



United States Department of the Interior

BUREAU OF RECLAMATION
WASHINGTON, D.C. 20240

DEC 23 1982

IN REPLY
REFER TO: 440

DEC 23 1982

CODE	
100	Atkins
105	Graham
115	Copy
400	
2700	

U.S. DEPT. OF THE INTERIOR
JRB
MK

Memorandum

To: Regional Director, PN, [MP, LC, UC, SW, UM, LM
Chief, Division of Planning Technical Services, E&R Center
Chief, Division of O&M Technical Services, E&R Center

From: Commissioner

Subject: Policy for Providing Service to Small Agricultural Tracts and Suburban Lands

Please refer to the December 6, 1982, memorandum on this subject.

We understand that there have been questions raised concerning the explanation shown on page 2 of that memorandum for the \$5,000 gross income test and the 2-acre demarcation common to loans under the Small Reclamation Projects Act. The \$5,000 gross annual sales of agricultural commodities must be met to establish the tract size for demarcation between the municipal and industrial (M&I) and irrigation service areas. If it takes 5 acres of land to meet the \$5,000 gross income test, then all tracts smaller than 5 acres are to be considered part of the M&I service area. Those tracts larger than 5 acres would be included in the irrigation service area. It is possible that a 2-acre tract could meet the \$5,000 gross income test, particularly if specialty crops are predominant in the area.

The "documentation in writing", set forth in the third paragraph of page 4 of the December 6 memorandum, was intended to cover final reports such as those for the five Small Reclamation Projects Act loans approved by the Department on November 30, 1982. If you believe there are other projects that should be "grandfathered," we will consider them on a case-by-case basis.

(sgd) H. W. Furman II

cc: AS/LW
Associate Solicitor, Energy and Resources
WO Code 700, 430

65929 DEC 29 1982