

AUBURN-FOLSOM SOUTH UNIT,  
CENTRAL VALLEY PROJECT, CALIFORNIA

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LETTER

FROM THE

SECRETARY OF THE INTERIOR

TRANSMITTING

A REPORT ON THE AUBURN-FOLSOM SOUTH UNIT  
**PROPOSING EXPANSION OF THE CENTRAL VALLEY  
PROJECT IN CALIFORNIA, PURSUANT TO SECTION 9(a)  
OF THE RECLAMATION PROJECT ACT OF 1939 (53 STAT.  
1187), AND SECTION 2 OF THE AMERICAN RIVER BASIN  
DEVELOPMENT ACT OF OCTOBER 14, 1949 (63 STAT. 852)**



JANUARY 18, 1962.—Referred to the Committee on Interior and Insular  
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**LETTER OF TRANSMITTAL**

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U.S. DEPARTMENT OF THE INTERIOR,  
OFFICE OF THE SECRETARY,  
*Washington, D.C., January 15, 1962.*

HON. JOHN W. McCORMACK,  
*Speaker, House of Representatives,*  
*Washington, D.C.*

DEAR MR. SPEAKER: As provided by section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187), there is transmitted herewith my report on the Auburn-Folsom South unit proposing expansion of the Central Valley project in California. The report is also prepared in part in response to directives to the Secretary of the Interior in section 2 of the American River Basin Development Act of October 14, 1949 (63 Stat. 852).

The proposed development is economically justified and has engineering feasibility. The estimated construction cost for this integrated unit is \$267,577,000. These costs include the cost of distribution and drainage systems which may be built by local interests or by the United States. They also include the cost of providing additional capacity in the Folsom South Canal to eventually serve the east side of the San Joaquin Valley farther south, as proposed in legislation pending before the Congress. The ratio of annual benefits to annual costs is 3.25 to 1.

The State of California, numerous organizations, municipalities, and other State agencies have endorsed the plan. Water agencies have been formed to take water from the project. We expect no difficulty in obtaining contracts for any water that is developed.

Because the recommendation for construction of this \$267 million unit comes at a time when we have barely begun construction of the \$400 million San Luis unit on the west side of the San Joaquin Valley, I feel it incumbent upon me to make additional and more detailed statements as to why the Department strongly advocates authorization of the Auburn-Folsom South unit at this time.

The ground water table is dropping in a number of areas along the east side of the Central Valley from the American River to Bakersfield. Delivery of water in the southern part of the valley through initial features of the Central Valley project has retarded but not stopped the lowering of ground water levels and, in fact, has prevented disaster to the area. However, with the continuing growth of this part of the State, together with the periodic drought conditions that have occurred, it is obvious that the long-range development of this area so vital to the Nation's agricultural production must have additional water.

Experience has shown that on these major projects the leadtime between authorization and delivery of water ranges between 10 to 15 years and sometimes longer. Therefore, if we are to meet heavy

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water demands predicted for the next decade we must face up now to the problem and authorize works to meet those needs.

I should like to emphasize that this is largely a supplemental water project. Most of the crops grown in the area are crops that are not in surplus. Many of these crops are not grown to any extent elsewhere in the United States and many are of great significance to the Nation's diet. However, should any concern exist relating to our agricultural surpluses, legislation authorizing this project could contain language similar to that used in the San Luis unit authorization (act of June 3, 1960, 74 Stat. 156), which provides that no new land developed shall be used for the production of surplus crops as defined in the Agricultural Act of 1949.

The value of this project for flood control should not be overlooked. The floods on the American River in December 1955 came within inches of inundating valuable properties in the Sacramento metropolitan area, which has a population of about one-half million people. The area was saved because Folsom Dam had just been constructed and was nearly empty. As was reported, "it paid for itself within a few hours." Normal operation of the project will never again create this unique situation where so much storage space was available at Folsom Dam. Therefore, to adequately protect the capital city of California and its fast-growing surrounding area, further flood control is necessary on the American River and will be provided by Auburn Dam.

Of major importance to this populous area are the recreation aspects and the benefits to fish and wildlife conservation to be derived from construction of this unit. Folsom Reservoir had over 2 million visitors in 1960 and over 33,000 in a single day. It is expected that the nearby Auburn Reservoir will command a similar use.

The Auburn-Folsom South unit will also meet the growing demand for municipal and industrial water supplies so important to serve the needs of the expanding population. The part of the construction cost allocated to that purpose will bear interest on the Federal investment.

I should like to point out that for years the California water program has generally recognized that these projects on the east side of the San Joaquin Valley are logical expansions of the Central Valley project, to serve primarily supplemental agricultural needs. The State of California, recognizing that the Federal Government could not meet all of California's water demands, has within the past year approved a bond issue in the amount of \$1,750 million to pick up the State's share of the burden of supplying adequate water to its cities, suburbs, and agricultural areas.

In conclusion, I wish to emphasize that the project will be necessary to meet the area's water needs without any question. I should also like to reemphasize that the authorization is needed now and to point out that although we strive to prevent any rise in construction costs, the history of water development in California during the past decades has shown conclusively that the sooner the Federal Government makes the investment in necessary storage works such as Auburn Dam, the lower are the construction costs. Moreover, where power production is involved, the sooner the Federal Government is able to use the power now going to waste the earlier we realize a return of revenue from the sale of power to the Federal Treasury. A broad objective look at this entire proposal makes it clear that this unit should be built as soon as possible.

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Proposed reports on this unit were transmitted for review to the State of California, to the Secretary of the Army, and to the interested Federal agencies as required by law and interagency agreement. Copies of letters of comment received as a result of these reviews are attached to the report.

The report and copies of comments received were submitted to the President for advice as to the relationship of the proposed development to his program. A copy of letter dated January 10, 1962, from the Bureau of the Budget is also attached to the report.

I recommend that construction of the Auburn-Folsom South unit, Central Valley project, California, be authorized as set forth in the report.

Sincerely yours,

STEWART L. UDALL,  
*Secretary of the Interior.*

**LETTER TO THE SECRETARY OF THE INTERIOR FROM THE  
BUREAU OF THE BUDGET**

EXECUTIVE OFFICE OF THE PRESIDENT,  
BUREAU OF THE BUDGET,  
Washington, D.C., January 10, 1962.

Hon. STEWART L. UDALL,  
*Secretary of the Interior,*  
*Washington, D.C.*

DEAR MR. SECRETARY: This will acknowledge your letter of December 15, 1961, transmitting your report on an integrated plan of development for the Auburn-Folsom South unit, Central Valley project, California. You request advice as to the relationship of the proposed development to the program of the President.

The plan for development proposed in your report would provide for multiple-purpose use of waters of the American River through construction of the following individual features:

Auburn unit.....	\$138, 812, 000
Folsom South unit:	
Main canal.....	42, 095, 000
Distribution system.....	43, 991, 000
Forest Hill Divide area:	
Reservoir and conduit.....	7, 127, 000
Distribution system.....	96, 000
Folsom-Malby area.....	11, 916, 000
<b>Total.....</b>	<b>244, 037, 000</b>

The Auburn-Folsom South unit will have a total construction cost of \$244,037,000 including the costs of distribution systems which may be built by local interests with private financing or Public Law 130 financing.

Your report contemplates that additional capacity will be provided in the Folsom South Canal for future service to the east side of the San Joaquin Valley. The excess capacity would add \$23,540,000 to the cost shown above for the Folsom South Canal, but it is anticipated that substantial future savings in the construction costs of the East Side division could be realized. We would expect that, prior to starting construction of the Folsom South Canal with the proposed excess capacity, the feasibility of the east side service would be established and a report submitted to Congress under established executive branch procedures.

The major physical features include Auburn Dam, Reservoir, and powerplant; Folsom South Canal; Folsom-Malby conduit, and Sugar Pine Dam and Reservoir. The development will supply irrigation water to about 400,000 acres, provide municipal and industrial water to various communities in the area, and provide hydroelectric power benefits. Additional benefits will be provided by recharge of ground water supplies in the delta area, fish and wildlife protection and

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enhancement, and recreational development. The benefit-cost ratios, using direct benefits only and a 50-year period of analysis, exceed unity for each feature of the plan and the composite ratio is estimated at about 1.6. The unit will be constructed and operated as an addition to the Central Valley project.

Under the standards used in evaluating the fish and wildlife features of the project, fish and wildlife benefits are estimated to exceed the costs of any specific facilities required for that purpose. We would expect that prior to a request for funds to initiate construction on the Auburn-Folsom South unit, the costs of the project would be reallocated in accordance with the evaluation standards for water resources projects to be established under this administration.

Accordingly, the Bureau of the Budget would have no objection to the submission of your proposed report to the Congress. No commitment can be made, however, as to when any estimate of appropriation would be submitted for construction of this project, if authorized by Congress, since this would be governed by the President's budgetary objectives as determined by the then prevailing fiscal situation.

Sincerely yours,

ELMER B. STAATS,  
*Deputy Director.*

**LETTER FROM THE SECRETARY OF THE INTERIOR TO THE  
PRESIDENT**

DEPARTMENT OF THE INTERIOR,  
OFFICE OF THE SECRETARY,  
*Washington, D.C., December 15, 1961.*

THE PRESIDENT,  
*The White House,  
Washington, D.C.*

(Through The Bureau of the Budget.)

DEAR MR. PRESIDENT: My report on an integrated plan of development for the Auburn-Folsom South unit, Central Valley project, California, is transmitted herewith pursuant to the Reclamation Project Act of 1939 (53 Stat. 1187).

This plan provides for extension of the existing Central Valley project by construction of features to utilize undeveloped water resources of the American River Basin. Regulation of the flows of the North Fork, American River, would require construction of Auburn Dam, Reservoir, and powerplant; two smaller reservoirs; Folsom South Canal; and necessary water and power distribution and transmission facilities. By this plan, irrigation water would be supplied to over 400,000 acres of land, including substantial acreages now completely dry. Water would also be made available for domestic and industrial use to many cities and towns in the area and their expanding suburbs. It is contemplated that additional capacity will be provided in the Folsom South Canal for future service to the east side of the San Joaquin Valley, as proposed in legislation now before the Congress to authorize construction of the unit.

An installation of 155,000 kilowatts of hydroelectric power at Auburn Dam will help to meet the growing power requirements of the Central Valley project and of the preference customers. The storage regulation provided by the reservoirs will afford a greater measure of flood protection to the city of Sacramento and other areas in the American River Basin and delta areas. Substantial opportunities for protection and enhancement of fish and wildlife and for development of recreation will be other benefits of the plan. The unit would be integrated with the Central Valley project both physically and financially, and would make substantial contributions to the overall benefits of the project.

The costs of the proposed development that are allocable to irrigation, municipal and industrial water supply, and hydroelectric power would be reimbursable as required by law. Costs allocable to flood control would be nonreimbursable as provided by law, and those allocable to recreation are considered nonreimbursable in accordance with existing policies. As a result of findings made pursuant to the Fish and Wildlife Coordination Act, all of the costs allocable to fish and wildlife would be nonreimbursable.

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The plan of development is economically justified, as demonstrated by a ratio of total benefits to costs in excess of 2 to 1. Using only direct benefits and a 50-year period of analysis, the ratios are in excess of unity for each feature of the plan and the composite ratio would be about 1.6 to 1. As an addition to the Central Valley project, financial feasibility of the plan is assured, since all reimbursable costs of the Central Valley project, including the proposed development, could be repaid within the statutory periods, and a substantial surplus of revenues over costs would accrue.

The proposed development is strongly supported and endorsed by numerous irrigation districts and municipalities in the proposed service area and by officials of the State of California. There should be no difficulty in negotiating contracts for water service and repayment when the plan of development is authorized.

The proposed reports of the Department were transmitted to the State of California and to the interested Federal agencies for review as required by law and interagency agreement. Comments were received from all recipients of the report and are either favorable to the proposed development or offer no objections. Copies of the review comments are attached to the report.

I recommend that the integrated plan of development for the **Auburn-Folsom South unit, Central Valley project, California, be authorized for construction** as set forth in the attached report. I shall appreciate having advice concerning the relationship of this proposed development to your program before I transmit the report to the Congress for its consideration and appropriate action as provided by the Reclamation Project Act of 1939.

Sincerely yours,

STEWART L. UDALL,  
*Secretary of the Interior.*



## REPORT OF THE ACTING COMMISSIONER OF RECLAMATION

DEPARTMENT OF THE INTERIOR,  
BUREAU OF RECLAMATION,  
*Washington, D.C., December 14, 1961.*

The SECRETARY OF THE INTERIOR.

SIR: This is a report on a single integrated plan of water resources development for the Auburn-Folsom South unit of the Central Valley project near Sacramento, Calif. The report consolidates two prior proposed reports as follows: The report on the Auburn Dam and Folsom South Canal units approved by the Secretary of the Interior, December 8, 1960, and the report on the Folsom-Malby and Forest Hill Divide features approved by the Assistant Secretary, November 2, 1961.

The plan presented in this consolidated report contemplates additional development and utilization of American River water supplies to extend the Central Valley project and assure maximum benefits to the Nation, the State, and, specifically, the four affected counties on the east side of the Central Valley of California.

The major features of the plan of development are:

- Auburn Dam, Reservoir, and powerplant.
- Folsom South Canal.
- Folsom-Malby conduit.
- County Line Dam and Reservoir.
- Sugar Pine Dam and Reservoir.
- Forest Hill Divide conduit.

The major feature in the plan—Auburn Dam, Reservoir, and powerplant, with a storage capacity of 1 million acre-feet and an installed plant capacity of 155,000 kilowatts—is necessary to further regulate the flow of the American River for irrigation, municipal and industrial water supplies, flood control, fish and wildlife enhancement, recreation, and power generation.

The 68-mile Folsom South Canal would convey and distribute largely supplemental water from the American River to an area of dropping ground water levels between Sacramento and Stockton.

The 11-mile Folsom-Malby conduit and 40,000 acre-foot County Line Dam and Reservoir (previously referred to as the Carson Creek School Dam and Reservoir), together with two pumping plants, would provide water for domestic and industrial and irrigation purposes in a rapidly expanding area which includes sections of western El Dorado County and eastern Sacramento County at higher elevations than the Folsom South Canal.

The 16,500 acre-foot Sugar Pine Dam and Reservoir and 14-mile Forest Hill conduit would conserve and supply water to the Forest Hill Divide by developing streams tributary to the American River.

These features all involve the use of undeveloped water resources of the American River Basin, are complementary to the existing units

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of the Central Valley project, and will form an integral part of future Central Valley project enlargements. The attached reports demonstrate that the plan is economically justifiable, and that the costs allocated to irrigation, power, and municipal and industrial water supply can be returned to the United States under the same criteria as apply to other units of the Central Valley project.

Copies of the two prior proposed reports were transmitted to the State of California and to the Secretary of the Army for review as required by the Flood Control Act of 1944. In accordance with the Fish and Wildlife Coordination Act, they were also sent to the State of California for the views and recommendations of the head of the agency exercising administration over the wildlife resources of that State. In addition, copies of the proposed report on the Auburn-Folsom South units were sent to the Federal agencies represented on the Interagency Committee on Water Resources. Comments have been received from all those recipients. Copies of all the letters received are attached to and made a part of this report. All comments are either favorable to the potential developments or offer no objections.

Officials of the State of California recommend that the plan of development be authorized for construction, and further recommend that the detailed recommendations of the department of fish and game be given full consideration in the further planning, final design, and operation of the unit.

The Chief of Engineers, Department of the Army, advises that the proposed development would not conflict with any existing projects or plans of the Corps of Engineers, but suggests certain technical amendments and modification with regard to the design and operation of Auburn Dam and Reservoir. As suggested, the California Debris Commission should retain authority in regard to debris control as provided by the act of March 1, 1893, and the existing debris reservoir and related federally owned facilities that would be inundated by Auburn Reservoir be transferred to the Department of the Interior. Modifications of the design of Auburn Dam and Reservoir, if necessary, can be accommodated in the course of final plan formulation. A copy of our reply to the Chief of Engineers covering these matters is attached to and made a part of this report.

Consistent with the President's instructions to you "to take steps to insure that land acquired for the construction of federally financed reservoirs is sufficient to permit future development for recreation purposes," the National Park Service has reconsidered the recreation requirements in the project area. Our proposal for the Auburn Dam and Reservoir includes acquisition of 378 acres of land at a cost of \$107,000, and a total of 1,268 acres dedicated to recreation. The National Park Service now finds that the acquisition of approximately 6,570 acres of private lands in the vicinity of Auburn Reservoir at an estimated cost of \$1,485,000 is justified. The larger acreage would be necessary to realize the maximum recreation benefits and assure the future availability of adequate lands. Since the additional lands involved are on steep slopes above the reservoir, they are primarily of value in relation to the recreational use and setting of the reservoir rather than for agriculture or other use. However, it is suggested that authorization for the purchase of these additional lands and development of the improved facilities be delayed pending further

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study of the measures necessary to implement the President's instructions.

The recent and continuing severe drought experienced in California has materially altered the water and power supply picture in the Central Valley, now creating an urgent need for the early construction of Auburn Dam, Reservoir, and powerplant. In many areas of California, 1961 was the third consecutive year of drought or near-drought conditions with the area south of Sacramento, including the major service area of the Central Valley project, being the hardest hit. Auburn Reservoir would further assure the Central Valley project's ability to provide adequate quantities of water of suitable quality at the Tracy pumps for service to the San Joaquin Valley and, as an incident thereto, to maintain the present level of salinity control benefits in the delta.

Water for the existing Delta-Mendota Canal and the San Luis unit, which is being readied for construction, must come from the delta, and the proposed Auburn Reservoir will help supply water for the delta. Had Auburn storage been available during the past 2 years, the integrated operation of all Central Valley project reservoirs, including Auburn, would have enhanced both water and power service. Water that could have been released from Auburn would have produced a substantial additional block of power, would have been used in the delta, and would have assisted other Central Valley project units in providing water for the Delta-Mendota Canal.

As the lands of the San Luis unit are developed, Auburn Dam, Reservoir, and powerplant will help to meet the associated demands for water and power, especially in the event of a repetition of such drought conditions as those experienced in the past several years. Power generated at Auburn would also help to avoid curtailment of power sales to present customers, as Central Valley project power is diverted to meet the San Luis pumping requirements.

The flexibility of operation of Auburn Reservoir and powerplant, having Folsom and Nimbus Reservoirs for reregulation, will make it possible to fit the energy generated at Auburn Dam closely to the demand pattern and therefore its value will be augmented. After the commercial power allocation is amortized, continuing net revenues from the Auburn plant will accrue to the Central Valley project account for use in assisting future irrigation units financially.

Auburn Reservoir can be used effectively to provide additional flood protection to Sacramento and the rapidly growing suburban developments surrounding that city in the American River Valley. It will also provide municipal and industrial water supply service and important opportunities for recreation and fish and wildlife conservation.

For these reasons, we believe that it will be desirable and in the best interest of the Federal and State Governments and local interests to proceed with construction of Auburn Dam, Reservoir, and powerplant at an early date following authorization.

Also, it is contemplated that additional capacity will be provided in the Folsom South Canal for future service to the east side of the San Joaquin Valley, as proposed in legislation now before the Congress to authorize construction of the unit.

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I recommend that you approve and adopt this as your report on an integrated plan of development for the Auburn-Folsom south unit, Central Valley project, and that you transmit it, together with the attached comments, to the President and subsequently to the Congress, as provided by the Reclamation Project Act of 1939.

Respectfully,

N. B. BENNETT, Jr.,  
*Acting Commissioner.*

Approved and adopted December 15, 1961.

STEWART L. UDALL,  
*Secretary of the Interior.*