

Department of Public Health  
WATER POLLUTION CONTROL BOARD

ITEM 204 of the Budget Bill

Budget page 777  
Budget line No. 62

FOR SUPPORT OF SERVICES BY OTHER AGENCIES FROM THE  
GENERAL FUND

Amount requested .....	\$133,459
Estimated to be expended in 1955-56 Fiscal Year.....	72,075
Increase (85.2 percent) .....	\$61,384

RECOMMENDATIONS

Amount budgeted .....	\$133,459
Legislative Auditor's recommendation.....	133,459
Reduction .....	None

ANALYSIS

The budget request of \$133,459 represents an increase of 85.2 percent over an estimated expenditure of \$72,075 for services of other agencies to the State Water Pollution Control Board in the current year.

An investigation of oil field waste water disposal in San Joaquin Valley is proposed at a cost of \$69,159. Its purpose is to determine whether the physical conditions at each of 52 oil fields are such that pollution could occur through disposal of oil field waste waters to the ground surface or to unlined sumps, rather than to determine whether or not pollution is occurring or has occurred. The results of the surveys for each of the oil fields should show the general quality of the waste waters being produced, the quality of waters which might be affected by such waste waters, and the relative probability and/or possibility of such waste waters percolating vertically or laterally to adjacent ground water units. The board estimates that the study can be made more cheaply by doing it all in one year and that a complete study may show some possibility of pooling waste-handling facilities.

The balance of the so-called unallocated item of \$133,459, or \$64,300, will be used to contract with other agencies for technical services as has been the practice in previous years.

We recommend approval of the request.

Department of Public Works  
DEPARTMENTAL ADMINISTRATION

ITEM 205 of the Budget Bill

Budget page 781  
Budget line No. 7

FOR SUPPORT OF DEPARTMENTAL ADMINISTRATION FROM THE  
GENERAL FUND

Amount requested .....	\$77,824
Estimated to be expended in 1955-56 Fiscal Year.....	83,368
Decrease (6.7 percent) .....	\$5,544

Departmental Administration—Continued  
Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages-----	\$16,587	\$16,587	--	783 8
Operating expense-----	15	15	--	783 9
Less: increased reimbursements--	—22,146	—22,146	--	783 19
Total increase-----	—\$5,544	—\$5,544	--	783 21

RECOMMENDATIONS

Amount budgeted-----	\$77,824
Legislative Auditor's recommendation-----	77,824
Reduction-----	None

ANALYSIS

The Division of Administration of the Department of Public Works, which includes the director and his immediate staff, provides the top-level executive, administrative and policy direction for the department, which consists of the Divisions of Architecture, Highways, and Water Resources. Accounting services are also provided for the Divisions of Architecture and Water Resources, while the Division of Highways provides its own accounting service. Since the Division of Highways is a special fund operation and represents by far the greatest part of the department, it pays its pro-rata share of the administrative function to the extent of 80 percent in the current fiscal year and 85 percent in the budget year. The balance is paid from the General Fund and covers the pro-rata share of the other two divisions.

The total cost of operation of the Division of Administration for the 1956-57 Fiscal Year is expected to increase by \$16,602 from \$292,245 estimated to be expended in the current fiscal year to \$308,847. Primarily, this increase is due to salary adjustments and anticipated lower salary savings. The General Fund's share of this expenditure is proposed at \$77,824, which is \$5,544 or approximately 6.7 percent less than the \$83,368 estimated as the share for the current fiscal year. This reduction in the General Fund's share, despite the increase in the over-all cost, is explained by the fact previously mentioned that the Division of Highways reimbursement share was being increased from 80 to 85 percent, resulting in a lesser share for the General Fund. We recommend approval of this item as submitted.

Department of Public Works  
DIVISION OF ARCHITECTURE

ITEM 206 of the Budget Bill

Budget page 784  
Budget line No. 7

FOR SUPPORT OF DIVISION OF ARCHITECTURE FROM THE  
GENERAL FUND

Amount requested-----	\$121,199
Estimated to be expended in 1955-56 Fiscal Year-----	94,203
Increase (28.6 percent)-----	\$26,996

## Division of Architecture—Continued

## Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages-----	\$10,409	\$10,409	---	785 12
Operating expense -----	16,600	1,600	\$15,000	785 30
Equipment -----	---	---	---	785 36
Less: increased reimbursements--	—13	—13	---	785 45
<b>Total increase -----</b>	<b>\$26,996</b>	<b>\$11,996</b>	<b>\$15,000</b>	

## RECOMMENDATIONS

Amount budgeted -----	\$121,199
Legislative Auditor's recommendation-----	106,199
<b>Reduction -----</b>	<b>\$15,000</b>

## ANALYSIS

The State Division of Architecture, which functions under Section 14005 of the Government Code, and operates under the supervision of the State Architect, acting as chief of the division, was established for the purpose of providing a pool of technical and professional civil service employees who would prepare the designs, plans, specifications, and cost estimates of all buildings, structures, and utilities systems to be used by all state agencies and institutions. Excepted from the jurisdiction of the Division of Architecture are the design and construction of highways and highway structures. The division is also responsible for the survey and examination of any potential site for a construction project, the planning and design of major repair, alteration and maintenance projects, and the supervision, inspection and control of actual construction which is being carried out by private builders under contract with the State. Under certain conditions the division may also undertake construction by the use of day labor, hired by the division. By the authority of the "Field" or "Earthquake" Act, the division is responsible for the checking and approving of all public school building plans, including alterations, and the inspection of such projects during construction in order to make certain that public school buildings will be properly designed to meet earthquake, storm and fire stresses.

Functionally, the Division of Architecture is divided into two organizations. One consists of a cadre of 12 top-level positions, including the State Architect, which is supported by the General Fund, and a group of "duration" technical positions, at present numbering between 900 and 1,000, which provides the architectural and design services for state buildings mentioned above. The other consists of 94 engineering and clerical positions which provide the school plans checking services mentioned above. These latter services are supported by sliding scale percentage fees charged to the school districts for reviewing the plans. The fees are paid into the Division of Architecture Public Building Fund from which this phase of the division's work is supported.

The "duration" positions which are used in planning and design are supported by assessments made against each capital outlay appropriation for services performed in connection with the project. For budgeting purposes, these potential assessments are generally quoted

## Division of Architecture—Continued

as 6 percent for plans, working drawings and specifications, and 2½ percent for supervision and inspection of construction. However, in practice only actual costs incurred are charged against the project. In unusual circumstances these costs may sometimes exceed the budgeted percentages, but in most cases the costs are less than the budgeted percentages.

The Division of Architecture, during the current fiscal year, is attempting to undertake a certain amount of reorganization and procedural change. The primary incentive for these changes is the fact that, in the past, too great a period has elapsed, in most cases, between the time an appropriation became available and the time the finished project was ready for occupancy. The goal that has now been set is two years between first availability of appropriation and occupancy of the project for those under \$500,000, and three years for those over \$500,000, with certain exceptions for unusual situations. A secondary goal of these changes is more economical design and more accurate estimating.

Since these changes are not entirely complete at this time, it is too soon to say what the results will be. However, we have every reason to expect a good measure of success.

For the current fiscal year the Legislature, in 1955, authorized a continuation of the same cadre of positions, but added \$18,000 to the operating expenses of the division to enable it to provide minor architectural and technical assistance to various state agencies which, for practical reasons, could not be budgeted as individual capital outlay items. The division is not free to draw on this money except with the approval of the allocation by the Department of Finance for specific assistance. We believe that this has been a practical approach to what heretofore had been a very annoying problem. For the 1956-57 Fiscal Year the division proposes to increase the level that was authorized for the current fiscal year by the addition of \$15,000 in operating expenses for "materials and methods studies," and one associate civil engineer and one intermediate stenographer-clerk to provide technical and clerical assistance to the State Building Standards Commission which was created by Chapter 1500 of the Statutes of 1955. While we are in complete sympathy with the need for such studies and believe that expenditures in their behalf will result in substantial savings, we do not believe that this item should be made part of the support budget of the division. Instead, we suggest that it is more properly an item of capital outlay which should be appropriated to the Department of Finance for allocation to the division as required for specifically defined and approved studies. Therefore, with the exception noted, we recommend approval of the budget as submitted.

**Department of Public Works**  
**DIVISION OF ARCHITECTURE**

ITEM 207 of the Budget Bill

Budget page 784  
Budget line No. 22

**FOR SUPPORT OF DIVISION OF ARCHITECTURE FROM THE  
ARCHITECTURE PUBLIC BUILDING FUND**

Amount requested .....	\$856,330
Estimated to be expended in 1955-56 Fiscal Year .....	858,589
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Decrease (0.3 percent) .....	\$2,259

**Summary of Increase**

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages .....	\$4,687	\$4,687	--	786 14
Operating expense .....	-6,438	-6,438	--	786 40
Equipment .....	-508	-508	--	786 48
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Total increase .....	-\$2,259	-\$2,259	--	786 50

**RECOMMENDATIONS**

Amount budgeted .....	\$856,330
Legislative Auditor's recommendation .....	856,330
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Reduction .....	None

**ANALYSIS**

The function of this phase of the Division of Architecture was described in the preceding item. For a number of years, since the close of World War II, this function has been struggling under the handicap of not being able to recruit an adequate number of structural engineers, the professional category required to pass on the structural adequacy of buildings. This has resulted in a substantial volume of overtime work for the existing positions. For a number of years, particularly since the start of the program of state school building construction aid, the annual work load of this function, expressed in dollar value of the projects processed, has been in excess of \$225,000,000. This amount has been rising steadily, although not all of the increase is reflected as work load since a substantial part of the increase in value results from increased cost for the same number of square feet of construction. Nevertheless, the work load has been increasing and in the current fiscal year it is estimated that \$245,000,000 will be the value, with the anticipation that it will go to \$255,000,000 in the 1956-57 Fiscal Year. Actually, this latter volume will call for additional positions, but since it is virtually impossible to fill such positions, even if they were authorized, they are not being proposed at this time.

The actual cost of the function for the 1956-57 Fiscal Year will be several thousand dollars less than estimated for the current fiscal year, the change being from \$858,589 to \$856,330. This slight reduction is primarily the result of the fact that in the current fiscal year there was an estimated expenditure of approximately \$11,000 for alterations to the division's office space.

Revenues for the budget year are estimated at approximately \$1,000,000, which leaves a comfortable margin for the proposed expenditures. Accumulated surpluses in the fund, as of July 1, 1956, are estimated at approximately \$2,200,000, of which it is proposed to transfer to the

**Division of Architecture—Continued**

General Fund approximately \$1,450,000, leaving a starting balance of \$750,000. In view of the foregoing, we recommend approval of this item as submitted.

**WATER AGENCIES****Recent Events in the Field of Water Resources**

Since July 1, 1955, many events have occurred which are of major significance in the field of water resources development in California. Several of the more important of these events are reviewed below.

1. The Assembly Interim Committee on Governmental Organization has been working on plans for a consolidated Department of Water Resources. Committee hearings were held on December 15th and 16th at Los Angeles, on December 17th at San Diego, on January 5th at San Francisco and on January 6th at Sacramento to give interested parties an opportunity to present their views on the proposed departmental organization. The main problem areas appeared to be the relationship of the Attorney General to the legal work of the new department and a fairly strong feeling that not all agencies proposed for consolidation should be in the new department. After the hearings, the committee began drafting a bill to be presented to the Legislature if the matter is included on the call by the Governor.

2. The disastrous floods in California during December and January have stimulated new interest in water problems. The U. S. Corps of Engineers has received emergency authorization to repair all levies and flood control works which have been damaged. In addition, the corps is currently reviewing and revising upward the project estimates in the President's Budget for 1956-57. Substantial increases in federal flood control expenditures in the California area can be expected. It is possible that new projects such as the levee construction of the North Bank of the American River or some other projects will require additional funds from the State for reallocation through the Flood Control Fund of 1946. The full impact of the California, Oregon and Nevada floods on federal expenditures and projects may not be known for many months or even until late summer.

3. The President's Budget for 1956-57 has requested \$8,350,000 for construction of the Trinity River Diversion. These funds will permit the beginning of major construction this summer. The Reclamation Commissioner, in a conference with the Governor and state water officials on January 25, 1956, proposed that the Federal Government build the San Luis Reservoir and provide for joint use with the State in the proposed Feather River Project. The commissioner expressed the opinion that if the Federal Government constructed the initial 1,000,000 acre-feet storage in the San Luis Reservoir it would be subject to federal reclamation law and the 160-acre land limitation. If the State financed additional capacity, its disposition would be under state law. At present the Division of Water Resources is studying the Bureau of Reclamation's San Luis Reservoir Project Report and is considering the integration benefits of Trinity River and Feather River Project waters.

## Water Agencies—Continued

4. Declarations in favor of immediate acquisition of right of way by the State for the San Luis and Feather River reservoir sites have been made recently by many prominent citizens and officials in California. Proposals for immediate construction by the State of the Oroville Reservoir have been frequent. A California Congressman has introduced a bill in Congress for a federal grant to the State of \$100,000,000 for the Feather River Project. This grant is proposed as a federal contribution towards the flood control and other national benefits of the project. A proposal has been made to use the \$150,000,000 impounded in Long Beach tideland royalties; \$75,000,000 in the State's rainy-day fund; an expected \$50,000,000 General Fund surplus and \$25,000,000 in bonuses on oil leases, in addition to \$35,000,000 received annually by the State from oil royalties and place these amounts in a fund to finance the construction of state water projects.

Other persons have recommended a "pay-as-you-go" approach to eliminate borrowing funds for construction and to save the interest on such funds. This would require the establishment of a State Water Development Fund into which revenues from oil, water and power would be deposited to finance project construction costs.

5. Further developments on the Feather River Project occurred in January, 1956, when the review report of the Feather River Project prepared for the Joint Committee on Water Problems was released. The report, written by the Bechtel Corporation, basically concurs in the feasibility of the Feather River Project as proposed by the Division of Water Resources.

The Bechtel Report recommends that the construction of the Oroville Reservoir be deferred. This recommendation is stated on page II-2 as follows:

"Routing studies by Bechtel indicate that there will be sufficient water in the Sacramento-San Joaquin Delta to supply Feather River Project demands, without additional regulation facilities on Feather River, until there is a requirement for delivery of 2,900,000 acre-feet annually for use south of the Delta."

In the letter of transmittal to the Chairman of the Joint Committee on Water Problems the following five principal conclusions and recommendations were made:

1. There will be a water demand equal to or possibly greater than that proposed in the report (by the Division of Water Resources).
2. The project is feasible from an engineering standpoint; however, we have recommended that consideration be given to certain modifications of design, operation and terminus.
3. The State's estimates of cost are reasonable; however, our estimates are approximately 3 percent to 9 percent higher for the various routes reviewed.
4. Adequate water is available for this project after allocation of ultimate requirements for upstream users.
5. It is feasible to finance the Feather River Project with general obligation bonds of the State, and the financial requirements of the project appear to be manageable in relation to probable population, income and wealth of the State.

**Water Agencies—Continued**

Many other observations of specific interest in evaluating the Feather River Project and of general interest to water problems and studies of the State are contained in the report.

**Comments on Analysis of Governor's Budget**

In analyzing the Governor's 1956-57 Budget requests for the various water agencies and their specific projects, a number of general considerations can be used as guides. The water agencies have requested substantial sums of money for continuing projects which are already under way and for new projects which are to be undertaken in the 1956-57 Fiscal Year. Many of these projects are inter-related and most of them have important implications to each other. For this reason we feel that some general guides are essential in considering the relative importance of various projects in the budget. A few, and by no means all, of these general considerations are as follows:

1. The accumulation of basic data is essential to all planning for water resource developments. No project, no matter how small or large, can be properly planned and designed without essential data. Much of this data is historical by nature, which means that it is impossible to go back in time to collect it. It is collected at the time of occurrence or lost.

The State is engaged in a wide variety of data collecting activities, some financed exclusively by the State, while others are undertaken as joint projects between the State and Federal Government. In addition, some data is available from private sources. The State has so many divergent projects to collect data that it is difficult to establish their extent or usefulness, and whether they are sufficiently comprehensive to permit integrated analysis and interpretation. It appears to us that an inventory should be made of all projects and material that can be classified as basic data. This would include data compiled by federal, state, local and private sources. From such an inventory it will not only be possible to determine whether the present collection is adequate in terms of the orderly development of foreseeable water projects, but studies of the material should show special problems such as comparability of data, facilitation of compilation, analysis, integration and publication as well as geographical areas in the State or types of data which are not now being adequately covered.

Such a report should form the basis for establishing a comprehensive program to collect basic data and for the analysis of future budget requests. We have recommended approval of the requests for basic data collection, but have done it largely on the merits of each individual request rather than on the basis of a general basic data collection program.

2. The adjudication of existing water rights conflicts is closely related to county of origin problems and the diversion of surplus water to deficient areas. As indicated in the detail of the analysis, any project plans which may increase the water rights conflict on a river or in a basin will likely not be supported by conflicting claimants to that water. If at all possible, existing water rights conflicts should first be adjudicated before an exact determination can be made of downstream waters not now appropriated which will be available to counties of origin for their future development and before any final determination can be



**Water Agencies—Continued**

made of the quantities of water available for export to water deficient areas within the State. Thus, the request for funds for comprehensive adjudication of existing water rights conflicts by basin or river have been recommended for approval.

3. The analysis of funds for project planning and for general investigations should be based largely on the need to get those projects which are most feasible from an economic and engineering point of view ready for immediate construction. If funds are limited, it is generally preferable to spend the available funds on additional planning and detailed design of projects feasible for immediate construction and which will meet immediate needs. It is likewise desirable to study projects which will be needed at some time in the future, but completion of studies for projects needed immediately generally should bear higher priority. A good example of this is included in the Bechtel Report, prepared for the Joint Committee on Water Problems, which indirectly indicates in its Summary and Recommendations, pages I 11-15, inclusive, that a critical aspect of all plans for projects in the Central Valley is the Delta Cross Channel. If this recommendation is ultimately accepted as state policy then studies of hydrology and geology of the Delta are of high priority and should be expedited.

In a number of areas within the State, local groups are preparing plans and considering local construction of projects. This interest and initiative is of great value to the State and its citizens, if properly utilized. However, many of the projects proposed by local groups are for single purpose structures which would preclude future multiple-purpose developments at the same site and which may not represent full utilization of the water resource at the site. If California's water resources are to be fully developed and if adequate water is to be available for future use, not only will there be a need for all the projects which can be constructed by local interests, but these projects will be needed for their full multiple purpose values. Any funds provided for determining general plans and feasibility of multiple-purpose projects in place of single-purpose projects proposed by local interests would have to be considered of a priority nature.

To summarize, the three points above are illustrations of general policy considerations that must be used in considering the individual budget requests of the water agencies of the State.

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

ITEM 208 of the Budget Bill

Budget page 800  
Budget line No. 56

**FOR SUPPORT OF DIVISION OF WATER RESOURCES FROM THE  
GENERAL FUND**

Amount requested -----	\$2,169,863
Estimated to be expended in 1955-56 Fiscal Year -----	2,022,127
Increase (7.3 percent) -----	\$147,736

Division of Water Resources—Continued

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages-----	\$120,740	\$100,740	\$20,000	812 9
Operating expense -----	25,661	25,661	---	812 10
Equipment -----	5,395	5,395	---	812 11
Less: increased reimbursements--	-1,844	-1,844	---	812 23
Less: increase from Watermaster Service Fund -----	-2,216	-2,216	---	812 27
<b>Total increase -----</b>	<b>\$147,736</b>	<b>\$127,736</b>	<b>\$20,000</b>	<b>812 26</b>

RECOMMENDATIONS

Amount budgeted -----	\$2,169,863
Legislative Auditor's recommendation-----	2,169,863
Reduction -----	None

GENERAL SUMMARY

The Division of Water Resources is the major state agency in the field of water resources. The division has responsibility for the administration and supervision of the appropriation of water, the adjudication of water rights, supervision of safety of dams, maintenance and operation of the Sacramento River flood control and reclamation works, beach erosion control, administration of the state mapping program, state water quality investigations, stream gaging, collection of various hydrologic data, and review of federal reports on proposed projects. It also renders technical assistance or performs contract services for most of the other water agencies of the State. It is currently cooperating with bureaus of the Federal Government in several joint projects and investigations.

ANALYSIS

The authorized program for the division in Fiscal Year 1955-56 is 272.7 positions and a net support budget of \$2,022,127. The Governor's request in 1956-57 Fiscal Year provides for 290.6 positions at a net support cost of \$2,169,863. This is an increase of 18 positions and \$147,736.

The contract services requested by other water agencies shows a net increase of 14 positions from 172 in 1955-56 to 186 in 1956-57. The net expenditures shows a slight decrease from \$1,081,255 in 1955-56 to \$1,038,451 in 1956-57. The consolidated workload of the division will increase appreciably in terms of total numbers of positions but the dollar level will be reasonably constant.

The following table shows the amount requested by function for Fiscal Year 1956-57 by the division and the amount of increase over the estimated expenditures for the 1955-56 Fiscal Year.

Function	Proposed 1956-57	Increase
General Administration -----	\$587,647	\$92,744
State Maps and Surveys -----	19,541	-4,273
Water Quality Investigation -----	448,691	-20,625
Sacramento-San Joaquin Water Supervision-----	87,449	1,042
Water Rights and Resources-----	316,006	53,511
Watermaster Service -----	48,650	4,281
Regulation of Safety of Dams-----	154,447	9,376

## Division of Water Resources—Continued

<i>Function</i>	<i>Proposed 1956-57</i>	<i>Increase</i>
Flood Control Project Maintenance-----	\$377,153	\$6,182
Review of Federal Reports-----	44,152	2,092
Central Valley Project-----	86,127	3,406
	\$2,169,863	\$147,736 (7.3%)

*General Administration* ----- \$587,647

General Administration includes the State Engineer, the Assistant State Engineers, the division's attorneys and other specialized or advisory staff to the State Engineer as well as the various administrative functions of the division. General Administration shows an increase of 12 authorized positions in Fiscal Year 1956-57 over 1955-56, which merely reflects a transfer of these positions from other functions in the division.

In addition to the transfer of 12 positions, there are nine new positions requested for 1956-57. A land and water use specialist is requested for use in the northeast counties investigation. A junior staff analyst is requested for fiscal and budget assistance to the existing staff and can profitably be used for procedural studies. Seven nonprofessional positions are requested, a delineator, five intermediate typist-clerks, and a key punch operator to record data on ground water extractions, water rights applications, well logs, water quality, streamflow and precipitation. The division can advantageously place its water data on punch cards which will not only speed its compilation but permit many analyses which are too expensive to be done without machines.

We recommend approval for the new positions and the amount requested.

*State Maps and Surveys* ----- \$19,541

The maps and surveys function is planned at the same level as in Fiscal Year 1955-56. The reduction in funds requested results from transferring one intermediate-clerk to the general administration function. The two professional people of this staff are responsible for the state's portion of the cooperative mapping program with the U. S. Geological Survey, execute the State Engineer's responsibilities to prepare a state base map, coordinate the programs of the several map-making agencies and distribute state maps.

We recommend approval of the request.

*Water Quality Investigations* ----- \$448,691

The activities of this function include: (1) investigation of the quality of all water, determining sources of pollution and making recommendations for the improvement or protection of waters; (2) surveys, investigations and formulation of plans for the reclamation of waste waters for beneficial purposes; (3) investigation of damage to ground water from abandoned or defective wells, recommendations for minimum standards for well construction, and (4) contract work for the water pollution control boards.

The decrease of \$20,625 results primarily from transferring nine clerical and administrative positions to the general administration func-

**Division of Water Resources—Continued**

tion. No increase in staff or work level is requested and we recommend approval as requested.

*Sacramento-San Joaquin Water Supervision*.....\$87,449

This function collects data on stream flow and diversions on the Sacramento and San Joaquin Rivers to provide basic information on water supply, water utilization and water rights in connection with the Central Valley Project. The Bureau of Reclamation will reimburse the State for \$82,028 for their share of the \$169,477 program.

The budget request proposes no change in the level of work. We recommend approval of the request.

*Water rights and resources*..... \$316,006

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

Our analysis of this function for both Fiscal Years 1954-55 and 1955-56 considered the problem of appropriate fees to be charged by the division for processing water right applications. We recommended an increase in fees charged and elimination of the exemption for public agencies. This revision and elimination of exemption have taken place. The revenue estimates in the division's 1956-57 Budget reflect the anticipated new revenue. The increase in fees has not decreased the number of applications. The current backlog is approximately 1,000 applications with the current rate of processing at a little more than 400 per year. There is at least two years backlog of work. Under these circumstances, the division is requesting a major increase in staff for water rights work totaling five positions.

Applicants for water right permits or licenses have a right to expect reasonably prompt action on their applications by the State. For some of these applicants, substantial amounts of money are involved in capital investments or commitments for future investments which may be advantageous to the State. These applicants should not have to wait one or two years for processing of their applications.

One of the most frustrating problems facing the State in getting projects under construction to conserve water for beneficial uses is the question of water rights. Citizens cannot be expected to support new multi-purpose projects which may add further conflicting claims for water when they are already struggling to protect their individual water rights. Not until an adjudication of their water rights problems has been completed can these people be expected to support additional projects to utilize the water that is then legally determined to be surplus to their needs or to the county of origin.

The State is already spending large amounts of money on the Sacramento River Trial Distribution and trial distributions for the lower American and Feather Rivers are also proposed. The expenditures for these distributions, plus the request of the Division of Water Resources for more water rights staff do not appear to be excessive for the magnitude of the job to be done.

## Division of Water Resources—Continued

Three new positions are requested for the Southern California area investigation. Additional investigations are required by recent legislation in Chapter 1514, Statutes of 1955, which covers the formulation of water replenishment districts. There is also still a backlog of three years in the preparation of Bulletin No. 39. Of the eight new positions requested, the money for three is being deducted as salary savings.

We recommend approval for the full request covering this function.

*Watermaster service*..... \$48,650

This function is responsible for the supervision of water distribution within the 18 currently active watermaster service areas. The cost is financed by equal contributions from the State and from local interests. An increase is proposed in temporary help, otherwise the level of activity remains the same.

We recommend approval of the amount requested.

*Regulation of safety of dams*..... \$154,447

This function is responsible for assuring the safety of all dams in California except those federally-owned. The function approves plans and specifications for all dams proposed to be constructed or to be repaired, and maintains a periodic safety check of all existing dams. The division proposed to add one new position of associate materials and research engineer for the soils and testing laboratory. The use of earth-filled dams is becoming more frequent with new developments in specifications and design of earth-filled dams. It is important that the State have adequate test data and information on which to judge the safety of these new designs.

We recommend approval of the request.

*Flood control project maintenance*..... \$377,153

The primary job of this unit is the maintenance of the Sacramento-San Joaquin Flood Control Project. In addition, this unit is responsible for beach erosion control activities, snow surveys, and prepares the water condition reports. An additional assistant hydraulic engineer is proposed for inspection of flood control works and for investigation of an increased number of applications for encroachment on flood control works. In view of the difficulties encountered in the recent floods from encroachments on flood control works, the approval of this new position is recommended.

We recommend approval of the request for this function which otherwise is being maintained at the same level of service.

*Review of federal reports*..... \$44,152

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. This function reviews these reports for the State of California and makes recommendations on them.

No change in the level of service is proposed and we recommend that the request be approved.

Division of Water Resources—Continued

Central Valley Project ----- \$86,127

This function provides the Water Project Authority with technical assistance required in acting upon legal and engineering problems involved in representing California in connection with the operation and construction of the Central Valley Project. This includes recording ground water levels, preparing annual maps of ground water fluctuations as affected by the operation of the project; participation with federal agencies and water users associations in discussion of operating studies and independent studies of operation of the Central Valley Project; analysis of proposed construction programs and recommendations to the Congress as to amounts of appropriations; and assistance to local districts who may have dealings with the Federal Government with respect to the project. Funds under this function are expended under policies established by the Water Project Authority.

The request provides for no change in the level of work. One supervisor of drafting services is transferred to general administration. We recommend approval of the request.

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

ITEM 209 of the Budget Bill

Budget page 801  
Budget line No. 8

**FOR SUPPORT OF WORK IN COOPERATION WITH THE FEDERAL GOVERNMENT FROM THE GENERAL FUND**

Amount requested -----	\$581,550
Estimated to be expended in 1955-56 Fiscal Year -----	502,125
<hr/>	
Increase (15.8 percent) -----	\$79,425

**RECOMMENDATIONS**

Amount budgeted -----	\$581,550
Legislative Auditor's recommendation -----	581,550
<hr/>	
Reduction -----	None

**ANALYSIS**

The Division of Water Resources cooperates with various federal agencies in financing projects of mutual concern. The state and federal agencies put up equal amounts of money for this work. There is a substantial increase of \$79,425 which reflects the increasing needs for basic data to solve water problems.

**Yuba River Debris Control**

This project which is done in cooperation with the U. S. Army Engineers prevents mining debris from passing into the Feather and Sacramento Rivers. It is a continuing project with the State's share of the cost at \$15,000.

**Topographic Mapping**

Chapter 1424, Statutes of 1945, authorized a continuing program for the cooperative mapping of the State. This project continues the project undertaken with the U. S. Geological Survey at the continuing rate of \$300,000 per year contribution by the State.

Division of Water Resources—Continued

Irrigation Investigations

In previous years a contract with the Agricultural Research Service, United States Department of Agriculture provided for a \$7,500 contribution by the State to finance a cooperative investigation. A new contract is being negotiated and the amount of funds which the State will contribute is being increased to \$15,000. The new contract will provide for studying factors that dissipate the natural water supply, studies of the consumptive use of water by various crops in California; studies of the contribution of rainfall to irrigated crops in California; studies of conservation of water by artificial recharge of underground basins; and studies of drainage of irrigated and other wet lands.

Stream Gaging

This is a cooperative project with the U. S. Geological Survey. The Geological Survey provides data to the State on water supply, runoff, and utilization of streams in California not otherwise covered by the Division of Water Resources in its other activities. The increase is to cover the recent federal salary increase.

Gaging Stations

This project provides for sharing the costs of construction or reconstruction of stream gaging stations in California which are jointly operated by the Division of Water Resources and the Geological Survey. The 1956-57 request covers one additional station on the South Fork of the Trinity River and the reconstruction of other stations.

Ground Water Basins and Subsidence Studies

During the state-wide investigation, a cooperative ground water study was begun with the U. S. Geological Survey and financed from funds provided for that study by the State Water Resources Board. The Division of Water Resources now desires to continue this cooperative project and is requesting the sum of \$61,875 to carry on this work which appears as a new project here.

The investigation proposed would consist of three parts, the study of ground water geology and hydrology in the southern part of the San Joaquin Valley, a study of subsidence in the San Joaquin Valley and further basic data collection and observation well measurements in Southern California.

Recommendation

We recommend that the funds requested for work on projects in cooperation with the Federal Government be approved.

Department of Public Works
DIVISION OF WATER RESOURCES

ITEM 210 of the Budget Bill

Budget page 801
Budget line No. 63

FOR SUPPORT OF BEACH EROSION COOPERATIVE INVESTIGATION
PROJECTS FROM THE GENERAL FUND

Table with 2 columns: Description and Amount. Rows include: Amount requested (\$7,500), Estimated to be expended in 1955-56 Fiscal Year (7,500), and Increase (None).

Division of Water Resources—Continued

**RECOMMENDATIONS**

Amount budgeted .....	\$7,500
Legislative Auditor's recommendation .....	7,500
<hr/>	
Reduction .....	None

**ANALYSIS**

A master contract between the State and the U. S. Corps of Engineers in 1947 provides for investigations and reports on beach erosion control projects to be carried on cooperatively with the Federal Government paying one-half of the cost, the State one-quarter and the local interests one-quarter. This request provides for the continuation of the beach erosion investigations in San Diego and Orange Counties at the same level as last year.

We recommend approval.

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

ITEM 211 of the Budget Bill

Budget page 801  
Budget line No. 68

**FOR SUPPORT OF WEST WALKER RIVER INVESTIGATION FROM  
THE GENERAL FUND**

Amount requested .....	\$6,000
Estimated to be expended in 1955-56 Fiscal Year .....	10,000
<hr/>	
Decrease (40.0 percent) .....	\$4,000

**RECOMMENDATIONS**

Amount budgeted .....	\$6,000
Legislative Auditor's recommendation .....	6,000
<hr/>	
Reduction .....	None

**ANALYSIS**

The 1956-57 Budget requests \$6,000 for the continuance of the West Walker River investigation. The sum of \$10,000 was allocated for the current year.

At the time the original estimate was requested during the 1955 legislative session, the magnitude of the job was not entirely clear, as time did not permit a preliminary field investigation of the proposed area. It is estimated that the land use survey, which includes water supplies, diversions, crops grown, return flows, observation of water quality, necessary topographic and geologic reconnaissance surveys, determination of water requirements, and all present irrigated lands can be accomplished during the current fiscal year, and the data compiled so that it will be available for studies and computations necessary to develop a plan of ultimate development on stream systems.

The \$6,000 requested for the 1956-57 Fiscal Year would finance a plan of ultimate development, which would include preliminary layout, design and cost estimates for the works needed to conserve water, and to develop a water supply to fill the needs of the area. Preparation of the final report also would be included during the budget year.



## Division of Water Resources—Continued

The work is needed for the California-Nevada Interstate Compact Commission, which otherwise would have to request funds for the project.

We recommend approval as submitted.

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

ITEM 212 of the Budget Bill

Budget page 801  
Budget line No. 70

**FOR SUPPORT OF RESEARCH IN SNOW PACK MANAGEMENT  
FROM THE GENERAL FUND**

Amount requested .....	\$65,000
Estimated to be expended in 1955-56 Fiscal Year .....	—
Increase .....	\$65,000

**RECOMMENDATIONS**

Amount budgeted .....	\$65,000
Legislative Auditor's recommendation .....	65,000
Reduction .....	None

**ANALYSIS**

The budget requests \$65,000 for research in snow pack management.

This research is the first of a five-year program on a matching basis with the U. S. Department of Agriculture, Forest Service, California Forest and Range Experiment Station.

The objective is the developing and testing of ways of conserving the State's water supply through management of the mountain snow pack. The timber stands in the snow pack belt are still uncut; however, logging operations are moving upward to such forests.

While the State is engaged in a great deal of study of surface and ground water problems, a survey of this type is important because of the ultimate effect that changing patterns of snowmelt and runoff will have on valley water supplies.

We recommend approval.

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

ITEM 213 of the Budget Bill

Budget page 802  
Budget line No. 12

**FOR ADDITIONAL SUPPORT OF WATERMASTER SERVICE FROM  
THE WATERMASTER SERVICE FUND**

Amount requested .....	\$42,765
Estimated to be expended in 1955-56 Fiscal Year .....	40,549
Increase (5.5 percent) .....	\$2,216

**RECOMMENDATIONS**

Amount budgeted .....	\$42,765
Legislative Auditor's recommendation .....	42,765
Reduction .....	None

Division of Water Resources—Continued

ANALYSIS

The Watermaster Service is supported by equal contributions from the State and the benefited areas. The moneys collected from the watermaster service areas are placed in the Watermaster Service Fund and appropriated therefrom. This appropriation covers the needs of the Watermaster Service from that fund in Fiscal Year 1956-57. The difference between the \$48,650 requested from the General Fund and the \$42,765 requested from the Watermaster Service Fund 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.

We recommend approval.

Department of Public Works  
DIVISION OF WATER RESOURCES

ITEM 214 of the Budget Bill

TO REVERT UNEXPENDED BALANCE OF CHAPTER 1478, STATUTES OF 1951, TO THE GENERAL FUND

ANALYSIS

Chapter 1478, Statutes of 1951 authorizes the State Engineer to investigate and report on the surface and underground water supplies of the Putah Creek Cone and of the Lower and Western Kaweah Delta areas. As of June 30, 1955, an unexpended balance of \$50,000 remains of the amount appropriated by this chapter for the Kaweah study. This money is being returned to the General Fund.

We recommend approval.

AERONAUTICS COMMISSION

ITEM 215 of the Budget Bill

Budget page 816  
Budget line No. 7

FOR SUPPORT OF AERONAUTICS COMMISSION FROM THE GENERAL FUND

Amount requested .....	\$50,881
Estimated to be expended in 1955-56 Fiscal Year .....	46,727
<hr/>	
Increase (8.8 percent) .....	\$4,154

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages .....	\$3,884	\$3,884	--	816 45
Operating expense .....	—391	—391	--	816 67
Equipment .....	—50	—50	--	817 7
Less: increase reimbursements .....	711	711	--	817 14
<hr/>		<hr/>		
Total increase .....	\$4,154	\$4,154		

RECOMMENDATIONS

Amount budgeted .....	\$50,881
Legislative Auditor's recommendation .....	50,881
<hr/>	
Reduction .....	None

**Aeronautics Commission—Continued  
ANALYSIS**

During the 1955 Legislative Session, the budget of the Aeronautics Commission was reduced from a level of approximately \$100,000 per annum to approximately \$50,000. This was the second time the Legislature has reduced the budget of this agency approximately 50 percent. In 1949 the Legislature decided to limit the scope and program of the commission and left the development of a program costing about \$100,000 to the discretion of the commission.

In 1955 there was some dissatisfaction expressed by the Legislature as to the necessity and advisability of many of the activities of the commission. This was particularly evident on matters which appeared to be duplications of programs administered by federal agencies which have primary responsibilities for aircraft and pilot regulation. As a result the Legislature, while recognizing the importance of all phases of the aircraft industry in California, reduced the budget to its present level which it felt was adequate to provide all necessary services.

Because of the budget reduction several changes have been made in the organization of the staff of the commission. A new director was appointed following his predecessor's resignation. The Burbank branch office has been closed and the Sacramento office has been moved to comparatively inexpensive quarters at the Sacramento Airport. The number of staff has been reduced from 10.5 to 4. Efforts have been made toward administrative economy by better scheduling of field visits, combining activities when areas are visited to avoid duplication, and in scheduling the work of the staff on an annual, monthly, and weekly basis.

The program of the Aeronautics Commission covers many phases of aviation development. The chief activities of the commission staff are aiding in (1) airport development and (2) the encouragement of protection of private agricultural and business flying and the facilities, chiefly small airports, available to them.

The present request reflects a continuation of the level of service established at the 1955 Session of the Legislature and we recommend approval.

**COLORADO RIVER BOARD**

ITEM 216 of the Budget Bill

Budget page 818  
Budget line No. 7

**FOR SUPPORT OF COLORADO RIVER BOARD FROM THE GENERAL FUND**

Amount requested .....	\$237,125
Estimated to be expended in 1955-56 Fiscal Year.....	229,153
<b>Increase (3.5 percent) .....</b>	<b>\$7,972</b>

**Summary of Increase**

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages .....	\$7,091	—\$6,621	\$13,712	818 63
Operating expense .....	400	—13,237	13,637	819 10
Equipment .....	481	—471	952	819 16
<b>Total increase .....</b>	<b>\$7,972</b>	<b>—\$20,329</b>	<b>\$28,301</b>	<b>819 18</b>

**Colorado River Board—Continued**

**RECOMMENDATIONS**

Amount budgeted .....	\$237,125
Legislative Auditor's recommendation .....	237,125
Reduction .....	None

**GENERAL SUMMARY**

The Colorado River Board was created under Chapter 838, Statutes of 1937, for the purpose of protecting California's rights pertaining to the Colorado River. The board and its staff collects, compiles, and analyzes engineering and legal data on utilization of the waters of the Colorado River System within and without the State; appears before congressional committees and interested federal agencies; and confers with representatives of other Colorado River Basin states regarding legislation and developments affecting California's rights and interests.

**ANALYSIS**

The budget request of \$237,125 is \$7,972 greater than the estimated expenditure of \$229,153 for the current year. However, the \$237,125 is \$32,001, or 13.5 percent, greater than the \$205,124 expenditure program, plus salary increases, that was approved by the 1955 Legislature.

Although an excess balance of \$24,029 in Chapter 12, Statutes of 1953, funds was scheduled to revert to the General Fund, the Department of Finance released the funds to employ three additional professional positions to augment the staff working in connection with the litigation over the water rights of the Colorado River. The funds appropriated by Chapter 12 are now exhausted and it is proposed to continue the level of service provided by Chapter 12 in the budget request of the Colorado River Board. We recommend approval of the budget as requested.

**CALIFORNIA KLAMATH RIVER COMMISSION**

ITEM 217 of the Budget Bill

Budget page 821  
Budget line No. 7

**FOR SUPPORT OF CALIFORNIA KLAMATH RIVER COMMISSION  
FROM THE GENERAL FUND**

Amount requested .....	\$64,871
Estimated to be expended in 1955-56 Fiscal Year .....	40,100
Increase (61.8 percent) .....	\$24,771

**Summary of Increase**

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages .....	---	---	---	---
Operating expense .....	\$24,771	\$24,771	---	821 48
Equipment .....	---	---	---	---
Total increase .....	\$24,771	\$24,771	---	821 52

**RECOMMENDATIONS**

Amount budgeted .....	\$64,871
Legislative Auditor's recommendation .....	64,871
Reduction .....	None

California Klamath River Commission—Continued  
GENERAL SUMMARY

The Klamath River Commission was created by Chapter 1473, Statutes of 1953, to cooperate with a similar commission representing the State of Oregon in formulating and submitting to the legislatures of both states for their approval an interstate compact concerning the distribution and use of the water of the Klamath River.

ANALYSIS

The commission began its work in May, 1954. Its expenditures in 1954-55 were \$21,001; in 1955-56 the commission's needs are estimated at \$40,100, and \$64,871 is requested for 1956-57. It is expected that the work of the commission will be virtually completed by the end of Fiscal Year 1956-57, in which case the total cost of the commission's work would be approximately \$125,000. However, if the proposed compact is approved by the Oregon and California Legislatures in the spring of 1957, some representation by the commission before Congress may be required during 1958.

At the present time the California commission has reached full agreement with the Oregon commission on all major problems. An accord has been reached on the use of Klamath River water by the California-Oregon Power Company, California is to be granted water to irrigate 100,000 acres of land, and a preliminary draft of the compact has been prepared. First hearings have been held on the proposed compact with problems related to specific wording and more authority to enforce pollution controls being the major comments to date. Other comments may be received at a later date.

The work outlined by the commission for Fiscal Year 1956-57 includes continued negotiation with the Oregon commission on wording or other revisions, additional public hearings on the compact draft, continued collection of data on water rights, legal problems, engineering data and permits and licenses. In addition the commission proposes that \$19,600 be made available for subsurface explorations of reservoir sites for storage of Klamath River water in California. The Oregon commission expects California to show the geologic feasibility of a site proposed for storage of diverted water before Oregon will voluntarily release the water. Therefore, the California commission proposes geologic exploration at the Big Table site at a cost of \$10,000, and if that site is not suitable an exploration at the Dorris Hill site. Funds for both explorations are included although only one exploration may be needed. In the event that the exploration of the Big Table site proves it to be unsatisfactory, a year's delay would be necessary before money to explore the alternate site could be appropriated.

The commission's work will be handled mainly by contract services from the Division of Water Resources estimated to cost \$40,000 (including the site exploration). Legal work will be handled by the Attorney General's Office. The commission is requesting funds for a full year's activity in Fiscal Year 1956-57 and expects these contract services will continue through most of the year.

Subject to assurances that the sum of \$9,600 will revert if not needed for a second site exploration, it is recommended that the request be approved.

**CALIFORNIA-NEVADA INTERSTATE COMPACT COMMISSION**

ITEM 218 of the Budget Bill

Budget page 822  
Budget line No. 7

**FOR SUPPORT OF CALIFORNIA-NEVADA INTERSTATE COMPACT  
COMMISSION FROM THE GENERAL FUND**

Amount requested .....	\$60,119
Estimated to be expended in 1955-56 Fiscal Year .....	33,897
<b>Increase (77.4 percent) .....</b>	<b>\$26,222</b>

**Summary of Increase**

	Total increase	INCREASE DUE TO		Budget Line	
		Work load or salary adjustments	New services	page	No.
Salaries and wages .....	--	--	--	--	--
Operating expense .....	\$42,325	\$42,325	--	822	42
Equipment .....	--	--	--	--	--
Less: prior year balance .....	-16,103	-16,103	--	822	9
<b>Total increase .....</b>	<b>\$26,222</b>	<b>\$26,222</b>	<b>--</b>	<b>822</b>	<b>42</b>

**RECOMMENDATIONS**

Amount budgeted .....	\$60,119
Legislative Auditor's recommendation .....	60,119
<b>Reduction .....</b>	<b>None</b>

**GENERAL SUMMARY**

The California-Nevada Interstate Compact Commission was established by Chapter 1810, Statutes of 1955, which also appropriated \$50,000 for the use of the commission. The commission is directed to cooperate with a similar commission representing Nevada to negotiate an interstate compact covering the distribution and use of the waters of Lake Tahoe and the Truckee, Carson and Walker Rivers. The commission's work is just beginning. Its first meeting was held on January 16, 1956, and the first joint meeting with the Nevada Commission held on the following day.

**ANALYSIS**

The commission has established a program designed to solve a number of very complex problems in its assigned area including the negotiation of settlements in several water rights court cases; determining the amount of water originating in California which is available for proposed projects of the Bureau of Reclamation; generally determining the future water needs of California from the subject rivers; studying problems of pollution, fish, wildlife and recreation at Lake Tahoe and along the subject rivers; investigating the possibility of storing water at feasible sites in California; and studying the problems of elevation of Lake Tahoe.

The rights to most of the water of the Truckee, Carson and Walker Rivers are held by Nevada water users. A recent study by the U. S. Bureau of Reclamation provides most of the basic data for Nevada. Since the water originates in California and flows into Nevada where it is mainly used, the holders of water rights in Nevada are inclined to sit tight with their water rights. Although the State of Nevada has appropriated \$30,000 for the expenses of its commission, California

California-Nevada Interstate Compact Commission—Continued

must secure its own data or have no case to be presented by the commission.

The commission proposes to collect field data next summer which will supplement the work already being done by the Division of Water Resources in its West Walker River Investigation. The commission will contract this field work to the Division of Water Resources which will analyze the data and prepare its report during the following winter. All of the anticipated field work and analysis are included in this budget request. How long it will take to reach agreement with the Nevada Commission is uncertain, but it is reasonable to expect that it may be several years before the work of the commission is completed.

The requests of the commission are patterned as closely as possible on the experience of the California Klamath River Commission and appear in line with its expenditures. Approval of this request is recommended.

**RECLAMATION BOARD**

ITEM 219 of the Budget Bill

Budget page 823  
Budget line No. 7

**FOR SUPPORT OF RECLAMATION BOARD FROM THE GENERAL FUND**

Amount requested .....	\$211,292
Estimated to be expended in 1955-56 Fiscal Year .....	195,860
<b>Increase (7.9 percent) .....</b>	<b>\$15,432</b>

**Summary of Increase**

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages .....	\$12,011	\$12,011	---	823 72
Operating expense .....	3,104	3,104	---	824 22
Equipment .....	1,592	1,592	---	824 31
Less: increased reimbursements .....	—1,275	—1,275	---	824 36
<b>Total increase .....</b>	<b>\$15,432</b>	<b>\$15,432</b>	<b>---</b>	<b>824 38</b>

**RECOMMENDATIONS**

Amount budgeted .....	\$211,292
Legislative Auditor's recommendation .....	210,092
<b>Reduction .....</b>	<b>\$1,200</b>

**GENERAL SUMMARY**

The Reclamation Board cooperates with the U. S. Engineers in the construction of flood control projects through the acquisition of rights of way for such projects; acts as the governing body for the Sacramento and San Joaquin Drainage District; approves construction on levee systems and flood channels; and fulfills such construction obligations as have been assumed by the State in its agreement with the Federal Government.

**ANALYSIS**

The Reclamation Board is requesting an increase of \$15,432 in Fiscal Year 1956-57. Mainly this increase is for two positions, a property appraiser and negotiator and a junior drafting aid. The remainder of

**Reclamation Board—Continued**

the increase is mostly for operating expenses and equipment for the two new positions. The board anticipates that four appraisers will be required for the property acquisition work in its 1956-57 program. An appraiser position was authorized for the current budget year, but as of January, 1956, the board had been unable to fill the position because of shortage of personnel.

The appraising work load of the board is expected to increase appreciably in 1956-57 because of the expansion of the Corps of Engineers flood control projects and expenditures in the board's jurisdiction. Although the President's Budget does not include all the funds expected, it is currently being revised to include more funds. In addition there will be some unknown additional work load resulting from the extensive repairs that the Corps of Engineers will undertake in the Central Valley on an emergency basis. The junior drafting aid position was authorized for one year in 1954 to eliminate a backlog resulting from the inventory of all properties and rights owned by the board. The board is requesting that the position now be made permanent in view of the continued backlog and the importance of having an accurate record of board properties.

Since the staff of the board for the current budget year was predicted on federal appropriations for flood control work on the Sacramento River at the level of \$3,800,000, the requested increase of two positions appears warranted in view of the certainty of a substantially larger federal program. It is recommended that the request of the Reclamation Board be approved.

For the past two years the board has contracted with the State Lands Commission for a complete audit of revenues from rents and royalties on oil and gas lands owned by the board. The results of these audits have shown that no significant problems or discrepancies exist in the amount of revenue received by the board. It does not appear necessary to conduct such a complete audit in the future. The Division of Audits and the Reclamation Board should develop a plan to provide a spot-check audit which will not require the time and expense of a complete audit of all monthly billings and which will still assure the protection of the State's revenue. Half the cost of a complete audit should be adequate.

Except for the reduction of \$1,200 in audit funds, the request of the board is recommended for approval.

**SAN FRANCISCO BAY AREA RAPID TRANSIT COMMISSION**

ITEM 220 of the Budget Bill

Budget page 825

Budget line No. 9

**FOR REAPPROPRIATION OF UNEXPENDED BALANCE OF CHAPTER 1212, STATUTES OF 1953, FROM THE GENERAL FUND****ANALYSIS**

This item extends the availability of funds appropriated by Chapter 1212, Statutes of 1953, for support of the San Francisco Bay Area Rapid Transit Commission. Under existing legislation the commission will terminate its existence on or before December 31, 1957. During the



**San Francisco Bay Area Rapid Transit Commission—Continued**

current fiscal year the commission has completed a comprehensive engineering survey designed to develop a coordinated plan for rapid transit facilities in the nine Bay area counties. This report will now be made the subject of public hearings looking toward the creation of a Rapid Transit District in the Bay area.

The State created this commission to provide an agency which could serve to bring together the affected counties for the purpose of reaching agreement on a proposed transit plan. The State also loaned \$400,000 to be repaid from the proceeds of a bond issue which will be the obligation of the transit district when formed.

We recommend approval of the item.

**WATER RESOURCES BOARD**

ITEM 221 of the Budget Bill

Budget page 827  
Budget line No. 7

**FOR SUPPORT OF WATER RESOURCES BOARD FROM THE GENERAL FUND**

Amount requested .....	\$90,148
Estimated to be expended in 1955-56 Fiscal Year .....	76,488
<b>Increase (17.8 percent) .....</b>	<b>\$13,660</b>

**Summary of Increase**

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages .....	---	---	---	---
Operating expense .....	\$13,660	\$13,660	---	---
Equipment .....	---	---	---	---
<b>Total increase .....</b>	<b>\$13,660</b>	<b>\$13,660</b>	<b>---</b>	

**RECOMMENDATIONS**

Amount budgeted .....	\$90,148
Legislative Auditor's recommendation .....	82,148
<b>Reduction .....</b>	<b>\$8,000</b>

**GENERAL SUMMARY**

The State Water Resources Board is the agency designated to study and make recommendations to the Legislature on water conservation and flood control matters; to investigate and recommend allocations from the Flood Control Fund of 1946 to local agencies to cover the cost of cooperation in flood control works constructed by the Federal Government; and to represent the state and local agencies in matters pertaining to federal authorizations and appropriations for flood control projects.

**ANALYSIS**

The request provides for continuing the present level of two positions which work directly for the board. There are several minor increases in operating expenses for the board. Present indications are that operating expenses in Fiscal Year 1956-57 may not be sufficient or that additional amounts will be needed in the next budget year. It is now expected that the completion of the California Water Plan will

**Water Resources Board—Continued**

be delayed for several months and that some costs for hearings and travel incident to securing public reaction to the report will exceed budgeted amounts.

The only significant increase requested is for contract services to the Division of Water Resources. An increase of \$13,000 is to cover three new positions in the Los Angeles office of the division. These personnel process claims from the local agencies cooperating with the Federal Government for reallocations of funds from the Flood Control Funds of 1946. Involved in the process is checking the claims to assure that all work done is chargeable to the Flood Control Fund and is authorized for reallocation. There is currently a backlog of 15 claims which is approximately the number that can be processed by the existing three-man staff in one year. Part of this backlog results from high turnover in the existing staff. It can be anticipated that the increased number of projects included in the 1956-57 Budget will add some further work load. The request of the board is for three additional positions which would increase the staff by 100 percent. As the new personnel recently hired to replace lost employees develops skill and experience, the processing of claims should be speeded up somewhat. There is not a 100 percent increase in the number of claims to be processed and doubling the staff would result in inefficient training of new employees. It is recommended that only one new position be approved which should make it possible, along with the filling of vacancies, to process current work load and appreciably reduce the backlog. The amount requested should be reduced by \$8,000.

**Water Resources Board**

**STATE-WIDE WATER RESOURCES INVESTIGATIONS**

ITEM 222 of the Budget Bill

Budget page 827  
Budget line No. 21

**FOR SUPPORT OF STATE-WIDE WATER RESOURCES INVESTIGATION FROM THE GENERAL FUND**

Amount requested .....	\$15,000
Estimated to be expended in 1955-56 Fiscal Year .....	640,448
Decrease (97.6 percent) .....	\$625,448

**RECOMMENDATIONS**

Amount budgeted .....	\$15,000
Legislative Auditor's recommendation .....	15,000
Reduction .....	None

**ANALYSIS**

This investigation constitutes a revision and completion of the State Water Plan adopted by the Legislature in 1941. Its objective is the preparation of a plan for the full conservation, control, and utilization of the State's water resources, underground as well as surface, to meet present and future water needs for all beneficial purposes and uses in all areas of the State. Bulletins Nos. 1 and 2 have already been published. Bulletin No. 3, which sets forth the plan being proposed is being completed by Fiscal Year 1955-56 funds. Bulletin No. 4, the summary,

**State-wide Water Resources Investigations—Continued**

is to be published in Fiscal Year 1956-57. The amount of \$15,000 is being requested to finance publication of Bulletin No. 4. There is some indication that approximately \$20,000 appropriated in Fiscal Year 1955-56 may require reappropriation for Fiscal Year 1956-57 to cover costs of printing Bulletin No. 3 which is being delayed.

We recommend that the request for \$15,000 be approved.

**Water Resources Board  
CALIFORNIA WATER DEVELOPMENT PROGRAM**

ITEM 223 of the Budget Bill

Budget page 827  
Budget line No. 29

**FOR SUPPORT OF CALIFORNIA WATER DEVELOPMENT PROGRAM  
FROM THE GENERAL FUND**

Amount requested -----	\$1,041,551
Estimated to be expended in 1955-56 Fiscal Year -----	None
<b>Increase</b> -----	<b>\$1,041,551</b>

**RECOMMENDATIONS**

Amount budgeted -----	\$1,041,551
Legislative Auditor's recommendation -----	1,041,551
<b>Reduction</b> -----	None

**ANALYSIS**

The Water Resources Board is requesting funds which will permit initiation of a new major program to be undertaken by the Division of Water Resources. Basically this program is in furtherance of the state-wide water resources investigations, with certain significant exceptions as noted below.

In considering this program as proposed by the board, there are certain important implications with respect to (1) the staffing of the Division of Water Resources, (2) the priority of investigations which are calculated to result in getting projects under immediate construction, and (3) future investigations to be undertaken by the State.

Taking these factors in turn, the division faces a severe staffing problem with the ending of the state-wide investigation. The current level of positions devoted to that work is 80. The State could abolish these positions when the project is finished which would create administrative turmoil within the division and crippling morale problems. The labor market for engineers and skilled employees of the type needed for this investigational work makes recruiting such a staff virtually impossible. Recognizing that it is not advisable to spend state money merely to make work or to retain an unneeded staff, it is in the interests of the morale of employees of the division and good administration of the State Government to have a stable work program in water resources. Investigations, research and project planning should be scheduled and coordinated to the greatest extent possible to maintain a constant level work load which will support a stable, experienced staff. The California water development program in part fulfills that objective.

Not all the work proposed to be undertaken by the California water development program can be considered to be of as high priority as

**California Water Development Program—Continued**

other work currently being done by the State. The request for funds to carry on further investigations of the Biemond Plan under the auspices of the Water Project Authority, have been reduced from the original proposed \$350,000 in Fiscal Year 1956-57 to \$200,000 which will not permit finishing this investigation on the basis of the original three years' schedule. If the objective of the State is to get water conservation and flood control projects under construction as soon as possible, further investigations into the Biemond Plan may well be higher priority than investigations of projects which will not be needed for an indefinite number of years in the future.

It would be short-sighted, however, to curtail all investigations into projects needed at indefinite future times. It is important to determine the ultimate needs for waters in the counties of origin and thereby maintain a balanced water development program for the State. Furthermore, it takes many years of data collecting and analysis before a sound project plan can be prepared. Project planning should not be done on the basis of hasty, ill-conceived planning done under last minute pressure.

The proposed California water development program is intended to help stabilize the staff of the division and to look forward in anticipation of future project requirements, not to solve any immediate water problems. As will be indicated below, not all aspects of the proposed California water development program are specific and many decisions regarding the exact projects and river basins to be studied have not been made.

**Administration**

There is requested \$95,099 under the first section of the California water development program to cover costs of general administration and specialist personnel to render assistance and advice on the various other sections of the program. The funds will provide for 10 positions.

**North Coastal Plan for Major Projects and Sacramento Valley  
Plan for Major Projects**

There is requested \$157,938 for the north coastal area and \$164,312 for the Sacramento Valley. While these are separate sections of the program, they cover the same type of work and differ only with respect to location of the work. After the completion of the Feather River Project, the State will be faced with the problem of planning additional sources of water to serve the valley areas. It is estimated that approximately 11 to 12 million acre-feet of water will be available in the northern part of the State for development and use elsewhere. Most of this water will be developed in three major river systems, the Trinity River system, the Eel River system and the Sacramento River system. Under the two sections of the program which are budgeted it is proposed to undertake further studies of these three systems to determine which is the best suited for development as a next step after completion of the Feather River Project. (The Trinity and Eel Rivers are grouped under the north coastal plan.) At least three years are required for the completion of this work and 38 positions are programmed for these studies.

**California Water Development Program—Continued  
Local Projects in County of Origin**

There is requested \$158,500 for studies which are intended to collect and analyze data on projects in counties of origin which will supply water and multiple purpose benefits to people in those counties. The projects to be studied under the north coastal and Sacramento Valley plans are for water to be used outside of the counties of origin.

There are many possible projects which might be studied under this section. The program as proposed has not selected any specific projects for study or developed any priorities under which these projects might be studied. The Legislature has been interested in studies of this type and indications are that it may desire additional studies of specific areas or projects. It is recommended that the funds in this section be used if the Legislature has any specific projects which it desires to have studied. Otherwise, the funds will be available for studies as determined by the Water Resources Board and the Division of Water Resources.

**Geological Explorations**

There is \$169,464 requested to undertake test drillings and geological explorations of sites for major storage projects proposed in the state-wide investigation. Serious geologic problems, heavy deposits of soil and extensive vegetation make these explorations desirable. It is proposed to undertake sufficient explorations to establish the geologic feasibility of major sites for storage projects. Although the proposed explorations are initially a continuation of work on the California water plan, this is actually the initial phase of a program for continuing geologic explorations. Most of the funds will be spent for contract work.

**Collection of Basic Data**

The State is currently collecting much basic data for use in water resources problems, but coverage is incomplete, continuity is not assured and there is no provision for compilation and publication. This section provides \$196,238 for a continuing program to collect, compile and publish data on land use, land classification, hydrography and hydrology. A total of 29 positions will be involved.

**Conclusion**

We recommend that the request of \$1,041,551 for the California water development program be approved except that the funds for studies of local projects in counties of origin should be utilized if there are any specific projects which the Legislature wishes investigated.

**Water Resources Board**

**COOPERATIVE MINOR WATER RESOURCES INVESTIGATIONS**

ITEM 224 of the Budget Bill

Budget page 827  
Budget line No. 32

**FOR SUPPORT OF COOPERATIVE MINOR WATER RESOURCES  
INVESTIGATIONS FROM THE GENERAL FUND**

Amount requested .....	\$60,350
Estimated to be expended in 1955-56 Fiscal Year .....	27,750
Increase (117.5 percent) .....	\$32,600

Cooperative Minor Water Resources Investigations—Continued

**RECOMMENDATIONS**

Amount budgeted .....	\$60,350
Legislative Auditor's recommendation .....	60,350
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Reduction .....	None

**ANALYSIS**

The State Water Resources Board contracts with the Division of Water Resources to conduct comprehensive investigations in local areas where the urgency of water supply problems requires more intensive study than that provided by the state-wide water resources investigation. These projects are proposed by the local areas and their costs are shared equally by the State and the participating unit of government in the local area.

There are three continuing projects in this item and three new ones. Shasta County investigation is being continued with \$15,000 being contributed by both the State and county. The objective is to locate and plan the development of additional sources of water in the county. The project with San Joaquin County is being continued at a cost to the State of \$1,000 to study changes in underground water levels. The third continuing project is with Monterey County at a cost of \$1,750 to study underground water levels in that county.

A new project proposed for Fiscal Year 1956-57 at a cost of \$7,500 to the State is expected to continue for several years, with the State and local districts ultimately contributing a total of \$90,600. It is designed to study the quality of water in the San Joaquin River and to determine what corrective actions might be taken. Yolo County and the State are both contributing \$22,500 to fulfill the requirements of Chapter 1950, Statutes of 1955, that no funds be expended on the Guinda Dam site on Cache Creek until the Wilson Valley area has been completely investigated. In the third new project the City of San Diego and the State are each contributing \$12,500 to bring up to date the bulletin of the Division of Water Resources which covers the San Diego area.

We recommend approval for all these project requests.

**WATER PROJECT AUTHORITY**

ITEM 225 of the Budget Bill

Budget page 830  
Budget line No. 9

**FOR SUPPORT OF SALINITY CONTROL BARRIERS—SAN FRANCISCO BAY FROM THE GENERAL FUND**

Amount requested .....	\$200,000
Estimated to be expended in 1955-56 Fiscal Year .....	28,267
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Increase (607.6 percent) .....	\$171,733

**RECOMMENDATIONS**

Amount budgeted .....	\$200,000
Legislative Auditor's recommendation .....	200,000
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Reduction .....	None

Water Project Authority—Continued

GENERAL SUMMARY

The Water Project Authority was created by the Central Valley Project Act passed by the Legislature in 1933 and approved on referendum. Its primary function is to construct, operate, and maintain the Central Valley Project as authorized by the Act. When, in 1937, Congress authorized federal construction of the project, the authority was empowered by the Legislature to contract with the United States for the acquisition of the project and to assure that the people of California received full benefits from the project. In 1951 the Legislature authorized the authority to construct the Feather River Project and the Sacramento-San Joaquin Delta Diversion Projects as features of the California Water Plan. Most of the technical work for the authority is done under contract to the Division of Water Resources.

The Governor's Budget for 1955-56 showed all technical work for the authority being done by the Division of Water Resources and all the staff of the authority being transferred to the division. Upon re-examination of this decision and with the approval of the Department of Finance, the authority decided to retain its separate staff. This budget shows separately the staff requirements for the authority and the contract services to be performed by the Division of Water Resources.

ANALYSIS

Chapter 1104, Statutes of 1953, which authorized the San Francisco Bay Barrier Study, directed the authority to submit its report to the Legislature by March 30, 1955. This report, entitled Feasibility of Construction by the State of Barriers in the San Francisco Bay System, was published in March, 1955. It contained both the report of the board of consultants retained by the authority to work with the Division of Water Resources and the report of the Division of Water Resources. In furtherance of the recommendations contained in this report, the Water Project Authority by resolution dated March 30, 1955, requested the Legislature to authorize further detailed investigation of the Biemond Plan, which the report considered the most feasible, "for the purposes of developing complete plans of the means of accomplishing delivery of fresh water to the San Francisco Bay Area; providing urgently needed flood protection to valuable agricultural lands in the Delta; conducting subsurface exploration work in the Delta and designing the facilities appurtenant to the cross-Delta aqueduct; obtaining more complete information on the hydrology of the Delta; and studying integration of the recommended project in the California Water Plan."

To implement this further study, the State Engineer outlined an investigation on May 16, 1955, which would cost \$800,000. It was proposed to conduct this investigation over a period of three years at a cost of \$200,000, \$350,000 and \$250,000 for each year. Chapter 1434, Statutes of 1955, authorized the further investigations requested by the Water Project Authority and appropriated \$100,000 for that purpose from the Flood Control Fund of 1946. This appropriation, added to other funds available, has made a total of \$141,534 available for 1955-56 Fiscal Year. The authority requests \$200,000 to continue this investigation in 1956-57 Fiscal Year.

**Water Project Authority—Continued**

Prior to the Biemond Plan, both the Feather River Project of the State of California and the Trinity River Project of the U. S. Bureau of Reclamation contemplated an unconfined Delta Cross Channel as a means of getting Sacramento River water into the San Joaquin Valley. The Biemond Plan included in its total project plan a confined Delta Cross Channel.

On August 19, 1955, the Joint Committee on Water Problems of the Legislature contracted with the Bechtel Corporation to review the State's plan for the Feather River Project. In Bechtel's published report numerous references are made to the Biemond Plan and its significance to the Feather River Project, the Trinity River Diversion of the Bureau of Reclamation and the San Luis Project. In the Summary and Recommendations, page I-13, the Bechtel reports states:

“A confined Delta Cross Channel, whether constructed separately or as part of the Biemond Plan, to separate the higher quality water of the Sacramento River from drainage, return flows, and the deteriorated low flow waters of the San Joaquin River is more desirable, not only for the Feather River Project waters, but to improve waters for existing irrigation projects taking water from the Delta.”

In view of the significance attached to the confined delta cross channel of the Biemond Plan, it is recommended that the request for \$200,000 for the further study of the Biemond Plan be approved.

**Water Project Authority**

ITEM 226 of the Budget Bill

Budget page 830  
Budget line No. 22

**FOR SUPPORT OF SACRAMENTO RIVER TRIAL DISTRIBUTION FROM THE GENERAL FUND**

Amount requested .....	\$207,014
Estimated to be expended in 1955-56 Fiscal Year .....	208,968
<b>Decrease (0.9 percent) .....</b>	<b>\$1,954</b>

**Summary of Increase**

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages .....	\$2,126	\$2,126	--	831 53
Operating expense .....	-4,080	-4,084	--	831 70
<b>Total increase .....</b>	<b>-\$1,954</b>	<b>-\$1,954</b>	--	831 72

**RECOMMENDATIONS**

Amount budgeted .....	\$207,014
Legislative Auditor's recommendation .....	207,014
<b>Reduction .....</b>	<b>None</b>

**ANALYSIS**

In recognition of the costly and time-consuming litigation which was imminent between holders of water rights along the Sacramento River and Delta and the Bureau of Reclamation, the Water Project Authority proposed in 1952 that a trial distribution be attempted in an effort to



Water Project Authority—Continued

avert such litigation. The authority requested funds to start such a project in Fiscal Year 1955-56 and in Fiscal Year 1956-57 in requesting an additional \$207,014 to carry on the work at the same level authorized for the current year.

To date there are indications of substantial progress in the project and the development of a harmonious approach and a desire to achieve a genuine solution to the complex and conflicting water rights. The water users have formed the Sacramento River and Delta Water Association to assist in carrying out the trial distribution. The association could also be used as an instrument to contract for Shasta water from the Bureau of Reclamation. Field data on amounts of water utilized, the source of water utilized, the crops on which it was used, etc., have been collected by the Division of Water Resources for 1954 and 1955. This data has been analyzed by the Water Project Authority. The data for 1954 was published by the authority in a report of April, 1955. By the end of calendar year 1956, it is expected to be ascertained definitely whether or not a negotiated agreement can be accomplished. If such an agreement cannot be reached, the hearing procedure of the State Engineer will have to be started. Whatever the ultimate nature of the solution of this problem, it is anticipated by the authority that some of the data now being collected will be required on a continuing basis by the watermaster designated when the water rights are finally determined.

This project is now in a critical stage for its success. The State already has a substantial investment in the project; its continuation is recommended.

Water Project Authority

ITEM 227 of the Budget Bill

Budget page 830  
Budget line No. 31

FOR SUPPORT OF ASSISTANCE IN CURRENT LITIGATION FROM  
THE GENERAL FUND

Amount requested .....	\$20,275
Estimated to be expended in 1955-56 Fiscal Year.....	19,457
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Increase (4.2 percent) .....	\$818

Summary of Increase

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages.....	\$550	\$550	--	832 20
Operating expense .....	—232	—232	--	832 34
Equipment .....	500	500	--	832 37
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Total increase .....	\$818	\$818	--	832 39

RECOMMENDATIONS

Amount budgeted .....	\$20,275
Legislative Auditor's recommendation.....	20,275
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Reduction .....	None

ANALYSIS

This item provides for a continuation of the legal and engineering assistance being rendered the Attorney General by the authority in

**Water Project Authority—Continued**

connection with water right litigation involving the Central Valley Project. Most of this assistance has been in connection with the case of *Rank v. Krug*. There is no increase in the funds requested except for a small amount to cover merit salary increases.

Approval of this item is recommended.

**Water Project Authority**

ITEM 228 of the Budget Bill

Budget page 830  
Budget line No. 40

**FOR SUPPORT OF AMERICAN AND FEATHER RIVERS TRIAL DISTRIBUTION FROM THE GENERAL FUND**

Amount requested .....	\$33,767
Estimated to be expended in 1955-56 Fiscal Year .....	None
<b>Increase .....</b>	<b>\$33,767</b>

**Summary of Increase**

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages .....	\$16,092	--	\$16,092	832 63
Operating expense .....	17,675	--	17,675	832 76
<b>Total increase .....</b>	<b>\$33,767</b>	<b>--</b>	<b>\$33,767</b>	<b>832 78</b>

**RECOMMENDATIONS**

Amount budgeted .....	\$33,767
Legislative Auditor's recommendation .....	33,767
<b>Reduction .....</b>	<b>None</b>

**ANALYSIS**

This item covers a new project being proposed by the Water Project Authority as a result of its experience with the Sacramento River and Delta Trial Distribution. Water rights problems exist on the lower American River as a result of the construction of the Folsom Dam just as they arose on the Sacramento River after the completion of Shasta Dam. While there is as yet no certainty that the Sacramento River Trial Distribution will ultimately be successful, the Water Project Authority feels that sufficient progress has been made on it to warrant undertaking this new project.

The State Engineer is authorized by statute to make a determination of water rights either as a reference from a court trying a case or under the procedures for statutory adjudication. He may also seek an agreement among holders to water rights. Irrespective of the method used in settling conflicts in water rights, the State Engineer must collect sufficient basic data to permit a valid determination of rights based on fact and complete analysis. There is serious need for a more comprehensive effort to solve water rights problems than permitted by the individual circumstances and limitations which are inherent in a court determination. The trial distribution technique considers all water rights on a

**Alcoholic Beverage Control — 512 —**

**Water Project Authority—Continued**

river or in a basin in relation to total uses and availability rather than considering isolated rights. It appears to have sufficient value that its potential should be fully explored, particularly in relationship to rivers on which new water storage projects are located or about to be built.

Whether a trial distribution is undertaken now on the lower American River and on the Feather River, the ultimate need for adequate data on which to base an adjudication will still exist. Therefore, the collection of data proposed by the authority will eventually be required. In fact, a final adjudication is necessary before a legal determination can be made of the amounts of water available for upstream or county-of-origin projects. The trial distribution on the Feather River properly should be undertaken before final planning of the Feather River Project features.

We recommend approval of this item.

**DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL**

ITEM 229 of the Budget Bill

Budget page 834

Budget line No. 8

**FOR SUPPORT OF DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL FROM THE GENERAL FUND**

Amount requested .....	\$2,817,911
Estimated to be expended in 1955-56 Fiscal Year .....	2,825,516
Decrease (0.3 percent) .....	\$7,605

**Summary of Increase**

	Total increase	INCREASE DUE TO		Budget Line page No.
		Work load or salary adjustments	New services	
Salaries and wages .....	\$57,807	\$57,807	---	836 65
Operating expense .....	-73,633	-73,633	---	836 66
Equipment .....	1,221	1,221	---	836 67
<b>Totals .....</b>	<b>-\$14,605</b>	<b>-\$14,605</b>	<b>---</b>	<b>---</b>
Add: Decreased reimbursements for hearing transcripts .....	7,000	7,000	---	836 72
<b>Total increase .....</b>	<b>-\$7,605</b>	<b>-\$7,605</b>	<b>---</b>	<b>836 74</b>

**RECOMMENDATIONS**

Amount budgeted .....	\$2,817,911
Legislative Auditor's recommendation .....	2,817,911
Reduction .....	None

**ANALYSIS**

The Department of Alcoholic Beverage Control was established January 1, 1955, as the result of the adoption by the voters of a Constitutional Amendment on November 2, 1954, and took over the administration of the alcoholic beverage control function from the Board of Equalization on that date.

The budget for 1955-56, the first full year's operation of the new department, was of necessity based on incomplete information, since the