

339 Federal Building
 Salt Lake City, Utah
 October 11, 1940

From Engineer E. G. Nielsen

To Hydraulic Engineer, Denver, Colorado

Subject: Report on Gooseberry Project and Price River Investigations
 - Utah

1. Reference is made to Project Investigations Report No. 50 titled: "Report on Gooseberry Project and Price River Investigations - Utah."

2. That report contains data applicable to what appears to me to be competitive project plans; namely, the Gooseberry Project, with either the Gooseberry or Mammoth reservoir site utilized; and the Price River - Spanish Fork Transmountain Diversion Project. The following summarizes that data:

	<u>Gooseberry - Mammoth</u>	<u>Price River - Spanish Fork</u>
Overall cost of project	\$1,488,000	\$976,000
Costs chargeable to other interests	\$ 142,000	\$134,000
Costs chargeable to project	\$1,346,000	\$842,000
Annual cost to project (40-year plan)	\$ 33,650	\$ 21,050
Annual increased O. & M. costs	\$ 5,000	\$ 3,500
Total annual cost to project	\$ 38,650	24,550
Average annual yield of water	10,400 a.f.	15,000 a.f.
Annual cost per acre foot	\$3.72	\$1.63
Total cost per acre foot	\$ 148.80	\$ 65.20
Repayment ability - construction costs	\$ 840,000	\$900,000
Cost in excess of repayment ability	\$ 506,000	None

3. Without wishing in any way to prejudice the interests of the Gooseberry Project, I should like to invite attention to the fact that the Price River - Spanish Fork Transmountain Diversion Project is perhaps more attractive when looked at strictly from the standpoint of economics. Which of the two developments is most in the public interest is not so easily determined, but the Bureau's work to date has assumed it to be the Gooseberry Project.

4. There is a matter of policy here which I believe is the responsibility of the Utah Water Storage Commission. I have discussed the matter with Mr. T. H. Humpherys, State Engineer, and Secretary of the Commission, and he is in accord with my belief. Your comments are invited.

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E. G. Nielsen

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