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> Before the United States House of Representatives Committee on Natural Resources Subcommittee on Water and Power

On H.R. 2085 McGee Creek Project Pipeline and Associated Facilities Conveyance Act

September 18, 2007 at 10 a.m.

Madam Chairwoman and members of the Subcommittee, thank you for the opportunity to appear before you today. My name is Pete White, and I am here to present the views of the McGee Creek Authority on H.R. 2085, *McGee Creek Project Pipeline and Associated Facilities Conveyance Act*. This act will transfer certain McGee Creek properties and associated facilities from the Bureau of Reclamation to the McGee Creek Authority.

The McGee Creek Authority is public trust of the State of Oklahoma, to which the City of Oklahoma City, the City of Atoka and the County of Atoka. All three entities benefit from the water rights they hold in the McGee Creek Reservoir in southeastern Oklahoma.

The McGee Creek Authority was established in 1978 to finance, operate and maintain the reservoir, dam and water pipeline and pumping facilities. The McGee Creek Reservoir provides many Oklahomans with, first and foremost, a dependable water supply and, in addition, a myriad of recreational opportunities.

The McGee Creek Authority and I request that the U.S. House of Representatives, Subcommittee on Water and Power, consider and ultimately approve *H.R. 2085, the McGee Creek Project Pipeline and*

Associated Facilities Conveyance Act, which will allow transfer of certain McGee Creek facilities and properties from the Bureau of Reclamation to the McGee Creek Authority, namely the water pipeline and pumping facilities, headquarters office, pole barn, storage building, surge tank, control and relay stations and associated land that they reside in and on.

The McGee Creek Reservoir and associated water pipeline, pumping facilities and properties were built in conjunction with the Bureau of Reclamation. The McGee Creek Authority operates and maintains the reservoir and associated water pipeline and pumping facilities and is obligated to pay annual operational and maintenance costs and for its debt. In 1992, the McGee Creek Authority paid to the Bureau of Reclamation \$88.6 million to fully repay the federal government for its cost of constructing the water supply related McGee Creek facilities. At the time we paid for the water supply, federal policy required all facilities built through the Bureau of Reclamation remained the property of the federal government. The McGee Creek Authority began pursuing the property transfer accomplished with HR 2085 when we became aware federal law allows it.

The McGee Creek Authority now is working with the Bureau of Reclamation to request that Congress authorize the transfer of certain facilities, including the McGee Creek water pipeline and pumping facilities and associated property, specifically:

- The pole barn, storage building and office structures and the13.35 acres on which they are located
- The pumping plant and maintenance shop and the 10.25 acres on which they are located
- 12 miles of 72-inch raw-water pipeline and associated easements for this pipeline from the McGee Creek pumping plant to the rate-of-flow control station at Lake Atoka
- Five miles of 66-inch raw-water pipeline and associated easements, downstream of the rateof-flow control station to the rate-of flow station at Atoka Lake.

- The rate-of-flow station at Atoka Lake and an associated easement
- Surge tank connected to the pipeline and the connecting pipeline and an associated easement
- And all other water supply-control structures and related facilities with associated easements

The McGee Creek Reservoir itself is not included in the transfer and mineral rights are specifically excluded from the transfer. There will be no impact on oil and gas interests as that activity has always taken place under the review and approval of the Bureau of Reclamation and will continue to be the case. The beneficiaries of the McGee Creek Authority, including the City of Oklahoma City, only hold the right to store water and use the water supply contained within the McGee Creek Reservoir.

We believe the requested transfer of these specific McGee Creek properties, facilities and properties will have no adverse affect on the federal government's involvement with or control of the McGee Creek Reservoir. The McGee Creek Authority already pays all maintenance and operating costs associated with these reservoir facilities and the transfer would facilitate the ability of the McGee Creek Authority to finance future operation, maintenance and replacement of these facilities. The transfer will, however, vest ownership in the facilities of which the McGee Creek Authority is already responsible for operating and maintaining, thereby lessening the Bureau of Reclamation's responsibility to provide administrative review of the McGee Creek Authority's ongoing operations and maintenance functions for these facilities. Going forward, the McGee Creek Authority will continue providing the same quality services as in past years.

The McGee Creek Authority believes the transfer of the mentioned facilities and property is in the best interest of all parties – the federal government, Oklahoma residents and businesses and the beneficiaries of the McGee Creek Authority, which includes the cities of Oklahoma City and Atoka and the County of Atoka. We hereby duly request your review of the attached supportive documents and, ultimately, House of Representative approval of H.R. 2085 and the transfer of these McGee Creek properties and facilities to the McGee Creek Authority.

Madam Chairwoman, that concludes my statement. Thank you for the opportunity to present the views of the McGee Creek Authority. I would be pleased to answer any questions that you or other members of the subcommittee may have.