT

At the outset, it is desired to point out that the report on this project has not as yet received the approval of the Commissioner of Reclamation, nor of the Secretary of the Interior. This matter is in the hands of those officials, but until their approval is secured, Bureau of Reclamation representatives cannot commit the Bureau to any definite program. In anticipation of their ultimate approval, several matters can be taken up and disposed of, namely:

(a) The Gooseberry group should form a water users' organization satisfactory in form to the Secretary, which organization will contract to repay \$840,000, more or less, as determined by the Secretary, with repayment in 40 years without interest. Tentatively, it is planned to use a water users' association, the stock of which will be subscribed for by the irrigation and canal companies participating. These individual companies will enter into subscription contracts with the association, giving as security mortgages on all company property, including canal systems and water rights.

(b) The Price River interests should take steps to form an organization satisfactory in form and responsibility to the Secretary. This will probably have to be some form of district having taxing power separate and distinct from existing taxing interests. This organization must have the power to enter into a repayment contract with the United States for the repayment of construction charges in the amount of \$70,000, more or less, as may be determined by the Secretary, with repayment over a period of 40 years without interest.

(c) The Utah Fish and Game Commission will either pay, in cash, the sum

of \$31,000, more or less, as determined by the Secretary, or will contract to repay those apportioned construction costs over a period of time. In the latter case, the Commission will be asked to make a satisfactory showing of its power to meet the requirements of such a contract.

(d) The United States will, within the limitations set by law, and within the limitations of funds available:

- (1) Construct, at the Mammoth site on Gooseberry Creek, a reservoir of 16,000 acre feet active storage capacity, which reservoir will have an estimated average annual yield of 10,400 acre feet;
- (2) Construct a tunnel from the proposed Mammoth Reservoir to Cottonwood Creek, in the San Pitch River drainage;
- (3) Construct the Gooseberry Highline Canal from Cottonwood Creek south to Twin Creeks, or as much thereof as is necessary; and
- (4) Enlarge the existing Scofield Reservoir on Fish Creek to a total capacity of 73,000 acre feet, of which 65,000 acre feet will be active storage capacity, and 8,000 acre feet will be dead storage capacity.

The operation of the project works shall be such that existing prior direct flow rights on the Price River shall not be interfered with. To accomplish this end, the enlarged Scofield Reservoir will be operated in such a manner as to release simultaneously an amount equal to such direct flow as is diverted out of priority by the project works at Mammoth Dam. The project report shows that a prior storage right at Mammoth to the capacity thereof will not interfere with the 12,020 acre-foot right of the Price River Water Conservation District if Scofield Reservoir is

operated in accordance with the project plan. Mammoth Reservoir, therefore, must be afforded a prior right to fill to capacity. An agreement between the Price River Water Conservation District and the Gooseberry Project interests, for the purpose of carrying out the above manner of operation, will be required.

It will be necessary that the individual local groups take upon themselves certain responsibilities which must be discharged before the project can be gotten under way. These follow:

Gooseberry Group

(a) Each subscribing company shall furnish the Bureau of Reclamation with copies, in triplicate, of their articles of incorporation.

(b) Each subscribing company shall furnish the Bureau of Reclamation with an inventory of the assets of the company, including a description of its water rights, canal rights, canals, and all other assets of the company. Such property shall be so described as to be adequate for purposes of drawing up mortgages.

(c) Each subscribing company shall furnish to the Bureau a statement of its current indebtedness, along with a statement of anticipated expenditures or anticipated contracts for the payment of which the company's assets may be mortgaged.

(d) Each subscribing company shall take steps to perfect its water rights if those rights are not already perfected.

(e) Each subscribing company shall furnish the Bureau of Reclamation with a list of its stockholders together with the number of shares of stock held by each.

(f) Each subscribing company shall furnish the Bureau of Reclamation with a statement indicating its tentative subscription, expressed in acre feet, of Gooseberry Project water, a general description of the location of the area on which project water is to be used, a statement as to the proportion of project water which will be used on lands requiring only supplemental water, and a statement as to the

manner in which project water will be delivered to the Company's canals from Cottonwood Creek.

Price River Group

(a) The group should furnish the Bureau of Reclamation a statement as to its willingness to work toward the building of a Price River-Gooseberry Project as outlined in this memorandum of agreement, and in the project report. Because of the nature of the group, this cannot, of course, be a binding document.

(b) The Price River Water Conservation District should take such steps as are necessary to establish the District's right to convey to the United States:

- (1) An adequate right in Scofield Reservoir;
- (2) An adequate interest in the land on which the new Scofield Dam is to be built.

(c) The group should proceed with the forming of an entity satisfactory in form, powers, and responsibility to the Secretary, for the purpose of contracting with the United States. The group should be prepared to sponsor such legislation as is necessary to accomplish this end.

Utah Fish and Game Commission

(a) The Utah Fish and Game Commission shall put itself in a position to pay to the United States, in consideration of the use of 8,000 acre feet of dead storage in Scofield Reservoir, the sum of \$31,000, payable either in a lump sum, or over a period of years. If the latter method is adopted, the Commission must make a satisfactory showing as to its ability to meet the requirements of such a contract.