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***DELEGATION OF AUTHORITY  
FOR WATER SUPPLY AGREEMENTS  
AND REALLOCATIONS***

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**A Study to Investigate the Feasibility  
of Increasing the Current Delegated Limits**

**U.S. Army Corps of Engineers  
Water Resources Support Center  
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## **PREFACE AND ACKNOWLEDGMENTS**

This report was produced as part of the Fiscal Year 1998 Policy Studies Program of the U.S. Army Corps of Engineers Institute for Water Resources. The study was performed by Theodore M. Hillyer under the supervision of Eugene Z. Stakhiv, Chief, Policy and Special Studies Division, Institute for Water Resources (CEWRC-IWR-P). The Director of IWR is Kyle E. Schilling.

A limited delegation of authority for water supply agreements and reallocation reports was originally given to Headquarters, U.S. Army Corps of Engineers (HQUSACE), divisions and districts in April 1989. The purpose of this current study is to determine if that limited delegation should be expanded. The study examined water supply agreements and reallocation reports that had been submitted to HQUSACE for review and approval over the last five-year period. A questionnaire was also submitted to divisions and districts to ascertain how many such actions had been approved at that level under the delegated authority over the past five years. The divisions and districts were also requested to estimate the number of water supply actions that could be expected over the next two years. Those offices could also provide comments on ways to improve the delegation of authority process. This report presents the result of that study.

The study could not have been accomplished without the cooperation of those divisions and districts with municipal and industrial water supply activities. This cooperation is greatly appreciated as is the scoping, review and coordination support of Ms. Lillian Almodovar of the Planning Division, Civil Works and Mr. Steven Cone of the Policy Division, Civil Works. The study was also supported by Janice E. Rasgus of Policy Division and David B. Sanford, Jr., Chief of the Policy Division.

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**A. INTRODUCTION**

1. Overview. The national policy regarding water supply, as defined by Congress, has developed over a period of years and is still being clarified and extended by legislation. This policy recognizes a significant but declining Federal interest in the long range management of water supplies and assigns the financial burden of supply to users. The 1986 Water Resources Development Act sharply modified the Federal role in water supply that had been largely defined in the 1958 Water Supply Act. In today's climate, when water supply storage is included as a purpose in a new Corps of Engineer project being considered for construction, Army policy calls for the project sponsor to repay construction costs allocated to water supply either prior to or during construction. This policy also applies to reallocation of storage for water supply. In addition, single purpose water supply projects will not be supported or recommended for construction. This new approach to water supply has shifted the emphasis from construction of water supply projects to better management of existing supplies through operation, reallocation and conservation.

2. Existing Supplies. The national total of all municipal and industrial (M&I) water supply storage contained in Corps reservoir projects is shown in **Table 1**. This table shows there is 9.525 million acre-feet of storage space included in 117 Corps reservoir projects with a corresponding cost (including specific cost assigned to water supply conduits) of about \$1.334 billion. The dollar value is reflective of the investment cost at the time of construction (or at time of reallocation) and is not in current dollars. Of the 9.525 million acre-feet, 8.745 million is under either a present or/and a future use agreement. There are 235 such agreements with a corresponding cost of \$1.214 billion.

**Table 1 - National Total of M&I Water Supply Storage**  
( Based on a March 1996 survey)

Division No. of Projects	Storage Space (Acre Feet)			Contract Price (\$000)			
	Present Use	Future Use	Total	Present Use	Future Use	Conduit	Total
NAD: 7	138,450	4,000	142,450	127,133	7,500	0	134,633
SAD: 10	120,626	96,740	217,366	107,984	9,586	219	117,789
LRD:17	577,940	53,469	631,409	54,393	15,996	68	70,457
MVD: 6	181,900	187,750	369,650	22,757	18,904	0	41,661
NWD: 12	184,360	622,880	807,240	25,032	86,623	2,696	114,351
SWD: 63	4,873,217	2,012,399	6,885,616	319,667	394,484	35,591	749,742
SPD: 2	258,900	212,000	470,900	8,290	96,625	0	104,915
Total: 117	6,335,393	3,189,238	9,524,631	665,256	629,718	38,574	1,333,548

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3. Uncommitted Storage Space. The remaining uncommitted 780,000 acre feet of storage space is located in 20 projects in seven districts. This storage space by district, project and state is shown in **Table 2**.

**Table 2 - Authorized but Uncommitted Storage Space**

Corps District	Project	State	Acre -Feet
Pittsburgh	Stonewall Jackson	West Virginia	2,200
St. Louis	Clarence Cannon	Missouri	20,000
Vicksburg	DeGray	Arkansas	167,750
Kansas City	Long Branch	Missouri	6,200
	Smithville	Missouri	75,700
Portland	Lost Creek	Oregon	9,600
Little Rock	DeQueen	Arkansas	17,275
Tulsa	Birch	Oklahoma	7,630
	Broken Bow	Oklahoma	144,145
	Copan	Oklahoma	2,500
	Eufaula	Oklahoma	42,967
	Hugo	Oklahoma	2,198
	Kaw	Oklahoma	80,211
	Keystone	Oklahoma	1,999
	Oologah	Oklahoma	15,595
	Optima	Oklahoma	*
	Pine Creek	Oklahoma	20,600
	Skiatook	Oklahoma	47,652
	Tenkiller Ferry	Oklahoma	5,016
	Waurika	Oklahoma	109,600
Wister	Oklahoma	347	

\* Optima Lake in the Tulsa District was designed for 76,200 acre-feet of water supply storage. However, due to changed conditions, Optima has never filled. Optima has no storage or yield.

4. Reallocations. Shown in **Table 3** is a summary of the reallocations which have been performed

at Corps projects. While not complete, this does show considerable interest in this activity. Eleven districts have made 50 reallocations involving about 415,000 acre feet of storage space. These reallocations vary in size from one acre foot up to 75,000 acre feet, both in the Tulsa District.

5. Need for Delegation.

**Table 3 - Summary of Reallocations (1965-1998)**

District	Number of Reallocations	Storage Reallocated (acre-feet)
Baltimore	1	24,335
Wilmington	4	10,840
Savannah	6	2,795
Louisville	4	1,215
Rock Island	1	14,900
Vicksburg	2	3,575
Kansas City	8	89,685
Little Rock	12	107,555
Fort Worth	2	97,526
Tulsa	10	62,960

a. In reaction to the 1986 Water Resources Development Act, Headquarters, U.S. Army Corps of Engineers, (HQUSACE) undertook an exercise which examined a number of policy issues in an attempt to make the Corps more responsive to the new Federal role.

One of those policy issues was the review and approval of water supply agreements. These agreements are drafted in the districts with the involvement of the local sponsor, often following an approved model with only a few changes. The drafts are then reviewed by appropriate offices in the division, HQUSACE and the office of the Assistant Secretary of

the Army for Civil Works (ASA(CW)). Comments are then furnished back through HQUSACE to the division and then to the district. The district incorporates any comments into the final agreement and it is then signed by the local sponsor and executed by the District Commander. The final agreement then proceeds back through division for approval, to HQUSACE for approval and then to the ASA(CW) for final approval and signature. This process was required regardless of the amount or cost of the storage space or policy implications (or lack of policy implications). Even for the most basic agreement, this process can take a year or more.

b. Following several meetings among representatives of HQUSACE and the office of the ASA(CW), an agreement was reached on specific size limits for delegations of authority to approve water supply agreements and review reallocation reports. The memorandum delegating authority was signed by the ASA(CW) on 3 April 1989 (**Appendix A**). By letter dated 14 April 1989 (**Appendix A**), the Director of Civil Works completed the delegation to the divisions and districts. The delegations agreed to at that time for storage agreements are provided on **Table 4** and for surplus water agreements on **Table 5**.

**Table 4 - Water Supply Storage Agreement Approval Authority [1]**

*Delegation of Authority for Water Supply Agreements and Reallocations*

<b>Drafts</b>				
<b>Acre - Feet [2]</b>		<b>Storage Agreements [3]</b>		<b>Reallocation Reports [5]</b>
<b>From</b>	<b>To</b>	<b>Without Reallocation</b>	<b>With [4] Reallocation</b>	
0	99	District [6]	District [6]	District
100	499	Division [6]	Division [6]	Division
500	999	Division [6]	ASA(CW)	HQUSACE [7]
1000	& up	ASA(CW)	ASA(CW)	HQUSACE [7]
<b>Finals [8]</b>				
<b>Acre - Feet [2]</b>		<b>Storage Agreements</b>		
<b>From</b>	<b>To</b>	<b>Without Reallocation</b>	<b>With [4] Reallocation</b>	
0	499	District	District	
500	999	District	HQUSACE	
1000	& up	HQUSACE	HQUSACE	

Footnotes:

[1] A copy of all approved agreements will be provided to ASA(CW).

[2] In any particular agreement, the acre-feet of storage needed to produce the water under agreement on a dependable basis.

[3] At projects where storage agreements have been previously approved. The first storage agreement on any project will be approved by the ASA(CW).

[4] For reallocations which do not require Congressional approval, i.e., no significant effect on other authorized purposes and/or no major structural or operational changes.

[5] When the cumulative amount of storage reallocated exceeds the lesser of 4000 ac-ft of 10% of available storage, reports will be submitted to ASA(CW) prior to approval.

[6] When using approved model or approved model with editorial changes only. Agreements involving other changes will be submitted to ASA(CW) for approval.

[7] Submitted to ASA(CW) with the draft agreement prior to approval.

[8] When using the approved draft agreement and local signature within six months of draft approval. If beyond six months or if changes are made, the final agreement will be resubmitted for approval to the office with approval authority for the draft. If the proposed agreement involves changes other than editorial changes, the agreement will be submitted to ASA(CW) for approval. The ASA(CW) reserves the right to retain approval authority of any final agreement he approved as a draft. In cases where that right will be exercised in advance, the draft agreement will so note.

**Table 5 - Surplus Water Agreement Approval Authority [1]**

*Paragraph A - Introduction*

<b>Drafts</b>			
<b>Acre - Feet [2]</b>		<b>Agreement [3]</b>	<b>Letter Report [4]</b>
<b>From</b>	<b>To</b>		
0	99	District [5]	District
100	499	Division [5]	Division
500	999	Division [5]	HQUSACE [6]
1000	& up	ASA(CW)	HQUSACE [6]
<b>Finals [7]</b>			
<b>Acre - Feet [2]</b>		<b>Agreement [3]</b>	
0	499	District	
500	999	District	
1000	& up	HQUSACE	

Footnotes:

- [1] A copy of all approved agreements will be provided to the ASA(CW).
- [2] The storage needed to produce the agreed to water on a dependable basis.
- [3] Not affecting authorized purposes (water not being used for an authorized purpose). When surplus water agreements involve water being used for an authorized purpose, they will be treated like a reallocation agreement and report (see Table 2-4).
- [4] When the cumulative amount of storage reallocated exceeds the lesser of 4000 acre-feet or 10% of available storage, reports will be submitted to ASA(CW) for approval.
- [5] When using approved model or approved model with editorial changes only. Agreements involving other changes will be submitted the ASA(CW) for approval.
- [6] Submitted to ASA(CW) with the draft agreement prior to approval.
- [7] When using the approved draft agreement and local signature within six months of draft approval. If beyond six months or if changes are made, the final agreement will be resubmitted for approval to the office with approval authority for the draft. If the proposed agreement involves changes other than editorial changes, the agreement will be submitted to ASA(CW) for approval. The ASA(CW) reserves the right to retain approval authority of any final agreement he approved as a draft. In cases where he will exercise that right in advance, the draft agreement will so note.

## **B. REEXAMINATION**

1. Current Study. Almost since the inception of the delegated authority, some districts and divisions have lobbied for further delegation. An initiative to investigate the value of further delegation was suggested as a Fiscal Year 1996 Policy Study proposal. At that time the study was not approved as a new format for water supply agreements was under development and the plan was to wait until the new formats were promulgated. This has subsequently been accomplished. The new formats are contained in Appendix K of ER 1105-2-100, dated 15 January 1998. New regulations on water supply are contained in Chapter 4 of ER 1105-2-100, dated 31 October 1997. In anticipation of these new guidelines, a study to investigate the merits of further delegation was approved in the Fiscal Year 1998 Policy Study program. The results of this study are displayed in the following paragraphs.

2. HQUSACE Review.

a. A scoping meeting for the current study was held on 6 May 1998 and was attended by representatives of Policy and Planning Divisions of HQUSACE and by the Policy and Special Study Division of the Institute for Water Resources. Issues discussed were:

- What problems and success have occurred with the current delegation limits?
- Should delegation be based on just storage or should district expertise also be considered?
- Where is responsibility, i.e., what is the chain of command?

b. Following the May meeting, the files of the Office of Management and Review of Policy Division, Civil Works, (CECW-AR-M) were reviewed to ascertain what water supply activities had been accomplished at HQUSACE over the past five-year period. This review showed there had been a total of 19 actions that required the review and/or approval of either the HQUSACE and/or ASA(CW). The results of this investigation are summarized in **Table 6**. The first column in the table shows that of the eight Corps divisions, only five had water supply actions over the past five years. Within these five divisions only seven districts submitted actions: Ft Worth, one; Louisville, Vicksburg and Savannah, two each; Kansas City, three; Little Rock, four; and Tulsa, five. The second column, in addition to providing the project, storage space and user, also shows the status of the action. It is shown that of the 19 actions, 13 have been approved, two were returned unapproved, two actions approved a draft, one is under review and one was terminated at the request of the local sponsor. The last information contained in the table is the reason for the action to receive HQUSACE review. For three actions, it was the first agreement at the project; 16 of the actions exceeded the delegated amount; five did not follow the model; and 13 of the actions were unique situations. Most of the actions (12) required HQUSACE review for more than one reason. It is interesting to note that only five of the 19 received HQUSACE review because the agreement only exceeded the delegation limit. This table does not show the entire review activity undertaken within HQUSACE as a number of these actions required more than one circulation through the chain of command. The individual project actions for these 19 activities are provided in **Appendix B**.

*Paragraph B - Reexamination*

**Table 6 - Summary of HQUSACE Actions**  
(continued on next page)

DIV District	Project (Storage) User Current Status	Reason for HQ Review			
		First Agreement	Exceed Delegation	Did Not Follow Model	Unique Situation
LRD Louisville	Cave Run Lake, KY (264 af) City of West Liberty Agreement signed by Dir(CW) 29 Oct. 97, on file.	X			Sec. 322 [1]
	Rough River Lake, KY (252 af) City of Leitchfield Unapproved, returned to Division 15 Oct. 97.				Sec. 322 [1]
MVD Vicksburg	Enid, MS (4,500 af) LS Power Electric Generation Facility Agreement signed by ASA(CW) 8 Jun 98, on file.	X	X	X	Non-public entity, desired to transfer right to third party.
	Lake Ouachita, Blakey Mt. Dam AR (1,575 af) North Garland Rural Water District Agreement signed by ASA(CW) 29 Mar 96, on file.		X		
NWD Kansas City	Harry S. Truman, MO (504 af) Henry County Agreement signed by District Eng. 2 Jun 97, on file.	X	X		
	Pomona Lake, KS (18,176 af) State of Kansas Agreement signed by ASA(CW) 18 Mar 96, on file.		X	X	Kansas MOU
	Tuttle Creek, KS (13,850 af) State of Kansas Agreement signed by ASA(CW) 28 Jun 96, not on file.		X	X	Kansas MOU
SAD Savannah	Hartwell, GA & SC (1,827 af) Hart County, GA Draft approved by ASA(CW) 5 Dec 97.		X		
	J. Strom Thurmond, GA & SC (316 af) Town of McCormick, SC Under review by CECW-AR Jul 98.				Sec. 322 [1] DYMS [2]
SWD Little Rock	Beaver Lake, AR (8,113 af) Benton & Washington Counties Agreement signed by ASA(CW) 24 Jul 96, on file.		X		DYMS [2]
	Beaver Lake, AR (12,331 af) Carroll-Boone Water District Review terminated at sponsor request, 12 May 97.		X		DYMS [2]
	Beaver Lake, AR (3,882 af) Madison County Agreement signed by Dir(CW) 25 Mar 96, on file		X		DYMS [2]

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		Reason for HQ Review			
	Greers Ferry, AR (4,295) Community Water Sys., Lonoke and White Co's. Draft approved by ASA(CW) subject to comments 22 Apr 98.		X		DYMS [2]

**Table 6 - Summary of HQUSACE Actions (continued)**

DIV District	Project (Storage) User Current Status	Reason for HQ Review			
		First Agreement	Exceed Delegation	Did Not Follow Model	Unique Situation
SWD Ft. Worth	O.C. Fisher, TX (80,400 af) Upper Colorado River Authority Unapproved draft returned to Division 11 Mar 98.		X		Reallocation without a report & use of additional storage without appropriate consideration.
SWD Tulsa	Eufaula, OK (1,000 af) RWS & SWM District #2, McIntosh Co. Agreement signed by Dir (CW) 16 Jan 98, on file.		X		
	John Redmond, KS (10,000 af) [3] State of Kansas Approved for signature by District Eng. 26 Jun 96, not on file.		X	X	Kansas MOU
	Lake Texoma, TX & OK (5,500 af) Greater Texoma Utility, City of Sherman, TX Agreement signed by Dir (CW) 29 Oct 97, on file.		X		
	Skiatook, OK ( 2,743 af) Skiatook Public Works Authority Agreement signed by Dir(CW) 2 Jun 98, on file.		X		
	Tenkiller Ferry, OK (2,200 af) Sequoyah County Water Authority Agreement signed by Dir(CW) 2 Jun 98, on file.		X	X	Substitute one agreement for another.

Footnotes:

[1]. Section 322 of Public Law 101-640 (WRDA '90) which authorized "reduced price for certain water users."

[2]. Dependable Yield Mitigation Storage.

[3]. This action also included the Marion (12,500 af), Council Grove (8,000 af) and Elk City (10,000 af) water supply agreements with the State of Kansas under the Kansas MOU.

c. Another way to look at HQUSACE actions is to examine the cost of storage in each of the individual agreements, see **Table 7**. Seven of the 19 agreements have been determined by use of the updating procedure. These seven are indicated in the second column of Table 7. The average updated cost of storage for these seven actions is \$187 per acre foot. These costs are not in constant dollars but vary from costs updated over the past 5-years. The total cost of the agreement is

*Paragraph B - Reexamination*

displayed in the third column. Remarks, which indicate why the updating procedure was not used and/or a total cost is not listed, are displayed in the fourth column.

**Table 7 - Cost of Storage**

Project, User	Updated Cost \$/AF	Total Contract Cost	Remarks
Cave Run, City of West Liberty	na	\$31,394	Sec. 322 contract, cost not updated
Rough River, City of Leitchfield	na	None	Sec. 322 contract, cost not determined
Enid, LS Power	\$283	\$1,271,800	Cost updated
Lake Ouachita, North Garland	\$67	\$104,970	Cost updated
Harry S. Truman, Henry County	\$315	\$158,761	Cost updated
Pomona Lake, State of Kansas	na	\$1,151,967	Kansas MOU, cost not updated
Tuttle Creek, State of Kansas	na	\$591,634	Kansas MOU, cost not updated
Hartwell, Hart County	na	None	Cost not determined
J. Strom Thurmond, Town of McCormick	na	None	Sec. 322 contract, cost not determined
Beaver Lake, Benton & Washington Counties	\$135	\$1,097,139	Cost updated
Beaver Lake, Carroll-Boone Water District	na	None	Cost not determined
Beaver Lake, Madison County	\$124	\$482,991	Cost updated
Greers Ferry, Community Water System, Lonoke & White Co's.	\$128	\$549,136	Cost updated
O.C. Fisher, Upper Colorado River Authority	na	None	Cost not determined
Eufaula, RWS & SWM Dist. #2, McIntosh County	na	\$148,727	Original authorized storage
John Redmond, State of Kansas	na	\$832,485	Kansas MOU, cost not updated
Lake Texoma, Greater Texoma	\$256	\$1,407,751	Cost updated

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Project, User	Updated Cost \$/AF	Total Contract Cost	Remarks
Utility, City of Sherman			
Skiatook, Skiatook Public Works Authority	na	\$773,377	Original authorized storage
Tenkiller Ferry, Sequoyah County Water Authority	na	\$44,383	Cost determined in 1969, prior to updating procedure

3. Comparison with the CAP. As was shown in Table 7, the total cost for water supply agreements over the past 5-years has run from a low of \$31,394 to a high of \$1,407,751. This cost of water supply per agreement is relatively small with respect to those of the Corps's Continuing Authority Program (CAP) which are shown in **Table 8**. The average of the seven programs which make up the CAP is \$2,537,000.

**Table 8 - Continuing Authority Program**

Authority (as amended)	Type Project	Statutory Per Project Limit
Sec. 14, 1946 FC Act	Streambank and shoreline protection for public facilities	\$ 500,000
Sec. 103, 1962 R&H Act	Small beach erosion control projects	2,000,000
Sec. 107, 1960 R&H Act	Small navigation projects	4,000,000
Sec. 111, 1968 R&H Act	Mitigation of shore damage due to Federal navigation projects	2,000,000
Sec. 205, 1948 FC Act	Small flood control projects	5,000,000
Sec. 208, 1954 FC Act	Snagging and clearing for flood control	500,000
Sec. 1135 1986 WRDA	Project modifications for improvement of the environment (ecosystem restoration)	3,750,000

4. Field Review.

a. Following the review of HQUSACE files it was determined that it would be necessary to survey the divisions and districts to ascertain what actions had been approved at those offices under the delegated authority. This was accomplished by a memorandum signed by the Chief of Policy Division, Civil Works on 3 August 1998. A copy of this memorandum is provided at **Appendix A**. As displayed in the questionnaire attached to the memorandum, specific information was requested, including all those activities approved at either the district or division level over the past five-year

*Paragraph B - Reexamination*

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period, the point of contact for water supply activities in the office, and the projected work load over the next 24 months. Comments could also be provided on ways to improve the delegation authority.

b. The results of this survey with respect to actions taken in the last five years and those anticipated over the next two years are summarized in **Table 9**. Shown in **Table 10** are the details of the actions approved by the divisions and districts over the past five years.

**Table 9 - Summary of Division and District Actions and Anticipated Actions**

DIVISION / District	Actions Approved Last Five Years by District or Division	Actions Anticipated Over the Next Two Years	
		Approval by District or Division	Approval by HQUSACE or ASA(CW)
LRD / Huntington			4
LRD / Louisville		1 to 2	1 to 2
LRD / Nashville		8	12
LRD / Pittsburgh			2 to 3 [1]
MVD / Vicksburg	1	1	1
NWD / Kansas City	2		1 [2]
NWD / Portland	2		
SAD / Mobile			3 [3]
SAD / Savannah	1	1	1
SAD / Wilmington			2 [4]
SPD / Los Angeles			2 to 3
SPD / San Francisco			only a possibility [5]
SWD / Little Rock	2	2	3
SWD / Tulsa	6	15	5 [6]
<b>TOTAL</b>	<b>14</b>	<b>28 to 29</b>	<b>37 to 40</b>

Footnotes:

[1]. The district will be working on agreements at Mosquito Creek Lake Reservoir and at Berlin Reservoir. A third possibility is the Youghiogheny Lake agreement.

[2]. Reallocation at Kanopolis Lake with the State of Kansas is a possibility within two years, however, a more distant horizon is likely.

[3]. The district expects to perform reallocation studies for Lakes Lanier, Allatoona and Carters resulting from anticipated agreements on water allocation formulas. Each study will address the needs of a number of entities, resulting in as many as 10 storage agreements among the various counties.

[4]. The district is currently working on a request for reallocation of storage at John H. Kerr Reservoir for the City of Henderson and a request by Henry County to have storage reallocated at Philpott.

[5]. A possibility of an action resulting from the Russian River study or Section 7 consultation.

[6]. This number could change depending upon a regional water treatment facility that is being proposed at Tenkiller Lake. If the coalition decides to build the system, there are several members that will either need to obtain their own individual water supply agreement or the district will be consolidating numerous agreements to a blanket organization.

*Paragraph B - Reexamination*

**Table 10 - Summary of Actions that were Approved at the District or Division Level**

DIV / District Project User	Re- alloca- tion	Type of Agree- ment	Storage Space (acre- feet)	Invest- ment Cost (\$)	Chain of Correspondence			
					Draft		Final	
					District	Division	District	Division
MVD / Vicksburg DeGray Lake, AR Quachita River Water Dist.	no	storage	787	29,412	Submitted 3/24/98	approved 4/22/98	approved 7/13/98	na
NWD / Kansas City Smithville Lake, MO Clay County Department of Parks and Recreation [1]	no	surplus water	52	7,740 yearly	Approved 10/23/95	na	approved 10/15/96	Na
NWD / Kansas City Harry S. Truman MO Public Water District No. 2 of Henry County, MO [2]	no	storage	504	153,123	Submitted 4/16/97	approved 4/30/97	approved 6/2/97	Na
NWD / Portland Lost Creek Reservoir, OR City of Jacksonville	no	storage	400	269,650				Approved 7/18/96
NWD / Portland Lost Creek Reservoir, OR City of Shady Cove	no	storage	3	2,022			approved 6/12/98	Na
SAD / Savannah J.Strom Thurmond, GA/SC Town of McCormick, SC [3]	yes	storage	506	18,958	Submitted 12/23/97	pending		
SWD / Little Rock Greers Ferry Lake, AR Red Apple Inn / Country Club	yes	storage	65.9	8,427			approved 6/17/97	Na
SWD / Little Rock Greers Ferry Lake, AR Thunderbird Country Club	yes	storage	54.89	6,514			approved 3/10/98	na
SWD / Tulsa Tenkiller Lake, OK [4] Greenleaf Nursery, Sup #1	yes	interim irr.	300	4,405 for 5 - years			approved 2/28/98	na
SWD / Tulsa Tenkiller Lake, OK Charles Willige [5]	yes	storage	2	286			approved 2/26/96	na
SWD / Tulsa Tenkiller Lake, OK Pettit Mountain Water Asso.[5]	yes	surplus water	10	722 for 5 - years			approved 8/8/97	na
SWD / Tulsa Eufaula Lake, OK Lakewood Park Water Asso.[6]	no	surplus water	5	138			approved 1/31/97	na
SWD / Tulsa Eufaula Lake, OK Warner Utilities Authority [5]	no	storage	475	23,432	submitted 6/18/96	approved 7/19/96	approved 9/13/96	na
SWD / Tulsa Kaw Lake, OK Kaw Naton of Oklahoma [7]	no	interim irr.	6	230 for 5 - years			approved 2/28/98	na

Footnotes for Table 10:

[1]. Consistent with delegated authority, the district approved both the draft and final contract. This was not the first contract at Smithville Lake.

[2]. Consistent with delegated authority, the district approved the final contract.

[3]. This is a proposed modification to an existing contract. The value of \$18,958 is the proposed value to convert a 1955 contract with a term of 50 years, which ends on 2006, to permanent storage under PL 88-140.

[4]. Interim irrigation agreement. By memorandum dated 4/10/90, the Tulsa District requested that the DE be authorized to execute 5-year extensions. SWD's endorsement to the memorandum grants delegation of authority (copy of the agreement was provided with the district's response).

[5]. A copy of the agreement was provided with the district's response.

[6]. This agreement was in effect for one year and has subsequently expired (copy of the agreement provided with the district's response).

[7]. Interim irrigation agreement for surplus water under the authorities of Section 8 of the 1944 FCA and Section 931 of PL 99-662 (copy of the agreement provided with the district's response).

c. The results of the survey with respect to the division and district points of contact are contained in **Table 11**. A review of this table shows that there is no normal “stovepipe” chain of command in the field of water supply. Responsibility resides in the planning, engineering, operations and maybe even other areas in various divisions and districts. Assignment of responsibility of district offices within a given division is even not always consistent

*Paragraph B - Reexamination*

**Table 11 - Water Supply Points of Contact**

Great Lakes and Ohio River Division	----- CELRD-OR-ET-PN	----- Gordon Lance	----- 513/684-3036
Mississippi Valley Division	CEMVD-PM-E	Michael Harden	601/634-5310
North Atlantic Division	----- CENAD-ET-P	----- Mike Arabatzis	----- 718/491-8721
Northwestern Division (Missouri Region)	CENWD-MR-ET-P	Ronald Roberts	402/697-2475
Pacific Ocean Division	----- CEPOD-ET-E	----- Wayne Hashiro	----- 808/438-6950
South Atlantic Division	CESAD-ET-PL	Jerry Canupp	404/562-5231
South Pacific Division	----- CESP-ED	----- Clark Frentzen	----- 415/977-8164
Southwestern Division	CESWD-ETE-P	Roger Anderson	214/767-2372
Buffalo District	----- CELRB-PE-P	----- Phil Berkeley	----- 716/879-4145
Chicago District	CELRC-PD (unknown)		
Detroit District	----- CELRE-CO-O	----- Douglas Zande	----- 313/226-6796
Huntington District	CELRH-PD-F	Rick Edwards	304/529-5638
Louisville District	----- CELRL-PD-E	----- Ellen Waggoner	----- 502/582-5721
Nashville District	CELRN-EP-H	Bill Barron	615/736-2023
Pittsburgh District	----- CELRP-PD-F	----- Bill Frechione	----- 412/395-7207
Memphis District	CEMVM-DD-P	Jim Bodron	901/544-3639
New Orleans District	----- CEMVN-PM-E	----- Bob Buisson	----- 504/862-2535
Rock Island District	CEMVR-PD-F	Martin Hudson	309/794-5341
St. Louis District	----- CEMVS-PM-M	----- Jim Zerega	----- 314-331-8042
St. Paul District	CEMVP-PP-PM	Bill Csajko	651/290-5853
Vicksburg District	----- CEMVK-PP-D	----- Renee Tuner	----- 601/631-7064
Baltimore District	CENAB-PP-C	Claire O'Neill	410/962-0876
New England District	----- CENAE-EP-P-SSS	----- John Kennelly	----- 978/318-8505
New York District	CENAN-PP-C	Doug Leite	212/264-4422
Norfolk District	----- CENAO-EN-EN	----- Larry Holland	----- 757/441-7774
Philadelphia District	CENAP-EN-H	George Sauls	215/656-6678
Kansas City District	----- CENWK-PE-PF	----- Donald Hammond	----- 816/983-3160
Omaha District	CENWO-ED-HC	Rick Miner	402/221-3135
Portland District	----- CENWP-PE-HR	----- Mike Posovich	----- 503-808-4883
Seattle District	CENWS-ED	Ernest Gomez, Jr.	206/764-3431
Walla Walla District	----- CENWW-PM	----- Mark Charlton	----- 509/527-7319
Alaska District	CEPOA-EN-CW-PF	Carl Borash	907/753-5602
Honolulu District	----- CEPOH-ED-C	----- Paul Mizue	----- 808/438-8880
Charleston District	CESAC-EN-P	Ted Hauser	843/727-4549
Jacksonville District	----- CESAJ-PD	----- George Strain	----- 904/232-3442
Mobile District	CESAM-PD-FA	John Graham	334/694-3882
Savannah District	----- CESAS-PD-S	----- Duane Bailey	----- 912/652-5803
Wilmington District	CESAW-TS-EC	Linwood Rogers	910/251-4766
Albuquerque District	----- CESPA-OD-W	----- Richard Kriener	----- 505/342-3383
Los Angeles District	CESPL-PD	Robert Koplin	213/452-3783
Sacramento District	----- CESP- (unknown)		
San Francisco District	CESPN-OC	John Eft	415/977-8646
Fort Worth District	----- CESWF-PM-C	----- Arthur Birdwell	----- 817/978-3892
Galveston District	CESWG-OD-O	Charles Sheffler	409/766-3113
Little Rock District	----- CESWL-ET-WP	----- George Losak	----- 501/324-5028
Tulsa District	CESWT-EC-HM	Jan Holsomback	918/669-7089

d. The questionnaire also requested ways in which the division or district offices thought the delegation of authority process could be improved. Eleven offices elected to respond. The verbatim responses are provided as **Appendix C**. In summary, two offices offered very detailed comments (Southwestern Division and Savannah District), three districts provided a similar response that delegation of additional authority should be allowed when model agreements are followed and there are no policy considerations (Huntington, Wilmington, and Tulsa), two just said to delegate more authority (Mississippi Valley Division and Nashville District), one district (Pittsburgh) indicated that they were somewhere between neutral and inclined to favor the existing approval authorities, and three districts indicated they were not looking for any more authority (Philadelphia, Mobile, and San Francisco).

5. HQUSACE Reporting Requirements. Planning Regulations are not clear on where field actions are to be sent when forwarded to HQUSACE. **Table 12** summarizes the reporting requirements of current regulations (ER 1105-2-100, dated 31 October 1997). The questionnaire to the divisions and districts also indicated that not all offices are adhering to the requirement to send copies of agreements signed under the delegated authority to HQUSACE. In addition, HQUSACE indicated they are not keeping up with the review of those documents that are submitted.

**Table 12 - HQUSACE Review**

Paragraph	Action
4-30a(4).	Forward exceptions on future use storage to CECW-P.
4-33a(3).	Drought contingency agreement formats for larger amounts and for longer terms than permitted under the standard, should be forwarded to CECW-P.
4-33b(1)(a).	For water storage agreements, during initial negotiations leading to a draft agreement, significant departures for policy or complex interpretations of policy or legislation are to be submitted to CECW-P.
4-33b(1)(b).	Two copies of all water supply storage agreements and reallocation reports that have been delegated to division and district commanders are to be provided to CECW-AR.
4-33b(2).	Two copies of all surplus water and agricultural water supply agreements signed under the delegated authority are to be submitted to CECW-AR.

## **C. FINDINGS AND CONCLUSIONS**

1. Uncommitted Storage. While the authorized but uncommitted storage in Corps' reservoir projects is only about 8% of the total storage, it is still a significant amount (780,000 acre feet). As shown in Table 2, however, this storage space is located in just seven of the Corps' 38 districts. The cost of this storage space and standard contracting procedures have been set and assuming there are no unusual circumstances associated with this space, providing additional delegated authority to these districts would seem reasonable.

2. Reallocated Storage Space. Over the past 30 some years, ten Corps districts have performed approximately 50 reallocations resulting in about 415,000 acre feet of storage space (see Table 3). While reallocation reports can be complicated due to policy, cost, local cooperation restrictions or environmental issues, the contracts that follow those reallocations generally follow a standard format. Assuming no unusual conditions, once a reallocation report is approved, providing additional delegated authority to those districts with a satisfactory history of working with reallocations would seem reasonable.

3. Reallocated Storage Cost. The recent history (past 5-years) has produced only seven approved reallocations which utilized the updated cost of storage to set the cost. As shown in Table 7, this cost varied from \$67 to \$256 per acre foot, with an average of \$187 per acre foot. The total costs of the recently approved contracts vary from \$31,394 to \$1,407,751. As shown in Table 8, this is much smaller than the average of the delegated limits of the Corps' Continuing Authority Program. At an average cost of \$200 per acre foot, 10,000 acre feet of reallocated storage would result in a cost of \$2,000,000, very close to the average of the CAP (\$2,537,000). It would appear reasonable to set delegation limits for water supply agreements to approximate those of the CAP program. This limit could equate to the lesser of 10,000 acre feet or \$2,000,000.

4. Need for Additional Delegation Limits. Over the past five years (June 1993 to June 1998) records show eight of the Corps' 38 districts were involved in municipal and industrial water supply activities. These eight districts are located in five of the Corps' eight divisions. The total number of actions was 33. Of these 33, 19 (see Table 6) were submitted to HQUSACE and 14 were approved under delegated authority (see Table 9). Over the next two years, six of these eight districts, and seven others, estimate as many as 65 to 70 actions (28 to 29 of which could be approved under the current delegated limits). The anticipated actions would also include one more division. For convenience, these results are summarized in **Table 13**. Of the 70 possible actions, 40 are expected from just two districts (Nashville and Tulsa).

**Table 13 - Summary of Actual and Anticipated Actions**

*Delegation of Authority for Water Supply Agreements and Reallocations*

Division	District	Actions Approved Last 5-Years		Anticipated Actions Next 2 Years	
		Division & District	HQUSACE & ASA(CW)	Approved by District or Division	Approved by HQ
Lakes and Rivers	Huntington				4
	Louisville		2	1 to 2	1 to 2
	Nashville			8	12
	Pittsburgh				2 to 3
Mississippi Valley	Vicksburg	1	2	1	1
Northwestern	Kansas City	2	3		1
	Portland	2			
South Atlantic	Mobile				3
	Savannah	1	2	1	1
	Wilmington				2
South Pacific	Los Angeles				2 to 3
	San Francisco				a possibility
Southwestern	Little Rock	2	4	2	3
	Ft. Worth		1		
	Tulsa	6	5	15	5
<b>Total / 6</b>	<b>15</b>	<b>14</b>	<b>19</b>	<b>28 to 29</b>	<b>37 to 41</b>

5. Chain of Command. The chain of command for water supply is a very unusual occurrence in the Corps of Engineers in that there is no “stovepipe,” see Table 11. That difficulty was shown when the 3 August 1998 memorandum was circulated to the divisions and districts. Three months after the original memorandum, several follow up E-mail messages and phone calls, the appropriate point of contact in several of the offices still could not be located. It should be noted, however, that these offices are not currently active in M&I water supply activities. It is not feasible for HQUSACE to dictate which office in the divisions and districts should have responsibility for water supply actions. This difficult arrangement shows how necessary it is to have a current list of division and district points of contact in order to promulgate policy changes.

*Paragraph C - Findings and Conclusions*

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6. **Reporting Procedure.** Current regulations require copies of all water supply agreements approved at the district or division level to be submitted to HQUSACE. With the increase in computer oriented programs and the lack of storage space and review capability, this is becoming an increased burden. The Corps' CAP only requires a fact sheet be submitted to higher authority. This appears to be a reasonable solution.

## **D. RECOMMENDATIONS**

There are three recommendations. The major recommendation is for the Assistant Secretary of the Army (CW) is to increase HQUSACE authority to approve draft agreements and reallocation reports from the current limit of 500 acre-feet to 10,000 acre-feet. The 10,000 acre-foot limit is developed from a combination of costs associated with recent reallocations and the Corps' delegated authority in the Continuing Authority Program. The second recommendation is to delegate to the divisions, with authority to delegate to the districts, all currently authorized storage, providing the agreements follow the model. The third recommendation is to treat the approval of surplus water agreements the same as storage agreements. These recommendations are contained in Table 14. Under the recommended delegation, and based on the review actions of the past 5-years, the ASA(CW) would have reviewed nine of 19 (or about 50%) fewer draft agreements. These actions are summarized in Table 15.

*Paragraph D – Recommendations*

**Table 14 - RECOMMENDATIONS  
Water Supply Storage and Surplus Water Agreement Approval Authority**

Existing Authorized Storage					
Drafts [1] [2]			Finals		
From (acre-feet)	To (acre-feet)	Approval [3]	From (acre-feet)	To (acre-feet)	Approval [3]
0	authorized limit	Division	0	authorized limit	Division
Reallocations (either permanent or temporary) [4]					
Reallocation Report [5]			Draft Agreement [8] [9]		
From (acre-feet)	To (acre-feet)	Approval	From (acre-feet)	To (acre-feet)	Approval
500 [6]	10,000	HQUSACE	500 [10]	10,000	HQUSACE [11]
10,001	& up	HQUSACE [7]	10,001	& up	ASA(CW)

Footnotes:

[1]. The first draft agreement in a project must be submitted to HQUSACE and in turn, if more than 1,000 acre-feet, to the ASA(CW).

[2]. Draft agreement must be in accord with model format. If not it will be submitted to HQUSACE and in turn, if more than 1,000 acre-feet, to the ASA(CW).

[3]. Divisions have authority to delegate to districts.

[4]. Does not pertain to reports that are developed under the authority of Section 322 of Public Law 101-640, (WRDA '90), "Reduced Price for Certain Water Storage." These reports and draft agreements must always be submitted to HQUSACE and in turn to the ASA(CW).

[5]. Reports for reallocation of storage or use for surplus water will be submitted to HQUSACE and, in turn to the ASA(CW), if the action would seriously affect the purposes for which the project was authorized, surveyed, planned, or constructed, or which would involve major structural or operational changes.

[6]. Reports with storage from 0 to 99 acre-feet to be approved by districts. Reports with storage from 100 to 499 acre-feet to be approved by divisions.

[7]. Submitted to ASA(CW) with draft agreement prior to approval

[8]. The storage under consideration and the cost calculation must be included, or have been included in a reallocation report and follow the model format. If not, the draft agreement will be submitted to HQUSACE and in turn, if more than 1,000 acre-feet, to the ASA(CW).

[9]. The office approving the draft will indicate which office is to sign the final. If final not signed within 6 months or changes other than editorial, then the final must be approved by the draft approving office.

[10]. Draft agreements for reallocated storage up to 499 acre-feet are approved by MSCs.

*Delegation of Authority for Water Supply Agreements and Reallocations*

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[11]. Authority to delegate to divisions, with authority to delegate to districts, on a case by case basis.

*Paragraph D - Recommendations*

**Table 15 - Changes in ASA(CW) Review Authority**

(Table continues on pages 22 and 23)

<b>Project (Storage)</b> <b>User</b> <b>Reallocation Information</b> <b>Current Status</b>	<b>ASA(CW) Review and Reason [1]</b>	
	<b>Current Delegation</b>	<b>Proposed Delegation</b>
Cave Run Lake (264 af) City of West Liberty Reallocation rpt. included with final agreement Agreement signed by Dir(CW) 10/29/97	Yes with respect to draft Sec. 322 agreement  No with respect to final Under 499 af	Yes with respect to draft Sec. 322 agreement  No with respect to final Under 10,001 af
Rough River Lake (252 af) City of Leitchfield No reallocation report with this action Unapproved, returned to Division 10/15/97	Yes (if not returned by HQ) Sec. 322 draft agreement	Yes (if not returned by HQ) Sec. 322 draft agreement
Enid Lake (4,500 af) LS Power Reallocation rpt. included with draft agreement Agreement signed by ASA(CW) 6/8/98	Yes with respect to draft 1st agreement Over 499 af Did not follow model No with respect to final	Yes with respect to draft 1st agreement and over 1,000 af  No with respect to final
Lake Ouachita (1,575 af) [2] North Garland RWD Reallocation rpt. included with draft agreement Agreement signed by ASA(CW) 3/29/96	Yes with respect to draft Over 499 af  No with respect to final	No with respect to draft Under 10,001 af  No with respect to final
Harry S. Truman (504 af) [2] Henry County Reallocation rpt. previously approved. Agreement signed by District Engineer 6/2/97	Yes with respect to draft Over 499 af  No with respect to final	No with respect to draft Under 10,001 af  No with respect to final
Pomona Lake (18,176 af) State of Kansas (Kansas MOU) No reallocation rpt with this action Agreement signed by ASA(CW) 3/18/96	Yes for both draft & final Unique	Yes for both draft & final Unique
Tuttle Creek (13,850 af) State of Kansas (Kansas MOU) Reallocation rpt. previously approved Agreement signed by ASA(CW) 6/28/96	Yes for both draft & final Unique	Yes for both draft & final Unique

*Delegation of Authority for Water Supply Agreements and Reallocations*

<b>Project (Storage)</b> <b>User</b> <b>Reallocation Information</b> <b>Current Status</b>	<b>ASA(CW) Review and Reason [1]</b>	
	<b>Current Delegation</b>	<b>Proposed Delegation</b>
Hartwell (1,827 af) [2] Hart County Reallocation rpt submitted with draft agreement Draft approved by ASA(CW) 12/5/97	Yes with respect to draft Exceeded 499 af  No with respect to final	No with respect to draft Under 10,001 af  No with respect to final
J. Strom Thurmond (316 af) Town of McCormick Reallocation rpt. submitted with draft agreement. Under review by CECW-AR 7/98	Yes with respect to draft Sec 322 report  No with respect to final	Yes with respect to draft Sec 322 draft agreement  No with respect to final
Beaver Lake (8,113 af) [2] Benton & Washington Counties Reall rpt was approved by ASA(CW) 2/26/96 Agreement signed by Dir(CW) 7/24/96	Yes with respect to draft Exceeded 499 at  No with respect to final	No with respect to draft Under 10,000 af  No with respect to final
Beaver Lake (12,335 af) Carroll-Boone Water District Reallocation rpt submitted with draft agreement. Review terminated at sponsor request 5/12/97	Yes (if not terminated) for both draft and final Exceeded 499 af	Yes (if not terminated) for both draft and final Over 10,000 af
Beaver Lake (4,093 af) (including 211 af DYMS)) [2] Madison County Revised reall rpt submitted with supp ws agreement Agreement signed by Dir(CW) 3/25/96	Yes with respect to draft Exceeded 499 af  No with respect to final	No with respect to draft Under 10,001 af  No with respect to final
Greers Ferry (4,295 af) [2] Community Water System, L&W Counties Reallocation rpt submitted with draft agree. Draft approved by ASA(CW) 4/22/98	Yes with respect to draft Exceeded 499 af  No with respect to final	No with respect to draft Under 10,001 af  No with respect to final
O.C. Fisher (80,400 af) Upper Colorado River Authority No reallocation report Unapproved draft returned to Div by HQ 3/11/98	Yes (if not sent back) for both draft and final Exceeded delegation Unique situation	Yes (if not sent back) for both draft and final Over 10,000 af Unique situation

*Paragraph D - Recommendations*

<b>Project (Storage)</b> <b>User</b> <b>Reallocation Information</b> <b>Current Status</b>	<b>ASA(CW) Review and Reason [1]</b>	
	<b>Current Delegation</b>	<b>Proposed Delegation</b>
Eufaula (1,000 af) [2] RWS & SWM district #2, McIntosh County Existing authorized storage Agreement signed by Dir(CW) 1/16/98	Yes with respect to draft Exceeded 499 af  No with respect to final	No with respect to draft Existing authorized storage.  No with respect to final
This was one action for four agreements 1. John Redmond (10,000 af) 2. Marion (12,500 af) 3. Council Grove (8,000 af) 4. Elk City (10,000 af) Agreements w/State of Kansas (Kansas MOU) Reallocation rpt submitted with WS agreements HQ approved all four for signature by District Engineer 6/26/96	Yes with respect to draft Exceeded 999 af Unique Kansas MOU  Yes with respect to final Unique, but ASA(CW) approved for DE signature	Yes with respect to draft Exceed 10,000 af Unique Kansas MOU  Yes with respect to final Unique, but ASA(CW) approved for DE signature
Lake Texoma (5,500 af) [2] Greater Texoma Utility, City of Sherman Supplemental reall rpt submitted with draft agreement Agreement signed by Dir(CW) 10/29/97	Yes with respect to draft Exceed 999 af  No with respect to final	No with respect to draft Not greater than 10,001 af  No with respect to final
Skiatook (2,743 af) [2] Skiatook PWA Existing authorized storage Agreement signed by Dir(CW) 6/2/98	Yes with respect to draft Exceed 999 af  No with respect to final	No with respect to draft Existing authorized storage  No with respect to final
Tenkiller Ferry (2,200 af) Sequoyah County Water Authority Existing authorized storage Agreement signed by Dir(CW) 6/2/98	Yes with respect to draft Unique Exceed 999 af No with respect to final	Yes with respect to draft Unique  No with respect to final

Footnotes:

[1]. The major differences are: (1) draft approval of agreements and reallocation reports by HQUSACE raises from 500 af to 10,000 af and all existing authorized storage is delegated to Divisions with authority to delegate to Districts.

[2]. Projects where there is a difference in review responsibility with respect to ASA(CW) review of draft agreements (9 of 19).

*Delegation of Authority for Water Supply Agreements and Reallocations*

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**APPENDIX A**  
**CORRESPONDENCE**

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*Delegation of Authority for Water Supply Agreements and Reallocations*

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*Appendix A - Correspondence*

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(copy)

DEPARTMENT OF THE ARMY  
OFFICE OF THE ASSISTANT SECRETARY  
WASHINGTON, DC 20310-0103

(copy)

3 APR 1989

MEMORANDUM FOR THE DIRECTOR OF CIVIL WORKS

SUBJECT: Delegation of Authority to Approve Water Supply Contracts

This is in response to your memorandum of February 22, 1989, concerning the above subject.

Subject to the following comments, authority to approve the water supply contracts is delegated to the Chief of Engineers in accordance with the enclosure. That authority may be delegated to the Deputy Chief of Engineers or the Director of Civil Works. In addition, you are authorized to delegate approval of small contracts to District and Division Commanders in accordance with the enclosure. Approval of renewals of agricultural interim use contracts also may be delegated to District Commanders.

Footnote 7 on the enclosure should be revised to read, "When using approved model or approved model with editorial changes only. Contracts involving other changes will be submitted to ASA(CW) for approval." Footnote 9 on the enclosure should be revised to read, "When using the approved draft contract and signed by local interest within 6 months of draft approval. If beyond 6 months or if changes are made, the final contract will be resubmitted for approval to the office with approval authority for the draft. If the proposed contract involves changes other than editorial changes, the contract will be submitted to ASA(CW) for approval. ASA(CW) reserves the right to retain approval authority of any final contract he approved as a draft. In cases where the ASA(CW) desires to exercise that right in advance, the draft contract will so note."

/s/

Robert W. Page  
Assistant Secretary of the Army  
(Civil Works)

Enclosure

(copy)

*Delegation of Authority for Water Supply Agreements and Reallocations*

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(copy)

DEPARTMENT OF THE ARMY  
U.S. Army Corps of Engineers  
WASHINGTON, D.C. 20314-1000

(copy)

CECW-PS

14 APR 1989

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Delegation of Authority to Approve Water Supply Contracts

1. The Assistant Secretary of the Army for Civil Works (ASA(CW)) has approved the delegation of authority to approve water supply contracts to the Chief of Engineers. He has also approved the further delegation of this approval authority to the Deputy Chief of Engineers or the Director of Civil Works, and, in cases of small contracts, to District and Division Commanders.
2. Attached is a table detailing the delegations of authority. Whenever any contract is approved by District or Division Commanders under these delegations, two copies of all contracts, draft and final, approved under these delegations must be submitted to CECW-P, one to be retained in HQ files and the other to be provided to ASA(CW). ASA(CW) will be reviewing all of these contracts. Draft contracts which require ASA(CW) review and final contracts requiring HQ or ASA(CW) approval must be accompanied by two copies, for HQ and ASA(CW) files.
3. To better handle inquiries on water supply contracting, we are working on the establishment of a detailed water supply contract database. More on this subject can be expected in the near future.
4. Any questions on the delegations should be directed to CECW-PD for clarification.

FOR THE COMMANDER:

Encl

/s/

PATRICK J. KELLY  
Brigadier General, USA  
Director of Civil Works

DISTRIBUTION:

(See Page 2)

(copy)

*Appendix A - Correspondence*

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DISTRIBUTION:

Commander, New England Division  
Commander, North Atlantic Division  
Commander, South Atlantic Division  
Commander, North Central Division  
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Commander, Pacific Ocean Division  
Commander, South Pacific Division  
Commander, Southwestern Division  
Commander, Lower Mississippi Valley Division

*Delegation of Authority for Water Supply Agreements and Reallocations*

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(copy)

DEPARTMENT OF THE ARMY  
U.S. Army Corps of Engineers  
WASHINGTON, D.C. 20314-1000

(copy)

CEWRC-IWR\CECW-A

03 AUG 1998

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Delegation of Authority for Water Supply Agreements and Reallocations

1. A limited delegation of authority for water supply agreements and reallocations has been in effect since April 11, 1989. Now that new formats for agreements have been promulgated, it is a good time to review our program and determine if an increase in delegation is warranted. The files of Headquarters, U.S. Army Corps of Engineers (HQUSACE) have been researched for applicable actions between 1995 and the current time. This research revealed 21 water agreements and/or reallocations have been referred to CECW-AR for review. This review was required because the action either exceeded the delegated amount, did not follow the model agreement and/or was a unique situation.

2. The purpose of this memorandum is to learn how many such actions never reach HQUSACE. To accomplish this, I request that each division and district complete the enclosed questionnaire for all applicable actions since June 1, 1995. Even if you have a negative response to this portion of the questionnaire, request you provide an appropriate point of contact and what your anticipated work load in this area may be over the next 24 months. Comments may also be provided, from your perspective, on the pros and/or cons of increasing the delegated authority. I would like to remind you that paragraph 4-33b(1)(b) of ER 1105-2-100, requires a copy of all delegated agreements be submitted to HQUSACE.

3. Request that all information be returned by 1 September 1998 to the Water Resources Support Center, ATTN: Ted Hillyer (CEWRC-IWR-P), Casey Building, 7701 Telegraph Road, Alexandria, VA 22315-3868,. Mr. Hillyer can be reached by phone at 703-428-6140, by fax at 703-428-6124 and by Corps e-mail at "theodore.m.hillyer@usace.army.mil." If you want an electronic version of this questionnaire please contact Mr. Hillyer.

FOR THE COMMANDER

Encl

/s/

DAVID B. SANFORD, JR.  
Chief, Policy Division  
Directorate of Civil Works

DISTRIBUTION:

See Page 2

(copy)

*Appendix A - Correspondence*

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DISTRIBUTION

COMMANDER

Great Lakes and Ohio River Division	Attn: CELRD-OR-ET
Mississippi Valley Division	Attn: CEMVD-ET-PF
North Atlantic Division	Attn: CENAD-ET-P
Northwestern Division	Attn: CENWD-ET-P
Pacific Ocean Division	Attn: CEPOD-ET-E
South Atlantic Division	Attn: CESAD-ET-P
South Pacific Division	Attn: CESPDP-ET-P
Southwestern Division	Attn: CESWD-ETE-P
Buffalo District	Attn: CELRB-PE-PC
Chicago District	Attn: CELRC-PD
Detroit District	Attn: CELRE-EP
Huntington District	Attn: CELRH-PD
Louisville District	Attn: CELRL-PD-E
Nashville District	Attn: CELRN-EP-P
Pittsburgh District	Attn: CELRP-PD
Memphis District	Attn: CEMVM-PD
New Orleans District	Attn: CEMVN-PD
Rock Island District	Attn: CEMVR-PD
St. Louis District	Attn: CEMVS-PD
St. Paul District	Attn: CEMVP-PE
Vicksburg District	Attn: CEMVK-PD-F
Baltimore District	Attn: CENAB-PL
Waltham	Attn: CENAE-PL
New York District	Attn: CENAN-PL
Norfolk District	Attn: CENAO-PL
Philadelphia District	Attn: CENAP-PL
Kansas City District	Attn: CENWK-EP-PF
Omaha District	Attn: CENWO-PD
Portland District	Attn: CENWP-PM
Seattle District	Attn: CENWS-PM-CP
Walla Walla District	Attn: CENWW-PM-PJ
Alaska District	Attn: CEPOA-EN-CW
Hawaii	Attn: CEPOH-ED-C
Charleston District	Attn: CESAC-EN-P
Jacksonville District	Attn: CESAJ-PD
Mobile District	Attn: CESAM-PD
Savannah District	Attn: CESAS-PD
Wilmington District	Attn: CESAW-TS-P
Albuquerque District	Attn: CESPA-ED-P
Los Angeles District	Attn: CESPL-PD
Sacramento District	Attn: CESP-K-PD
San Francisco District	Attn: CESP-N-PE-EP
Fort Worth District	Attn: CESWF-PM-C
Galveston District	Attn: CESWG-PL
Little Rock District	Attn: CESWL-PL-R
Tulsa District	Attn: CESWT-EC-HM

**QUESTIONNAIRE**  
**DELEGATION OF AUTHORITY for**  
**WATER SUPPLY AGREEMENTS and REALLOCATIONS**

Part I: Description of agreement and chain of correspondence for each action that did not reach HQUSACE since 1 June 1995.

Project:

User:

Reallocation? Yes \_\_\_ No

Type of Agreement: Storage: \_\_\_ Surplus Water:

Storage Space: \_\_\_\_\_ acre-feet

Investment Cost:     \$

Chain of correspondence:

Draft: District Submitted, Date: _____	By: _____ (office symbol)
Division Approval, Date: _____	By: _____ (office symbol)
Final: District Submitted, Date: _____	By: _____ (office symbol)
Division Approval, Date: _____	By: _____ (office symbol)

Part II: Current point of contact for water supply/reallocations issues.

Division

Name: \_\_\_\_\_ Office Symbol: \_\_\_\_\_ Phone No.

District

Name: \_\_\_\_\_ Office Symbol: \_\_\_\_\_ Phone No.

Part III: Comments.

a. Estimated projection of work load for the next 24 months.

Actions requiring review and/or approval by CECW-AR and/or ASA(CW)

Actions that can be approved by the district and/or division

b. Provide your comments (if you so desire) on ways to improve the delegation of authority process.



**APPENDIX B**

**PROJECT ACTION DATA SHEETS**

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Footnote: [1]. This action included not only the John Redmond project but also contracts for storage in the Marion, Council Grove and Elk City projects. All contracts were with the State of Kansas under the Kansas Memorandum of Agreement

*Appendix B - Project Action Data Sheets*

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Project: Cave Run Lake, KY

User: West Liberty

Storage: 264 acre-feet

Status: Agreement signed by Dir(CW) on 28 Oct 97.

Copy on file? Yes

Action	From	To	Comment
Basic	CELRD-PD-E Undated	CELRD-ET-D	Reallocation Rpt. & WS Agreement. Have been revised in accord with earlier comments.
1st End	CELRD-OR-ET-P 15 Sep 97	CECW-AR	Forwarded for signature by the Dir(CW).
Basic	CECW-AR 4 Nov 97	CELRD-OR-ET-P	Enclosed agreement signed by the Dir(CW) on 28 Oct 97. Agreement needs to be revised to reflect change in interest from FY 97 to FY 98.

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Project: Rough River Lake, KY

User: Leitchfield, KY

Storage 252 acre-feet

Status: Unapproved package returned to CELRD on 15 Oct 97.

Action	From	To	Comment
Basic	CELRD-PD-E undated	CELRD-ET-P	Request approval of WS Agreement.
1st End	CELRD-OR-ET 16 Sep 97	CECW-AR	Forwarded for comment and appropriate action.
Basic	CECW-AR 15 Oct 97	CELRD	Submitted package incomplete. Documentation of district technical and legal review is required.

*Delegation of Authority for Water Supply Agreements and Reallocations*

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Project: Enid Lake, MS  
Storage: 2,000 acre-feet

User: LS Power Electric Generation Facility  
Status: Final agreement under review by CECW-AR as of May 98.

Action	From	To	Comment
Basic	CEMVK-PD-F 2 Sep 97	CEMVD	Submits 25 copies of Reallocation Rpt. & draft WS Agreement for action.
Basic	CEMVD-ET-PF 22 Oct 97	CECW-AR	Submits 8 copies of rpt. and agreement for action.
1st End	CECW-AR 20 Feb 98	CEMVK-PD-F	Approval by ASA(CW) & HQ subject to comments.
2nd End	CEMVK-PD-F 21 Apr 98	CEMVD-ET-PF	Agreement and report have been revised to reflect comments. Request approval.
3rd End	CEMVD-ET-PF 24 Apr 98	CECW-AR	Forwarded for approval.
Memo	CECW-AR 30 Apr 98	ASA(CW)	Forwarded for approval.
Memo	ASA(CW) 5 May 98	CECW-AR	Report and draft agreement are approved.
4th End	CECW-AR 8 May 98	CEMVD-ET-PF	Addendum to Reallocation Rpt. and revised draft WS Agreement are approved. The final WS Agreement should be signed and returned to HQ for processing.
Basic	CEMVK-PD-F 21 May 98	CEMVD-ET-PF	3-copies of signed agreement are enclosed .
1st End	CEMVK-ET-PF 27 May 98	CECW-AR	Forwarded for approval.
?????			

*Appendix B - Project Action Data Sheets*

Project: Lake Ouachita, AR  
 Storage: 1,575 acre-feet  
 Copy on file? Yes

User: North Garland County Regional Water District  
 Status: Agreement signed by ASA(CW) on 29 Mar 96.

Action	From	To	Comment
Basic	CELMK-PD-F 25 Aug 95	CELMV	Final Reallocation Rpt. & Draft WS Agreement for approval.
1st End	CELMV-ETS-PD-F 5 Sep 95	CECW-AR	Forward recommending approval of report and agreement.
Memo	CECW-AR 12 Oct 95	ASA(CW)	Forwarding the draft for approval subject to comments.
Memo	ASA(CW) 1 Nov 95	CECW	Draft approved.
Basic	CELMK-PD-F 19 Dec 95	CELMV-ET-PF	3-copies of signed agreement forwarded for approval by the ASA(CW).
1st End	CELMIV-ET-PF 27 Dec 95	CECW-A	Agreement forwarded for approval.
??????			
2nd End	CECW-AR Undated	CELMK-PD-F	One copy of agreement signed by ASA(CW) on 29 Mar 96 is returned. The three original copies were returned directly to the District by Federal Express.

*Delegation of Authority for Water Supply Agreements and Reallocations*

Project: Harry S. Truman, MO      User: Henry County  
 Status: Agreement signed by Kansas City DE on 2 Jun 97.

Storage: 504 acre-feet  
 Copy on file? Yes

Action	From	To	Comment
Basic	CEMRK-EP-PF 16 Apr 97	CEMRD-ET-P	Draft WS Agreement. The reallocation rpt. was approved 30 Nov. 94.
1st End	CEMRK-ET-P 30 Apr 97	CEMRK-EP	Draft approved. Sign agreement and return to division which will in turn provide to CECW-P.
2nd End	CENWK-EP-PF 9 Jun 97	CENWD-ET-P	3 signed copies are enclosed.
3rd End	CEMRD-ET-P 11 Jun 97	CECW-P	Forward 2 copies signed by the Kansas City DE on 2 Jun 97 in accord with delegated authority.

Project: Pomona Lake, KS      User: State of Kansas  
 Status: Agreement signed by ASA(CW) on 18 Mar 96.

Storage: 18, 176 acre-feet  
 Copy on file? Yes

Action	From	To	Comment
Basic	CEMRK-EP-PF 25 Nov 95	CECW-PW	Final WS Agreement for remaining storage under the Kansas MOU.
Memo	CECW-AR 1 Mar 96	ASA(CW)	Recommend approval and signing of contracts.
1st End	CECW-AR 28 Mar 96	CEMRK-EP-PF	The agreements was signed by the ASA(CW) on 18 Mar 96. The 4 original contracts were forwarded directly to the KC District by Federal Express.

Project: Tuttle Creek Lake, KS      User: State of Kansas  
 Status: Agreement signed by ASA(CW) on 28 Jun 96.

Storage: 13,850 acre-feet  
 Copy on file? No

Action	From	To	Comment
Basic	CEMRK-EP-PF 29 May 96	CECW-PE	Final WS Agreement for the remaining storage under the Kansas MOU.
Memo	CECW-AR 27 Jun 96	ASA(CW)	Forwarded for approval and signature.
1st End	CECW-AR 11 Jul 96	CEMRK-EP-PF	Agreement approved and signed by the ASA(CW) on 28 Jun 96. The 4 original signed agreements were forwarded directly to the KC District by Federal Express.

*Appendix B - Project Action Data Sheets*

Project: Hartwell Lake, GA & SC                      User: Hart County                      Storage: 1,827 acre-feet  
 Status: Draft approved by ASA(CW) on 5 Dec 97 and returned to \_\_\_\_\_ by \_\_\_\_\_ on \_\_\_\_\_

Action	From	To	Comment
Basic	CESAS-DE 3 Sep 96	CECW-AR	Reallocation Rpt. & WS Agreement forwarded.
Basic	CECW-P 20 Nov 96	CESAD-ET-PL	Returned with comments that must be addressed before submittal to the ASA(CW).
1st End	CESAD-ET-PE 4 Dec 96	CESAS-PD	Forwarded for action.
2nd End	CESAS-PD-S 7 Feb 97	CESAD-ET-P	Submitted revised reallocation rpt. and agreement.
3rd End	CESAD-ET-P 25 Feb 97	CECW-PE	Forwarded for approval.
Basic	CESAS-PD-S 29 Jul 97	CECW-PE	Provided revised pages for draft reallocation rpt.
Memo	CECW-AR 3 Oct 97	ASA(CW)	Recommend concurrence with HQ approval of reallocation rpt. and approval of draft WS Agreement subject to comments.
			Draft approved by ASA(CW) on 5 Dec 97.

Project: J. Strom Thurmond, GA & SC                      User: Town of McCormick                      Storage: 316 acre-feet  
 Status: Draft under review by CECW-AR in April 98.

Action	From	To	Comment
Basic	CESAS-PD 20 Jan 98	CECW-AR	Draft Reallocation Rpt. & WS Agreement for approval.
Basic	CECW-AR-M 4 Mar 98	CESAD	Prior to submitting to the ASA(CW) report and agreement need to be revised based on comments. Concern on Sec. 322 pricing.
1st End	CESAD-ET-P 17 Mar 98	CESAS-PD	Forwarded for action.
2nd End	CESAS-PD 10 Apr 98	CESAD-ET-P	Forwarded responses to questions.
1st End (sic)	CESAD-ET-P 24 Apr 98	CECW-AR	Provided for approval.
Draft under review by CECW-AR.			

*Delegation of Authority for Water Supply Agreements and Reallocations*

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Project: Beaver Lake, AR

User: Benton/Washington Counties

Storage: 8,113 acre-feet (including 470 acre-feet for DYMS)

Status: Agreement signed by Dir(CW) on 24 Jul 96.

Copy on file? Yes

Action	From	To	Comment
Basic	CESWL-PL-R 3 Aug 95	CESWD-ED-WH	Submittal or Revised Reallocation Rpt. & Supplemental WS Agreement.
1st End	CESWD-ETE-WH 1 Sep 95	CECW-A	Forwarded for review and approval.
Memo	CECW-AR 23 Jan 96	ASA(CW)	Recommend approval of report and draft WS Agreement subject to comments.
Memo	ASA(CW) 26 Feb 96	Dir(CW)	Approval subject to comments.
2nd End	CECW-AR 27 Mar 96	CESWD-ETE-WH	Returned approved subject to comments.
3rd End	CESWD-ETE-WH 4 Apr 96	CESWL-PL-R	Forwarded.
4th End	CESWL-PL-R 3 May 96	CESWD-ETE-WH	Copies of signed agreements forwarded for execution.
5th End	CESWD-ETE-WH 5 Jun 96	CECW-AR	Forwarded.
Memo	CECW-AR 5 Jun 96	Dir(CW)	Forwarded for approval.
Memo	CECW-AR 26 Jul 96	CESWL-PL-R	Returned the Final agreement that was signed by the Dir(CW) on 24 Jul 96.

*Appendix B - Project Action Data Sheets*

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Project: Beaver Lake, AR

User: Carroll-Boone Water District

Storage: 12,335 acre-feet

Status: Review of agreement and reallocation withdrew be sponsor

Copy on file: NA

Action	From	To	Comment
Basic	CESWL-PL 25 July 96	CESWD-ED-WH	Submit draft reallocation report and water supply agreement.
1st End	CESWD-ETE-T 23 Sept 96	CECW-AR	Submitted for approval subject to comments.
??????			
Basic	CESWL-PL-E 27 Nov 96	CESWD-ED-WH	Sponsor requests the termination of action.
1st End	CESWD-ETE-E 9 Jan 97	CECW-PC	Concur with sponsors request.
2nd End	CECW-PC 12 May 97	CESWD	Concur with sponsor request. Policy compliance review comments enclosed.

*Delegation of Authority for Water Supply Agreements and Reallocations*

---

Project: Beaver Lake, AR

User: Madison County

Storage: 4,093 acre-feet (including 211 acre-feet for DYMS)

Status: Agreement signed by Dir(CW) on 25 Mar.

Copy on file? Yes

Action	From	To	Comment
Basic	CESWL-PL-R 12 Jun 95	CESWD-ED-WH	Submittal of <u>Revised Reallocation Rpt.</u> & Supplemental WS Agreement
1st End	CESWD-ETE-WH 24 Jul 95	CECW-A	Forwarded for review and approval.
Memo	CECW-AR 30 Aug 95	ASA(CW)	Submitted for review and approval
Memo	ASA(CW) 27 Sep 95	Dir(CW)	Draft supplemental agreement approved.
2nd End	CECW-AR 24 Oct 95	CESWD-ETE-WH	Revised Reallocation Rpt. is approved. The supplemental WS Agreement was approved by ASA(CW) on 27 Sep 95 subject to comments.
3rd End	CESWD-ETE-WH 28 Nov 95	CESWL-PL-R	Revised Reallocation Rpt. has been approved by the Dir(CW).
Basic	CESWL-PL-R 23 Jan 96	CESWD-ETE-WH	Forwarded signed agreement for execution.
1st End	CESWD-ETE-WH 5 Feb 96	CECW-AR	Forwarded.
Memo	CECW-AR 26 Mar 96	Dir(CW)	Forwarded for approval subject to an extraneous wording.
2nd End	CECW-AR 15 Apr 96	CESWL-PL-R	Approved by Dir(CW) on 25 Mar. Initial change and return copy to CECW-AR for files.

*Appendix B - Project Action Data Sheets*

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Project: Greers Ferry Lake, AR

User: Community Water Systems, Lonoke & White Counties

Status: Draft approved and returned to CESWD on 22 Apr 98.

Action	From	To	Comment
Basic	CESWL-PL-E 30 Sep 97	CESWD	Reallocation Rpt. & Draft WS Agreement forwarded for approval.
1st End	CESWD-ETE-P 6 Nov 97	CECW-AR	Forwarded recommending approval.
Memo	CECW-AR 12 Mar 98	ASA(CW)	Recommend approval of rpt. and draft agreement subject to comments.
Memo	ASA(CW) 7 Apr 98	Dir(CW))	Approved subject to comments.
2nd End	CECW-AR 22 Apr 98	CESWD-ETE-P	Approved by ASA(CW) subject to comments concerning summary of actions to reduce hydropower capacity losses.

*Delegation of Authority for Water Supply Agreements and Reallocations*

---

Project: O.C. Fisher, TX

User: Upper Colorado River Authority

Status: Draft disapproved and returned to CESWD 11 Mar 98.

Action	From	To	Comment
Basic	CESWF-PM-C 21 Mar 97	CESWD-ETE-P	Water storage agreement for renewal for an additional 50-years.
1st End	CESWD-ETE-P 18 Jul 97	CESWF-PM-C	Returned with comments.
2nd End	CESWF-PM-C 14 Aug 97	CESWD-ETE-P	Forwarded draft contract for approval.
3rd End	CESWD-ETE-P 24 Sep 97	CECW-AR	Draft contract forwarded for review and approval.
Basic	CECW-AR 11 Mar 98	CESWD	Draft disapproved as it is not within Corps policies.

*Appendix B - Project Action Data Sheets*

Project: Eufaula Lake, OK

User: Rural Water, Sewer, & Solid Waste Management District #2, McIntosh County

Storage: 1,000 acre-feet

Status: Agreement signed by Dir(CW) on 16 Jan 98.

Copy on file? Yes

Action	From	To	Comment
Basic	CESWT-OD-HM 10 Jun 97	CESWD-ETE-P	Draft WS Agreement submitted for review and approval.
1st End	CESWD-ETE-P 23 Jul 97	CECW-AR	Forwarded for review and approval.
Memo	CECW-AR-M 3 Sep 97	ASA(CW)	Forwarded for approval subject to comments.
Memo	ASA(CW) 24 Sep 97	CECW-AR	Draft contract approved subject to comments.
Basic	CECW-AR 3 Oct 97	CESWD	Returned approved agreement.
Basic	CESWT-EC-HM 18 Dec 97	CECW-AR	4 copies of WS Agreement forwarded for approval by the Dir(CW).
Basic	CECW-AR-M 21 Jan 98	CESWD-ETE-P	The subject agreement was signed by the Dir(CW) on 16 Jan 98.

Note: A Conditional Transfer & Assignment overlapped this action. The basic CESWT-OD-HM submitting the draft CT&A was dated 17 Dec 97. On 25 May 98 the ASA(CW) approved the draft and authorized the District Engineer to sign.

*Delegation of Authority for Water Supply Agreements and Reallocations*

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Project: John Redmond, Marion, Council Grove, and Elk City

User: State of Kansas

Storage: 10,000; 12,500; 8,000; 10,000 acre-feet

Status: Draft approved by ASA(CW) for signature by Tulsa DE on 26 Jun 96.

Copies on file? No

Action	From	To	Comment
Basic	CESWT-EC-HR 29 Jan 96	CESWD-ED-WH	Draft Reallocation Rpt. & 4 WS Agreements for approval.
1st End	CESWD-ETE-WH 9 Apr 96	CECW-AR	Submitted for approval subject to comments.
Memo	CECW-A 18 Jun 96	ASA(CW)	Recommend approval of Reallocation Rpt. & WS Agreements.
Memo	ASA(CW) 19 Jun 96	Dir(CW)	The Reallocation Rpt. and WS Agreements are approved subject to HQ comments. The District Commander is delegated authority to approve the agreements.
2nd End	CECW-AR-M 26 Jun 96	CESWD-ETE-WH	Report & WS Agreements approved for execution by the District Engineer. Please provide copies of executed agreements to CECW-AR.

*Appendix B - Project Action Data Sheets*

Project: Lake Texoma, Denison Dam, TX & OK

User: Greater Texoma Utility Authority as Agent for the City of Sherman, TX

Storage: 5,500 acre-feet

Status: Agreement signed by Dir(CW) on 29 Oct 97.

Copy on file? Yes

Action	From	To	Comment
Basic	CESWT-EC-HM 23 Dec 96	CECW-AR	Forwarded draft supplemental Reallocation Rpt. & Draft WS Agreement for approval.
Memo	CECW-AR 8 May 97	ASA(CW)	Forwarded for review and approval subject to comments.
Memo	ASA(CW) 10 Jun 97	Dir(CW)	Supplemental Reallocation Rpt. & draft agreement approved subject to HQ comments.
Basic	CECW-AR 20 Jun 97	CESWD-ETE-W	Execute agreement subject to comments and return for approval by the Dir(CW).
Basic	CESWT-EC-HM 19 Sep 97	CECW-AR	4 copies of signed final agreement forwarded for approval by the Dir(CW).
Memo	CECW-AR 23 Oct 97	Dir(CW)	Submit agreement for signature.
1st End	CECW-AR 4 Nov 97	CESWD-ETE-P	Returned subject agreement signed by Dir(CW) on 29 Oct 97.

*Delegation of Authority for Water Supply Agreements and Reallocations*

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Project: Skiatook Lake, OK

User: Skiatook Public Works Authority

Storage: 2,743 acre-feet

Status: Agreement signed by Dir(CW) on 2 Jun 98.

Copy on file? Yes

Action	From	To	Comment
Basic	CESWT-EC-HM 17 Mar 97	CESWD-ETE-P	Draft WS Agreement submitted for approval.
1st End	CESWD-ETE-P 9 Jun 97	CECW-AR	Forwarded for review and approval.
Memo	CECW-AR 12 Aug 97	ASA(CW)	Forwarded agreement for approval.
??????			
Basic	CESWT-EC-HM 27 Apr 98	CECW-AR	4-copies of final contract forwarded for approval by the Dir(CW).
Memo	CECW-AR 29 May 98	Dir(CW)	Forwarded for signature.
1st End	CECW-AR 3 Jun 98	CESWT-EC-IM	Agreement signed by Dir(CW) on 2 Jun 98 returned through Division to District.

*Appendix B - Project Action Data Sheets*

Project: Tenkiller Ferry Lake, OK

User: Sequoyah County water Association

Storage: 2,200 acre-feet

Status: Agreement signed by Dir(CW) on 2 June 1998. Copy on file?

<b>Action</b>	<b>From</b>	<b>To</b>	<b>Comment</b>
Basic	CESWD-EC-HM 29 Jan 97	CESWD-ETE-P	Request draft water supply agreement and conditional transfer & assignment be approved.
1st End	SWD-ETE-P 7 Apr 97	CECW-AR	Draft forwarded for approval.
Basic	CECW-AR 16 May 97	CESWD-ETE-P	Returned with unapproved comments
1st End	CESWD-ETE-P 18 Jun 97	CESWT-EC-HM	Forwarded for action.
2nd End	CESWT-EC-HM 27 Oct 97	CESWD-ETE-P	Draft returned for approval.
3rd End	CESWD-ETE-P 9 Dec 97	CECW-AR	Forwarded for approval.
Basic	CECW-AR 20 Feb 98	CESWD-ETE-P	Returned approved subject to comments.
1st End	CESWD-ETE-P 18 Mar 98 [sic?]	CESWT-EC-HM	Draft has been approved with revisions.
2nd End	CESWT-EC-HM 13 Mar 98 [sic?]	CESWD-ETE-P	Revised draft forwarded for approval
3rd End	CESWD-ETE-P 25 Mar 98	CECW-AR	Draft forwarded for approval.
???????			
4th End	CECW-AR 20 May 98	CESWT-EC-HM	Returned draft approved by ASA(CW) on 7 May 98 subject to HQ comments.
???????			
Memo	CECW-AR 29 May 98	Dir(CW)	Submit final agreement for signature.
???????			

**APPENDIX C**

**COMMENTS ON WAYS TO IMPROVE  
THE DELEGATION OF AUTHORITY PROCESS**

**Great Lakes and Ohio River Division.**

Division Office. No comment.

Huntington District. Increased levels of delegated authority, both at the district and division level, would appear warranted in those cases which follow the model agreement. In particular, increased authority would facilitate the processing of requests for lowcost water pursuant to Section 322 of WRDA 1990 (PL 101-640).

Nashville District. Delegate more authority down to the division and district level.

Pittsburgh. Our experience is that the development of new water agreements is often complicated by the existence of old and expiring agreements, which makes it difficult for a strict application of current requirements. In the cases review by HQUSACE, is important to ensure an equitable agreement has been negotiated, and one that is consistent with similar agreements in other districts. Therefore, while in principle we prefer “empowerment,” we appreciate the assistance of HQUSACE in developing water agreements and in ensuring a correct and equitable application of water supply requirements. We are somewhere between neutral and inclined to favor the existing approval authorities.

**Mississippi Valley Division.**

Division Office. The division fully supports all HQUSACE initiatives to increase the delegated authority in water supply agreements as well as all the other agreements that are executed (PCA, PCA amendments, design agreements, etc.).

**North Atlantic Division.**

Division Office. No comment.

Philadelphia District. Increases in delegation of authority would have minimal impact on the district.

**Northwestern Division.** No comments.

**Pacific Ocean Division.** No comments.

**South Atlantic Division.**

Division Office. No comment.

Mobile District. The district is satisfied with the current policies and regulations concerning water supply reallocations and has no suggestions for change.

Savannah District. Over the last few years, the district has prepared reallocation reports and water supply agreements at the three Savannah District Lakes of Thurmond, Russell and Hartwell. In the ITR review process of lessons learned, the district receives the universal comment from lake managers as well as the local requestor that the process costs too much and takes too long. In the CESAS-DE 4 April 1997 memorandum entitled "Proposed Changes in Water Supply Reallocation Procedures" the district offered three solutions.

1. Share the cost of the reallocation report with the requester for those reallocations that fall within the Chief of Engineers discretionary authority. Those exceeding that authority should follow the existing cost sharing authority for reconnaissance/feasibility studies. The cost of preparing a typical reallocation that involves hydropower is about \$52,000. Of this cost, about \$12,000 is necessary for the Northwestern Division modeling of hydropower losses. Many small reallocations will not recoup the costs of preparing the report. A course similar to the district's Regulatory Program could be followed. In this program, where dollars are limited, the requestor is given the option of accelerating the process by preparing the documentation and submitting it to the Corps. In a reallocation report the requestor could, perhaps, prepare the environmental assessment as well as other portions of the report.

2. Develop an indexing system for hydropower which would be valid for five years. This could save \$10,000 to \$12,000 per reallocation report and reduce the time frame by two months.

3. Provide greater delegation of authority to the division and district in those cases where the model agreement is used, the proposed action results in a FONSI and an independent technical review is accomplished. Additional delegation of authority would result in shortening the time frame and decreasing the cost.

Wilmington District. Consideration should be given to raising the approval authority at the division and district level when the reallocation report does not involve policy decisions and the model water supply agreement is followed.

**South Pacific Division.**

Division Office. No comment.

San Francisco District. The district is not looking for increased delegation.

**Southwestern Division.**

Division Office.

1. Utilizing Census Bureau data, it is estimated that Texas will experience a population growth of approximately 19% between 1990 and 2000. Assuming a similar positive growth curve for those states encompassed by Southwestern Division, the demand for municipal and industrial water supply and a readily available source of electrical power is self-evident. The division has already processed several requests to allow encroachment into the flood control pool or sediment pool for water supply along with mitigative measures to compensate foregone hydropower head. The division expects this trend to accelerate. To maintain a fine balance between additional water supply and insuring a sufficient hydraulic head for hydropower without compromise of the projects's purposes, has challenged the division and district staffs and customers. Coordination and final execution of these issues are further delayed and complicated because of Congressional and other interest group interactions and demands.

2. Since a majority of current water storage agreements technically call for a reallocation, the Division Commander's authority is limited to 499 acre-feet. The division recommends that consideration be given to expanding the Division Commander's authority to approve water supply reallocations up to an accumulative amount not to exceed 25,000 acre-feet per watershed per year. Delegation of this authority to the District Commander should not be allowed because of the shared watersheds between districts and is commensurate upon a satisfactory review for policy compliance by HQUSACE and/or ASA(CW).

3. The solicitation for input regarding delegated authority is appreciated. Outdated methodologies must be reexamined and those practices that do not satisfactorily respond to the Corps needs must be modified or eliminated and replaced with new and effective procedures. This approach to the Corps daily business execution is a stark requirement if we are to succeed in continued water resource development and timely delivery of this valuable resource to our customers.

*Delegation of Authority for Water Supply Agreements and Reallocations*

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Tulsa District. On projects where water supply is an existing purpose and there are already water supply contracts in place, it would speed the process significantly if HQ/ASA(CW) would grant final approval authority to the District Engineer.



REPORT DOCUMENTATION PAGE

- 1.
2. December 1998
3. Final
4. Delegation of Authority for Water Supply Agreements and Reallocations
- 5.
6. Theodore M. Hillyer
7. USACE, Water Resources Support Center  
Institute for Water Resources  
Casey Building, 7701 Telegraph Road; Alexandria, VA 22315-3868
8. IWR Report 98-PS-3
9. Headquarters, U.S. Army Corps of Engineers  
Directorate of Civil Works  
20 Massachusetts Avenue, NW; Washington, D.C. 20314-1000
- 10.
11. Available from National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161  
(703) 487-4650
- 12a. Approved for public release; distribution unlimited
- 12b.
13. This report represents the results of a study to investigate the feasibility of increasing the current delegated limits for water supply agreements and reallocations which were set in 1998. The records of Headquarters were researched to determine what water supply activities had been accomplished at that level over the past five-year period and the divisions and districts were requested to provide information on actions they had performed under the delegation authority over that same time period. The study examined authorized, but uncommitted storage space; the cost of reallocated storage space; the number of actions approved at Headquarters and the number approved at the division and district levels; the unusual chain of command for water supply activities in the Corps; and the current reporting requirements for actions approved at the division and district levels.
14. Water supply agreements, reallocations, authorized storage, delegation limits and actions, cost of storage, points of contact, and reporting requirements.
15. 56
- 16.
17. Unclassified
18. Unclassified
19. Unclassified
- 20.

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