

Transportation Rate Fund—Continued

merly furnished passes. The Attorney General, however, in Opinion No. 53-151 issued August 28, 1953, ruled that public funds could not be used to pay the fare of commission personnel on common carriers when they are engaged in official duties relating to the regulation of common carriers, since to do so would violate the provisions of Section 533 of the Public Utilities Code. This section, in effect, requires the carriers to furnish free transportation to commission personnel under these circumstances.

Accordingly, travel has been budgeted at the old level for Transportation Rate Fund employees and must continue to be so budgeted until the law is amended.

We recommend approval of the budget as submitted.

DEPARTMENT OF PUBLIC WORKS

ITEM 244 of the Budget Bill

Budget page 832

Budget line No. 10

For Support of Departmental Administration From the General Fund

Amount requested	\$84,628
Estimated to be expended in 1953-54 Fiscal Year	147,274
Decrease (42.53 percent)	\$62,646

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$14,599	\$14,599	---	834	8
Operating expense	4,200	4,200	---	834	9
Equipment	-747	-747	---	834	10
Increased reimbursements	-80,698	-80,698	---	834	13
Total increase	-\$62,646	-\$62,646	---	834	22

RECOMMENDATIONS

Amount budgeted	\$84,628
Legislative Auditor's recommendation	84,628
Reduction	None

ANALYSIS

The Department of Public Works is proposing that for the 1954-55 Fiscal Year its over-all administrative function be continued at substantially the same level as is authorized for the current fiscal year. The cost of the activity is anticipated to increase by \$18,052, or approximately 6 percent over the \$303,513 estimated to be expended during the current fiscal year. This increase is primarily attributable to normal merit salary adjustments.

However, the method of financing this activity has been changed to a new basis for the first time. Heretofore, pro-rata reimbursement charges were made against only the special fund activities of the Department of Public Works such as the Division of Highways, the Water Project Authority, the Water Resources Board, and the School Plan Checking activity of the Division of Architecture. This meant that the services performed on behalf of the design activities of the Division of Architecture and the activities of the Division of Water Resources were

Department of Public Works—Continued

chargeable wholly to the General Fund. In previous analyses the Legislative Auditor called attention to the fact that the cost of the designing, planning, and engineering activities of the Division of Architecture in connection with state building projects was not being equitably stated so that it would reflect all costs to which a normal commercial endeavor of this type would be subject. The budget, as now proposed, charges the Division of Architecture Revolving Fund with the cost of the accounting services provided on behalf of the Division of Architecture. This is stated as a reimbursement figure shown for the 1954-55 proposed year as \$68,264. Consequently, the appropriation from the General Fund is relieved to the extent of \$62,646, as shown in the tabulation at the beginning of the analysis of this item. We recommend approval of the item as submitted.

Department of Public Works
DIVISION OF ARCHITECTURE

ITEM 245 of the Budget Bill

Budget page 835
Budget line No. 36

For Support of Division of Architecture From the General Fund

Amount requested	\$98,131
Estimated to be expended in 1953-54 Fiscal Year	357,712
Decrease (72.6 percent)	<u>\$259,581</u>

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	—\$264,348	—\$264,348	---	838	21
Operating expense	—74,517	—75,517	---	838	22
Equipment	—8,812	—8,812	---	838	23
Decreased reimbursements	89,096	89,096	---	838	29
Total increase	<u>—\$259,581</u>	<u>—\$259,581</u>	---	838	31

RECOMMENDATIONS

Amount budgeted	\$98,131
Legislative Auditor's recommendation	<u>68,731</u>
Reduction	\$29,400

ANALYSIS

The Division of Architecture is proposing for the 1954-55 Fiscal Year a budget covering its General Fund activities which appears to be substantially reduced below that which was authorized for the current fiscal year. However, the actual activities of the Division of Architecture are not reduced by this change, since the apparent reduction in expenditures merely represents a different method of stating the expenditures.

Heretofore, the Division of Architecture was authorized to have a nucleus or key staff of approximately 54 positions, the cost of which, together with operating expenses and equipment, was charged directly to the General Fund and was in no way reflected in the cost of the individual construction projects being carried on under the auspices of the Division of Architecture. On a number of occasions in the past,

Division of Architecture—Continued

the Legislative Auditor has pointed out that this method of appropriation distorted the actual cost of providing architectural services for each project. Consequently, the Department of Finance made a study which resulted in the determination to reduce the fixed group of personnel to 12 positions and to reduce operating expenses accordingly. The balance of the positions and operating expenses, with the exception of 10 positions in the maintenance and survey unit, were transferred to the Architectural Revolving Fund, wherein the cost of these positions and their operating expenses will be directly reflected against all projects. This results in a reduction of \$259,581, as shown above, in the direct demand on the General Fund.

The maintenance and survey section mentioned above is to be eliminated entirely in consideration of the fact that all institutions have now received the benefit of a complete maintenance survey, and any additional work justified in the future can be handled as specific projects in the capital outlay program of the future. We believe that the changes outlined in the foregoing constitute a distinct improvement in the method of accounting and a step in the right direction. However, we would like to point out that in making this change the Department of Finance has eliminated entirely the reimbursement charges levied against projects covered by special funds for their proportionate share of the general overhead. For a three-year period, including the current fiscal year, this reimbursement charge has averaged approximately 30 percent of the total cost of the overhead administrative function. We can see no reason why this charge should not continue to be made on behalf of the services of the smaller nucleus group that will remain under the new plan. Consequently, we recommend that this item be reduced by approximately \$29,400, which represents 30 percent of the amount requested, and that the amount of this reduction be charged against the special fund projects in the Architectural Revolving Fund.

**Department of Public Works
DIVISION OF ARCHITECTURE**

ITEM 246 of the Budget Bill

Budget page 835
Budget line No. 56

*For Support of Division of Architecture From the Division
of Architecture Public Building Fund*

Amount requested	\$753,089
Estimated to be expended in 1953-54 Fiscal Year	714,376
Increase (5.4 percent)	\$38,713

Summary of Increase

	Total increase	INCREASE DUE TO			Budget page	Line No.
		Work load or salary adjustments	New services			
Salaries and wages	\$16,379	\$16,379	---	---	838	82
Operating expense	22,105	22,105	---	---	839	32
Equipment	229	229	---	---	839	40
Total increase	\$38,713	\$38,713	---	---	839	42

Division of Architecture—Continued

RECOMMENDATIONS

Amount budgeted	\$753,089
Legislative Auditor's recommendation	753,089
Reduction	None

ANALYSIS

The Division of Architecture is proposing that for the 1954-55 Fiscal Year its activities in connection with the checking of plans and supervision of construction of public school buildings be continued at substantially the same level as is authorized for the current fiscal year. However, the cost of this activity is estimated to increase by approximately \$38,000, largely attributable to normal merit salary adjustments and increased operating expenses.

The increased operating expenses are primarily the result of the desire of the Division of Architecture to embark upon additional research work, particularly in connection with masonry construction. The cost of this research work program is placed at \$50,000. For the current fiscal year, the Legislature approved \$35,000 for research in timber diaphragm construction, which was carried out under contract by the Forest Products Laboratory of the United States Department of Agriculture at Madison, Wisconsin. Preliminary reports on this research indicate that the money will have been very well spent. It is our understanding that, based on these preliminary reports, the Division of Architecture has already made certain changes in its administrative code which makes possible the planning of structures adequate to withstand earthquake and other lateral forces more economically than was heretofore considered possible. On the same basis, we believe that this new research will probably prove very worth while. Consequently, we recommend approval of this item as submitted.

**Department of Public Works
DIVISION OF WATER RESOURCES**

ITEM 247 of the Budget Bill

Budget page 852
Budget line No. 52

For Support of Division of Water Resources From the General Fund

Amount requested	\$1,818,072
Estimated to be expended in 1953-54 Fiscal Year	1,688,765
Increase (7.7 percent)	\$129,307

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$116,751	\$116,571	---	863	57
Operating expense	43,322	43,322	---	863	58
Equipment	—15,805	—15,805	---	863	59
Less:					
Increased reimbursements	—14,518	—14,518	---	863	62
Increase from Watermaster					
Service Fund	—443	—443	---	863	70
Total increase	\$129,307	\$129,307	---	863	69

Division of Water Resources—Continued

RECOMMENDATIONS

Amount budgeted.....	\$1,818,072
Legislative Auditor's recommendation.....	1,776,565
Reduction.....	\$41,507

Summary of Recommended Changes

Item	Amount	Budget page	Line No.
General Administration			
Increase automobile operation.....	\$5,743	855	34
Reduce automobile—replacement.....	—32,120	855	49
Reduce automobile—additional.....	—6,480	855	50
Water Quality Investigation			
Reduce printing.....	—8,650	857	18
Net total reduction.....	\$41,507		

The following table shows the amount requested by function for 1954-55, the increase or decrease over estimated expenditures in 1953-54, and the percentage of change.

Function	Proposed 1954-55	Increase or decrease	Percentage
General Administration.....	\$472,963	\$33,024	7.5
State Maps and Surveys.....	19,833	—1,349	—6.3
Water Quality Investigation.....	413,137	13,718	3.4
Sacramento-San Joaquin Water Supervision.....	83,849	12,333	17.2
Water Rights and Resources.....	232,600	40,153	20.8
Watermaster Service.....	32,801	521	1.6
Regulation of Safety of Dams.....	119,030	7,193	6.4
Flood Control Project Maintenance.....	322,953	16,737	5.4
Review of Federal Reports.....	42,113	4,375	11.6
Central Valley Project.....	78,793	2,602	3.4
Totals.....	\$1,818,072	\$129,307	7.1

General Administration

This activity includes the office of the State Engineer and the various administrative functions of the division, including the legal, stenographic, files, equipment, purchasing, auditing, automotive, budgeting and fiscal control, and reports sections. It also includes the administration of the public districts coming under the office of the State Engineer, and the licensing of rainmakers.

One additional stenographer-clerk position is proposed for increased work load in the Water Rights and Resources function resulting from the growing difficulty in determining available, unappropriated water supplies in acting upon applications to appropriate water. For the most part the clerical staff of the division is centralized in a pool operation, so that even though justification for the requested position is based on the increased work load of the water rights function, it is budgeted under General Administration. We recommend approval of this new position on the basis of increased work load.

The Division of Water Resources requests \$32,120 for automobile replacement and \$6,480 for additional automobiles. We have been advised by the division that it operates about 124 cars. Of this number approximately 79 are assigned to Sacramento, and the balance are at field offices and in Los Angeles. The division operates its own auto-

Division of Water Resources—Continued

motive pool in Sacramento and stores most of its vehicles in the state garage.

It is our view that there is no real need for the division to maintain its own fleet of automotive equipment with the Department of Finance automotive pool located only a block away. With the objective of attaining maximum utilization of state cars, we recommend that the Division of Water Resources turn its Sacramento-based cars over to the Department of Finance and rent automotive equipment from the Finance pool for travel out of Sacramento. To implement this proposal, we recommend that the following steps be taken:

1. The \$32,120 requested for automobile replacement and the \$6,480 for additional automobiles should be deleted from the budget of the Division of Water Resources.
2. Where replacements are required during 1954-55 in automotive equipment assigned to locations other than Sacramento, these needs should be filled by exchanging the vehicles to be replaced with some of the newer cars among the 79 presently assigned to Sacramento.
3. The division estimates its total mileage for 1954-55 at 2,297,000 miles. Total expense, including provision for gas, oil, repairs, major overhauls, and storage, is estimated at \$106,494. This results in an estimated unit cost of \$0.046 per mile. The Finance pool charges \$0.05 per mile, so that the amount budgeted for automobile operation will need to be increased by \$0.004 per mile on travel out of Sacramento. Approximately 1,435,625 miles would constitute the mileage attributable to Sacramento-based cars. Thus, the allowance for automobile operation will need to be increased sufficiently to provide an additional \$0.004 per mile for 1,435,625 miles, resulting in an additional cost of \$5,743.
4. If the Legislature approves this policy, funds available in the Department of Finance pool for the purchase of additional automotive equipment should be augmented to the extent necessary to provide adequate automotive transportation for all agencies using the pool.

The net reduction in the budget of the division resulting from the proposal outlined above will be \$32,857. It should be pointed out that this saving will be offset in part by additional purchases of cars for the Finance automotive pool. It is our opinion, however, that substantial savings will result from the more complete utilization of equipment made possible through a large pool operation and that fewer cars will be needed under this plan of centralized operation.

Except for the suggested changes in automobile equipment and operation, we recommend approval of the budget as submitted.

State Maps and Surveys

The Division of Water Resources was directed by Chapter 1581, Statutes of 1949, to prepare a state base map consisting of complementary, planimetric, topographic, and mosaic maps, and to make surveys of maps available in other public agencies, and related work.

Although this activity is relatively small, it should be considered in connection with the topographic mapping program which is financed

Division of Water Resources—Continued

equally by the State and the Federal Government, a program costing the State approximately \$300,000 a year.

This activity is projected at the current year level. The 1954-55 request provides for an increase of \$836 in salaries and wages, and decreases of \$2,096 in operating expense and \$89 in equipment.

We recommend approval of this part of the budget as submitted.

Water Quality Investigation

The activities of this unit include: (1) investigation of the quality of all water, including saline water (coastal and inland), and as related to all sources of pollution, together with recommendations as to improvement or protection of the quality of such waters; (2) surveys, investigations, and formulation of plans for the reclamation of waste waters for beneficial purposes; (3) investigation of damage to ground water by reason of abandoned or defective wells, together with recommendations for minimum standards for well construction. This unit also supervises the work done on a contractual basis for the state and regional water pollution control boards, and assists in water quality problems with other investigations of the Division of Water Resources, such as the Bay Barrier Study, and the salinity investigation for the Bureau of Reclamation.

No new positions are requested for this activity, and an increase of \$11,784 in salaries and wages is due to merit salary adjustments. There is a large increase in the amount requested for printing, resulting from the anticipated completion of a large number of reports during the 1954-55 Fiscal Year. While printing costs in 1952-53 amounted to \$4,630 and are estimated at \$3,600 for the current year, the sum of \$18,650 has been requested for the budget year. We question the necessity of printing all of the proposed reports, especially when the unit costs run as high as \$7.60 for a 200-page publication. The division requests that 500 copies be printed of most of these reports. Because of the fact that these reports are not lengthy (average—84 pages) and because of the limited distribution that is planned, we recommend that the division utilize a more economical method of publishing at least some of the reports and that the amount budgeted for this purpose be reduced from \$18,650 to \$10,000, resulting in a saving of \$8,650.

With this exception, we recommend approval of the request as submitted.

Sacramento-San Joaquin Water Supervision

This activity is concerned with the collection of data on stream flow and diversions on the Sacramento and San Joaquin Rivers. Its purpose is to provide basic information on water supply utilization and water rights in connection with the Central Valley Project. The division is reimbursed by the Bureau of Reclamation for 51 percent of the cost.

The State has been collecting this data since 1924. When it became apparent about 1948 that there was some overlapping in the work being performed by the State and by the Bureau of Reclamation, the programs of the two agencies were consolidated in the Division of Water Resources, and the Bureau of Reclamation agreed to reimburse the State for approximately one-half the cost of the work. Because of this cooperative effort, it has been possible to increase the number of measurements and improve the accuracy of the work.

Division of Water Resources—Continued

Of a total of 23 positions, approximately 15 are concerned principally with diversions. The division bases its justification for the three new positions requested (one assistant hydrographer and two junior civil engineers) on the fact that diversions from the Sacramento and San Joaquin Rivers and tributaries have been increasing at the rate of approximately 5 percent per year. Since 1949 the number of points of diversion has increased by 25 percent, but no new personnel have been added to this function. This work load increase is indicated in the table below:

<i>Season</i>	<i>Number of diversions</i>	<i>No. of diversions per staff member</i>
1949	1,011	67
1950	1,040	69
1951	1,139	76
1952	1,180	79
1953	1,260	84

Assuming that there will be approximately a 5 percent increase in the number of diversions in 1954, the three additional positions that have been requested will permit the division to average 70 diversions per staff member assigned to the work of gathering data on diversions.

We recommend approval of the three new positions on a work load basis.

It should be noted in this connection that the Water Project Authority recently allocated \$90,000 of the funds provided by Item 428.5 of the Budget Act of 1952 (\$10,000,000 fund for studies and possible initial payment for Central Valley Project) to undertake a trial distribution on the Sacramento River. By this means the authority hopes to establish each water user's need without the expense of long, costly court actions.

Water Rights and Resources

This function is primarily concerned with the supervision of the appropriation of waters within the State, the supervision of the adjudications of water by court reference and statutory adjudication, the supervision of watermaster service, and the studies of water problems in the Southern California area.

The determination of water rights is becoming an increasingly complex problem in California. While there appears to have been some reluctance by the division in the past to fulfill its legal responsibility of determining water rights, the decisions on some of these major water rights questions can no longer be deferred. For example, the anticipated completion of Pine Flat Dam, Folsom Dam, and Cachuma Dam make it imperative that the State act upon pending applications for unappropriated water on the Kings River, American River, and Santa Ynez River. Rather than consider each application by itself, the division proposes to hold hearings on all of the applications on a stream, with the objective of issuing permits to appropriate water, where justified, for all the applicants at the same time. Failure to act upon these applications will probably result in a number of persons taking water to which they are not entitled from these streams.

In our opinion the request for one associate hydraulic engineer and two assistant hydraulic engineers is justified, and we recommend that the request be approved.

Division of Water Resources—Continued

The fees collected for water right applications and permits cover only a small part of the cost of processing the applications, and there appear to be sound reasons for increasing the fees. The fees were fixed by law in 1917 and have never been revised. At the request of the Department of Finance, the Division of Water Resources has undertaken a study to determine the adequacy of the present amounts and the need for adjustment to make the fees consistent with current cost levels. This report is expected to be completed prior to the time the Legislature convenes at the 1954 Session.

Consideration should be given also to the possibility of charging a fee for processing the applications of public districts. At present these are exempted by statute from any fee, and yet they constitute more than 50 percent of the work load.

Watermaster Service

This function is responsible for the supervision of water distribution within the watermaster service areas, of which there are 17 at the present time. The cost is financed by equal contributions from the State and from local interests. The staff and expenses proposed are based upon a continuation of the present level of service.

At the 1953 session of the Legislature the Senate Finance Committee requested that the Legislative Auditor make a study of the state watermaster service to determine the desirability of continuing this as a partially state-supported activity.

The completed study was presented to the Joint Legislative Budget Committee on December 4, 1953. It contained the following findings:

1. In terms of the amount of money expended, the watermaster service is not a large state program. However, the program may be expected to expand as water rights on various stream systems throughout the State are determined. The ultimate cost to the State is unknown.
2. The water users who are the direct beneficiaries of this service represent a small percentage of the total water users in the State.
3. With the exception of the Raymond Basin Watermaster Service Area, all of the service areas are located in the northern part of the State.
4. Although the Division of Water Resources is required by law to create a watermaster service area as the rights to water are determined, the decision as to whether or not a watermaster will be placed in the service area to supervise the distribution of water in accordance with established rights is left to the local water users.
5. Viewed as a function, this program bears some similarity to the work carried on by irrigation districts in supervising the distribution of water within their jurisdictions, an activity which is supported entirely by the irrigation districts themselves.
6. The State Watermaster Service Fund exists solely for the purpose of providing a depository for state and local contributions for support of the watermaster service. There does not appear to be any valid reason why this fund could not be abolished and the Water Resources Revolving Fund used as a depository for watermaster service funds.

Division of Water Resources—Continued

From the above considerations we concluded that

“there is some state interest in having the activity continued, for the following reasons: first, in order that maximum utilization of California's water resources may be realized, it is probable that the State will be required to take an increasingly active role in controlling diversions from surface streams and extractions from underground basins in accordance with established water rights; second, as the water supply problem has become more critical in California, the need for preventing unauthorized appropriations of water from the streams of the State has become more pronounced; third, the State has a responsibility to protect the water rights of diverters situated downstream from watermaster service areas. It should be emphasized that the mere fact that there is a state interest in this program does not answer the question of the amount of state support, if any, that is justified. There are some programs financed entirely by private sources, and in which the State plays no part, which may be characterized as having some degree of state interest attached to them. Other activities in which there is a state interest, such as some of the agricultural inspection programs, are performed by the State on a wholly reimbursable basis.

“A determination of the proper shares of the cost of the watermaster service to be assessed against the State or local interests appears to rest primarily upon a subjective appraisal of the relative value to the State and to the local water users of continuing this service. It is our opinion, after a review of the watermaster service, that the Legislature would be justified in reducing substantially the proportion of the cost of this program that is now being borne by the State.”

In the absence of any specific indication of a change in legislative policy concerning the portion of the cost of watermaster service to be paid by the State, and which we recognize would first warrant very careful study by the Legislature, we recommend approval of the amount requested.

Regulation of Safety of Dams

This function is charged with the responsibility for the safe condition of all dams in California except those federally owned. This duty is discharged by means of approving plans and specifications for all proposed new dam construction or for the repair of existing dams and by maintaining a periodic safety check of all the dams now under the State's supervision. The division proposes to continue this activity at the existing level during 1954-55.

The increase of \$7,193 over the estimated expenditures during the current year is largely the result of merit salary adjustments. The total amount requested for this function in 1954-55 is \$119,030.

This activity produces some revenue, inasmuch as applications for new dams or enlargement of existing dams must be accompanied by filing fees. A fee schedule is established in Sections 6300-6308 of the Water Code. No fee is required for the periodic safety inspections.

Division of Water Resources—Continued

It is of interest to compare the revenues from dam application fees during the past few years with expenditures for regulation of the safety of dams.

<i>Year</i>	<i>Expenditures</i>	<i>Dam appli- cation fee revenues</i>	<i>Revenues as percent of expenditures</i>
1949-50 -----	\$65,972	\$46,696	70.8
1950-51 -----	76,858	29,135	37.9
1951-52 -----	91,509	64,715	70.7
1952-53 -----	94,367	100,017	106.0
1953-54 (estimated) -----	111,837	30,000	26.8
1954-55 (estimated) -----	119,030	40,000	33.6
Totals -----	\$559,573	\$310,563	55.5

Total revenues during this period amounted to 55.5 percent of total expenditures.

Since the fee schedule has not been adjusted since 1943, it is our recommendation that the Department of Finance review the fees now being charged to determine whether a further adjustment is required at this time and whether it is feasible to charge a fee for periodic safety checks, and report thereon to the Legislature prior to the 1955 session.

We recommend approval of the request.

Flood Control Project Maintenance

The primary function of this unit is maintenance of the Sacramento-San Joaquin Flood Control Project. The responsibilities associated with this activity have been extended at recent sessions of the Legislature by the inclusion of certain additional levees and channels in the Sacramento-San Joaquin Flood Control Project.

In 1952 work on the Butte Creek Channel Project was completed by the U. S. Corps of Engineers, and it was turned over to the State for maintenance in May, 1953. This unit consists of 15 miles of channel in an area of heavy return flow from rice drainage, and there is opportunity for heavy growth of water-loving plants that must be cleared by the State.

The State assumed responsibility for maintenance of an additional three and one-half miles of channel through enactment of Chapter 1376, Statutes of 1953. This involves the Western Pacific Intercepting Canal in Yuba County.

One flood control maintenance and construction man and two levee patrol maintenance and construction men are requested to handle this additional work load. There is an offsetting decrease of \$1,212 in temporary help, making the net increase two and one-half positions.

As the result of a study by the Department of Finance, the snow surveys activity was transferred from the Water Rights and Resources function to the Flood Control Project Maintenance function. This change was made because of the close relationship between flood control work and the forecasting of flows from the winter snows. Transfer of this function was accomplished on July 1, 1953.

The budget request for flood control project maintenance is \$322,953 for 1954-55, an increase of \$16,736 or 5.5 percent over estimated expenditures in 1953-54. This results from an increase of \$16,411 in sal-

Division of Water Resources—Continued

aries and wages and \$2,020 in operating expenses, and a decrease of \$1,335 in equipment.

We recommend that the request be approved as submitted.

Review of Federal Reports

Federal law provides that the various states be given an opportunity to review federal reports on proposed reclamation, flood control, and water conservation projects within their boundaries. The Division of Water Resources analyzes such projects for the State of California and makes recommendations thereon.

Because of the fact that the Federal Government was undergoing a change of administration during the 1952-53 Fiscal Year, practically all federal projects were held up for review before being reauthorized. Consequently, personnel from this function were used to staff other activities of the division, including the investigation of the Feather River Project. At the present time the number of federal reports coming to the division for review has increased considerably, and this activity is expected to continue at this higher level during the 1954-55 Fiscal Year.

A total of \$42,113 has been requested for this function in the budget year, an increase of \$4,375 over the estimated expenditures for 1953-54.

We recommend that the budget be approved as submitted.

Central Valley Project

This function provides the Water Project Authority with technical assistance required in acting upon the legal and engineering problems involved in representing California in connection with the operation and construction of the Central Valley Project. No change in program is anticipated during the budget year.

Although the Water Project Authority now employs its own staff for the purpose of investigating the feasibility of state acquisition of the Central Valley Project, it is still necessary to continue certain activities connected with the project but not related directly to the question of its acquisition.

The sum of \$78,793 is requested for this purpose, which is an increase of \$2,602 over the estimated expenditures in the current year.

We recommend approval of the request.

**Department of Public Works
DIVISION OF WATER RESOURCES**

ITEM 248 of the Budget Bill

Budget page 853
Budget line No. 8

**For Support of Work in Cooperation With the Federal Government
From the General Fund**

Amount requested	\$494,775
Estimated to be expended in 1953-54 Fiscal Year	491,525
Increase (0.7 percent)	\$3,250

RECOMMENDATIONS

Amount budgeted	\$494,775
Legislative Auditor's recommendation	494,775
Reduction	None

Division of Water Resources—Continued

ANALYSIS

The Division of Water Resources cooperates with federal agencies in the accomplishment of projects of mutual concern. State funds are matched by the Federal Government. Funds for the following projects are requested for 1954-55:

Yuba River Debris Control

This item provides \$15,000 for restoring, impounding, and controlling debris along the Yuba River in cooperation with the U. S. Army Engineers.

We recommend approval.

Topographic Mapping

The sum of \$300,000 is requested for continuation of the preparation of topographic maps of California in cooperation with the U. S. Geological Survey. All of the work is performed by the staff of the U. S. Geological Survey.

In our analysis last year we directed attention to the fact that the State has expended approximately \$300,000 annually on this program since it was initiated in 1945-46 and that it appeared unlikely the mapping would be completed on schedule. We recommended that the Division of Water Resources present a revised estimate to the Legislature of the total future cost of the program. It was further recommended that "any such report should also make clear the value that the State receives in return for this sizable expenditure and the uses that are made of the maps."

A publication entitled "Progress Report on Topographic Mapping in California Since January 1, 1946," was issued by the division on June 30, 1953. The report shows that \$2,073,662 had been expended by the State on this program through the 1952-53 Fiscal Year, and the Federal Government has expended a like amount. An additional \$300,000 of state funds was available for expenditure during 1953-54.

The following statement indicates the extent of progress on this mapping program:

"Mapping of 31,150 square miles of the State has been completed under the enlarged cooperative mapping program with the seven years of appropriations. This is approximately 20 percent of the area of the State."

Considerable impetus has been given to the mapping program by the Army, which is accounting for more maps than the cooperative program at the present time. The report states that "as of July 1, 1953, all of the agencies concerned with topographic mapping within the State of California had revised or produced new maps of standard map accuracy since 1946 for a coverage of 46,080 square miles or 29 percent of the State's area."

While the division's report presented a good review of progress on the mapping program, it did not provide satisfactory answers to certain questions propounded at the time the review was requested. The question of the value that the State receives in return for this expenditure and the uses that are made of the maps was accorded only a brief discussion at the end of the report, and we have requested

Division of Water Resources—Continued

a supplementary statement from the division amplifying this. Also, no estimate of the amount of time and money required to complete the project was presented, and the only statement in this regard is that "it is not possible to estimate the date of completion of revision mapping and new mapping of standard map accuracy for full coverage of the State. This date is entirely dependent upon the continuance of the present Army program and costs in the present rising market." In our estimation, it should be possible for the division to make a more precise statement, based upon a certain set of assumptions, concerning the future cost of the program.

We recommend approval of the amount requested for 1954-55.

Irrigation Investigations

This activity provides investigations concerning the use, transpiration, evaporation, and percolation of waters used for irrigation purposes. The work is done by the Soil Conservation Service, U. S. Department of Agriculture. It is proposed to continue this activity at its present level, at a cost to the State of \$7,500 per year.

We recommend approval.

Stream Gauging

This function is performed in cooperation with the United States Geological Survey, and it provides data on water supply, runoff, and utilization of streams in California not otherwise covered by the Division of Water Resources.

The Legislature approved a 21.7 percent increase in expenditures for this activity in 1953-54 because of the net addition of 22 stream gauging stations. It is proposed to continue this higher level of service during 1954-55.

We recommend approval.

**Department of Public Works
DIVISION OF WATER RESOURCES**

ITEM 249 of the Budget Bill

Budget page 853
Budget line No. 14

For Support of Feather River Project From the General Fund

Amount requested	\$677,056
Estimated to be expended in 1953-54 Fiscal Year	750,000
Decrease (9.7 percent)	<u>\$72,944</u>

RECOMMENDATIONS

Amount budgeted	\$677,056
Legislative Auditor's recommendation	<u>377,056</u>
Reduction	\$300,000

ANALYSIS

Chapter 1441, Statutes of 1951, authorized the Water Project Authority to construct, maintain, and operate the Feather River Project and Sacramento-San Joaquin Delta Diversion Projects. The law granted the Water Project Authority the power to issue revenue bonds,

Division of Water Resources—Continued

without limitation as to the amount, to finance these projects. It provided further that:

“The Department of Public Works, acting by and through the State Engineer, is hereby authorized and directed to conduct the necessary investigations, surveys and studies and preparation of plans and specifications for the construction of the works authorized by Section 2 (Feather River Project and Sacramento-San Joaquin Delta Diversion Projects) of this act and to submit the same to the Water Project Authority for its approval.”

These studies were implemented by Item 262 of the Budget Act of 1952, which appropriated \$800,000 to the Division of Water Resources for this purpose. An additional \$750,000 was requested in the 1953-54 Governor's Budget, accompanied by the statement that “it is proposed during 1953-54 to complete the required work and final report.” The Legislature approved the continuation of the study, and funds were appropriated by Item 253 of the Budget Act of 1953.

It is now clear that the investigation and report will not be completed during 1953-54, and an additional \$677,056 has been requested for expenditure during 1954-55. Although the explanation of this item in the budget states that “it is anticipated that the plans and specifications and estimates of cost will be sufficiently complete to determine the economic feasibility of the project,” the State Engineer indicated at the Department of Finance hearing that it may be necessary to continue the investigation beyond 1954-55.

If the Legislature approves the amount requested, it will constitute a total of \$2,227,056 appropriated for this study during the three-year period. It is not our purpose to underestimate the importance to California of developing new sources of water and power. At the same time, we do not believe that this budget makes an adequate presentation of the need for the amount requested.

With reference to the \$677,056 requested for 1954-55, we have drawn the following conclusions:

1. It is not clear why the investigation will not be completed during 1953-54 as planned.
2. The data presented in justification of this request is insufficient to permit a proper evaluation.
3. There has been no precise statement from the Division of Water Resources concerning what it considers to be the essential factual data without which it would be impossible to form a sound judgment as to feasibility of the projects.

We believe that there should be a full presentation to the Legislature of the agency's justification for the amount of money requested and a clear statement of what results may be expected if the appropriation is allowed. Therefore, for the purpose of raising the issue before the Legislature we recommend that the amount requested be reduced by \$300,000.

**Department of Public Works
DIVISION OF WATER RESOURCES**

ITEM 250 of the Budget Bill

Budget page 853
Budget line No. 19

For Support of Putah Creek Cone Investigation From the General Fund

Amount requested	\$12,000
Estimated to be expended in 1953-54 Fiscal Year	15,000
Decrease (20.0 percent)	\$3,000

RECOMMENDATIONS

Amount budgeted	\$12,000
Legislative Auditor's recommendation	12,000
Reduction	None

ANALYSIS

In accordance with Chapter 1478, Statutes of 1951, the Division of Water Resources was directed to make an investigation and report on the water supplies of the Putah Creek Cone and adjacent areas in Yolo and Solano Counties. Expenditures for this project are outlined below:

<i>Year</i>	<i>Expenditures</i>
1951-52	\$19,107
1952-53	32,121
1953-54	15,000 (estimated)
1954-55	12,000 (proposed)
Total	\$78,228

The original legislative authorization for the project carried an appropriation of \$50,000, which amount will have been exceeded if the request for 1954-55 is granted. We have been advised by the division, however, that they were not consulted concerning the adequacy of the original estimate at the time the legislation was being considered.

Since the investigation was begun, Congress has reauthorized the construction of Monticello Dam, which will impound the waters of Putah Creek. Final plans are being drawn and construction will commence in the near future, making more urgent the need for a determination of all prior water rights in order that action may be taken on the Bureau of Reclamation's water right application and that the rights of persons making withdrawals from the underground basin are protected. The division intends to submit a preliminary report on the investigation to the Legislature in June, 1954, and the final report will be completed during the 1954-55 Fiscal Year.

The original legislation contained no provision for matching state and local funds. However, it is our understanding that this investigation is of considerable importance to the University of California at Davis and that there is a predominant state interest involved.

We recommend approval of the request.

Department of Public Works
DIVISION OF WATER RESOURCES

ITEM 251 of the Budget Bill

Budget page 853
Budget line No. 34

*For Support of Santa Margarita Watershed Investigation From the
General Fund*

Amount requested.....	\$30,000
Estimated to be expended in 1953-54 Fiscal Year.....	60,000
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Decrease (50.0 percent).....	\$30,000

RECOMMENDATIONS

Amount budgeted.....	\$30,000
Legislative Auditor's recommendation.....	30,000
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Reduction	None.

ANALYSIS

The sum of \$5,000 was allocated from the Emergency Fund during the 1951-52 Fiscal Year for an investigation of the Santa Margarita Watershed. Of this amount, \$1,146 was expended during that year. Item 262.5, Chapter 3, Statutes of 1952, provided \$150,000 "for surveys and investigations of the water resources of the Santa Margarita Watershed including but not limited to hydrography, hydroeconomics, the use and distribution of water for agricultural and other beneficial purposes, including consideration of both surface and underground water conditions, and the availability of natural situations for reservoirs or reservoir systems for gathering and distributing flood or other waters. * * *" Of the 1952 appropriation, \$63,338 was expended during 1952-53, and the balance reverted to the General Fund. The Legislature appropriated an additional \$60,000 for this investigation during 1953-54, and it is estimated that all of this amount will be expended during the current Fiscal Year. The Division of Water Resources has requested \$30,000 to complete the investigation in 1954-55.

Inasmuch as the outcome of the controversy between the Federal Government and local water users in the Santa Margarita Watershed may have an important influence on the question of the right of the Federal Government to appropriate water from California streams, this investigation appears to be of more than purely local significance. We recommend, therefore, that it be continued as a state-supported activity and that the amount requested be approved.

Department of Public Works
DIVISION OF WATER RESOURCES

ITEM 252 of the Budget Bill

Budget page 853
Budget line No. 44

*For Support of Beach Erosion Cooperative Investigation Projects
From the General Fund*

Amount requested.....	\$15,000
Estimated to be expended in 1953-54 Fiscal Year.....	---
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Increase	\$15,000

Division of Water Resources—Continued

RECOMMENDATIONS

Amount budgeted.....	\$15,000
Legislative Auditor's recommendation.....	7,500
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Reduction	\$7,500

ANALYSIS

Chaper 1859, Statutes of 1953, transferred the activity of beach erosion investigation and control from the Department of Natural Resources to the Department of Public Works.

A master contract between the State and the United States Corps of Engineers was signed in 1947 under the terms of which investigations and reports on beach erosion control projects are carried on cooperatively, with the Federal Government paying one-half of the cost, the State one-quarter, and the local interests one-quarter. These investigations are usually conducted at the instigation of a local agency.

Preliminary reports on problems in Los Angeles and Ventura Counties have been completed. An investigation is in progress in San Diego County for which the State's one-quarter share of \$7,500 has already been pledged by the Department of Natural Resources for expenditure during the current Fiscal Year. The San Diego County program is composed of two sections:

1. An interim report on problem areas at Imperial Beach, Coronado, and Ocean Beach to cost \$30,000, and for which the State's \$7,500 has been pledged.
2. A county-wide report, the agreements for which are not complete, at a cost of an additional \$30,000, for which \$7,500 is included in the 1954-55 budget request.

The request for this item includes an additional \$7,500 for a cooperative investigation in Santa Cruz County. It is our understanding that the first phase of this investigation is complete, and the 1954-55 request for additional funds is based upon the possibility that there will be a request from Santa Cruz County for a county-wide investigation during 1954-55.

The amount requested by the division for this purpose during the budget year is approximately twice the amount expended by the Department of Natural Resources in the preceding two years (\$8,500 in 1952-53 and \$7,500 in 1953-54).

Because of the uncertainty of the need, or even the demand, for the Santa Cruz investigation, we recommend that expenditures be maintained at the present level and that the total amount requested for beach erosion cooperative investigations be reduced by \$7,500.

**Department of Public Works
DIVISION OF WATER RESOURCES**

ITEM 253 of the Budget Bill

Budget page 853
Budget line No. 60

For Additional Support of Watermaster Service From the Watermaster

Service Fund

Amount requested.....	\$28,994
Estimated to be expended in 1953-54 Fiscal Year.....	28,551
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Increase (1.6 percent).....	\$448

Division of Water Resources—Continued

RECOMMENDATIONS

Amount budgeted	\$28,994
Legislative Auditor's recommendation	28,994
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Reduction	None

ANALYSIS

The Watermaster Service is supported by equal contributions from the State and the benefitted areas. The moneys collected from the watermaster service areas are placed in the Watermaster Service Fund and appropriated therefrom. It will be noted that for the Fiscal Year 1954-55 the budget provides for an appropriation of \$32,801 from the General Fund for support of this activity, and for only \$28,994 from the Watermaster Service Fund. This is explained by the fact that the contributions to the State Employees' Retirement Fund are made entirely from the Watermaster Service Fund, and the one-half of the support cost assigned to the Watermaster Service Fund is reduced by a corresponding amount.

AERONAUTICS COMMISSION

ITEM 254 of the Budget Bill

Budget page 867
Budget line No. 7

For Support of Aeronautics Commission From the General Fund

Amount requested	\$101,101
Estimated to be expended in 1953-54 Fiscal Year	100,685
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Increase (0.4 percent)	\$416

Summary of Increase

	Total increase	INCREASE DUE TO		Budget page	Line No.
		Work load or salary adjustments	New services		
Salaries and wages	\$3,356	\$3,356	---	867	52
Operating expense	—1,765	—1,765	---	867	72
Equipment	—1,175	—1,175	---	868	7
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Total increase	\$416	\$416	---	869	9

RECOMMENDATIONS

Amount budgeted	\$101,101
Legislative Auditor's recommendation	None
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Reduction	\$101,101

ANALYSIS

The functions of this agency are derived from the Aeronautics Commission Act, Chapter 1379, Statutes of 1947. The agency is empowered and directed to:

1. Encourage, foster, and assist in the development of aeronautics in the State.
2. Encourage the establishment of airports and air navigation facilities.
3. Cooperate with and assist the Federal Government, political subdivisions of the State and others in the development of aeronautics, and coordinate the aeronautical activities of these bodies.