1. This is in reply to your work request of 3 August 1967.

2. The maximization study resulted in a bypass having maximum net benefits at 83,000 c.f.s. capacity. At this capacity, average annual costs are $1,762,000, average annual benefits are $3,083,000, average annual net benefits are $1,321,000 and the benefit-cost ratio is 1.75:1.00. Attached are two copies each of graphs and tables developed to maximize the project.

3. Benefits and costs are based on the January 1968 price level. Benefits were derived from the 1963 study for the Skagit River Report.

   a. Basic premises were:

   (1) Bypass would operate in conjunction with downstream levee improvements and divert at 100,000 c.f.s.

   (2) The "Proposed Plan" for 60,000 c.f.s. capacity would be used in the analysis.

   (3) The analysis would be based upon the results as derived from the study of the 60, 70, 80 and 90,000 c.f.s. bypasses.

M. PEYSER