



BUREAU OF RECLAMATION

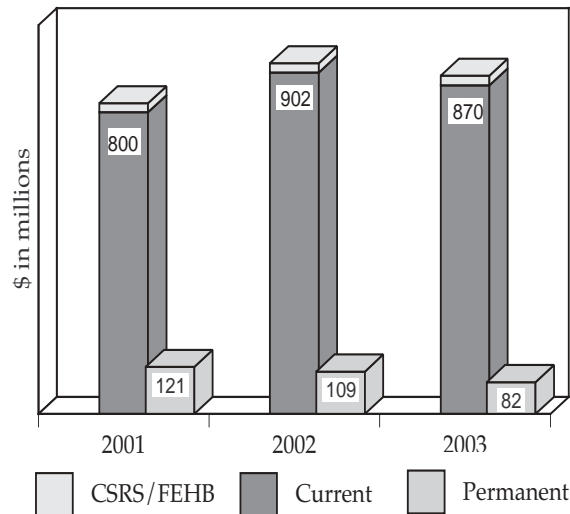
Mission - The Bureau of Reclamation's (BOR) mission is to manage, develop, and protect water and related resources in an environmentally and economically sound manner in the interest of the American public.

Program Overview - The BOR is the largest supplier and manager of water in the 17 western states. Its facilities, which include 348 reservoirs with the capacity to store 245 million acre-feet of water, deliver water to one of every five western farmers for about 10 million acres of irrigated land, and to over 31 million people for municipal, rural, and industrial uses. The BOR is also the Nation's second largest producer of hydroelectric power, generating more than 42 billion kilowatt hours of energy each year from 58 power plants. In addition, its facilities provide substantial flood control, recreation, and fish and wildlife benefits.

Since its establishment in 1902, water supply facilities developed by Reclamation have contributed to sustained economic growth and an enhanced quality of life in the western States. The BOR water projects have been developed to meet agricultural, tribal, urban, and industrial needs. In more recent years, the public has demanded better environmental protection and more recreational opportunities while municipal and industrial users have demanded more high quality water. Continued population growth, especially in urban areas, is leading to even greater competition for the West's limited water resources.

The BOR challenge today is to work with its customers, States, Tribes, and other stakeholders to find ways to balance and provide for this new mix of water resource needs. As a result, while continuing to develop authorized facilities to store and convey new water supplies, BOR is placing greater emphasis on: managing its existing facilities efficiently and effectively; promoting the conservation, reclamation, and reuse of existing water supplies; protecting and restoring fish and wildlife resources; and implementing business practices that will provide effective and efficient services to customers, partners, and employees.

BOR Funding



Budget Overview - Total budget authority for BOR in 2003 is \$952.2 million, including current and permanent appropriations. The request for BOR's current appropriations is \$869.8 million, which includes \$24.9 million for the government-wide legislative proposal to shift to agencies the full cost of the CSRS pension system and the Federal employee health benefits program for current employees. Without the legislative proposal, the 2003 request for current appropriations is \$844.9 million, a net decrease of \$33.1 million below 2002.

The 2003 request for current appropriations is offset by discretionary receipts in the Central Valley Project Restoration Fund, resulting in a net request for discretionary budget authority of \$830.3 million, including \$24.9 million for the legislative proposal. The request for permanent appropriations totals \$82.3 million.

Water and Related Resources - The 2003 request for this account is \$739.7 million, including \$13.6 million for the government-wide legislative proposal to shift to agencies the full cost of the CSRS pension system and the Federal

employee health benefits program for current employees. Without the legislative proposal, the 2003 request is \$726.1 million. The account total includes an undistributed reduction of \$37.9 million in anticipation of delays in construction schedules and other activities.

The 2003 budget provides a total of \$345.0 million for facility operation, maintenance, and rehabilitation, an increase of \$8.9 million over 2002 levels. Providing adequate funding for these activities continues to be one of BOR's highest priorities. The BOR continues to work closely with water users and other stakeholders to ensure effective use of available funds. These funds allow the timely and effective delivery of project benefits; ensure the reliability and operational readiness of BOR's dams, reservoirs, power plants, and distribution systems; and enable BOR to identify, plan, and implement dam safety corrective actions and site security improvements.

The 2003 request includes \$81.0 million for the dam safety program to protect the downstream public by ensuring the safety and reliability of BOR dams. It also includes increased funding to pay for the costs of new facilities for which construction is now complete and to deal more adequately with an aging infrastructure.

The 2003 request also includes a total of \$419.1 million for resource management and development activities, a decrease of \$85.4 million from 2002 enacted levels. The request includes \$128.8 million for operating, managing, and improving California's Central Valley project.

The request also provides funds for several large projects currently under construction, including \$34.8 million for the Central Arizona Project, \$20.7 million for the Garrison Diversion Unit in North Dakota, and \$23.5 million for the Mni Wiconi Project in South Dakota.

The request also includes \$33.0 million for the Animas-La Plata project in Colorado for the Colorado Ute Settlement Act amendments of 2000 requirements, as outlined in the final record of decision. Implementation of the record of decision will partially fulfill the Federal government's trust responsibility to address the Colorado Ute Tribes' water rights; respect existing water rights held by non-Indian users throughout the basin; furnish the Navajo Nation with a water supply; allow for domestic use in the Shiprock, New Mexico area; allow for additional water for non-Indian communities in the Four Corners area; and provide an increased level of certainty for water managers in the San Juan Basin.

In the area of environmental compliance and protection, \$15.0 million is requested for the Columbia and Snake River Salmon Recovery program. Other funds requested

would assist the Bureau in meeting objectives for improved water management and environmental compliance. Examples include \$14.3 million for the Klamath project in Oregon and California, which is operated to meet multiple obligations of the Department, including protecting endangered and threatened species, meeting tribal trust obligations, and providing water for irrigation and wildlife refuges, and \$12.4 million for the Lower Colorado River Operations program.

Central Valley Project Restoration Fund - The 2003 budget includes \$48.9 million from the Central Valley Project Restoration Fund, the estimated level of collections from CVP water and power users. The request is financed, in part, by collecting an estimated \$39.6 million in additional mitigation and restoration charges authorized by the Central Valley Project Improvement Act.

The 2003 program funds a wide variety of activities to restore fish and wildlife habitat and populations in the CVP area of California, including: acquisition of water for anadromous fish and other environmental purposes; providing for long-term water deliveries to wildlife refuges; continuation of the Anadromous Fish Restoration plan; restoration of land to improve wildlife habitat, conserve water, and reduce drainage; and continued funding for the Tracy Fish Test Facility and fish screens on diversions along the Sacramento River.

California Bay-Delta Restoration - In August 2000, Federal and State officials signed a record of decision finalizing a long-term, \$8.7 billion plan for restoring the San Francisco Bay-San Joaquin River Delta, the principal hub of California's water distribution system.

The goals of the Bay-Delta program are to improve water quality, habitat and ecological functions, and water supply reliability, while reducing the risk of catastrophic breaching of Delta levees. The 2003 budget contains funds in the budgets of BOR and other Interior bureaus for activities consistent with the Bay-Delta program, which can be undertaken within existing authorities. Requested in this account is \$15.0 million for the BOR share of requirements, including continued work on studies addressing water storage needs.

Other Accounts - No funding is requested for the Loan program in 2003. The request for Policy and Administration, the account that finances BOR's central management functions, is \$66.2 million, which includes \$11.4 million for the government-wide legislative proposal to shift to agencies the full cost of the CSRS pension system and the Federal employee health benefits program for current employees. Without the legislative proposal, the 2003 request is \$54.9 million. Permanent appropriations

available in the Colorado River Dam Fund are estimated to be \$80.4 million in 2003.

Government Performance and Results Act - The 2003 annual performance plan translates the long-term goals in BOR's revised strategic plan into tangible yearly goals. Building upon experience gained during implementation of earlier plans, BOR's performance goals for 2003 extend to all areas of organizational effectiveness, including improving the management, development, and protection of water and related resources as well as the operation and rehabilitation of BOR facilities. The Department is currently revising its strategic plan. Performance goals, measures, and targets presented in BOR's 2003 annual performance plan and last year's plan will be reviewed for consistency with the Department's revised strategic plan.

As a result of that review, it may be necessary or appropriate to modify portions of the 2002 or 2003 plans.

Management Excellence - The BOR is committed to the Administration's management reform agenda and continues to strive for excellence in all five of the President's Management Initiatives. These include competitive sourcing, strategic management of human capital, improved financial performance, expanded electronic government, and integrating budget and performance.

In 2003, BOR will continue to evaluate the title transfer initiative. With the Secretary's Four C's in mind, BOR is working with interested parties to determine if there are additional opportunities to encourage and facilitate the transfer of title of its projects to other entities.

SUMMARY OF BUREAU APPROPRIATIONS
(all dollar amounts in thousands)

Comparison of 2003 Request with 2002 Enacted (without the CSRS/FEHB legislative proposal):

	2002 Enacted ^{1/}		2003 Request		Change from 2002	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Appropriations						
Water and Related Resources	3,306	762,531	3,313	726,147	+7	-36,384
Loan Program	3	7,495	0	0	-3	-7,495
Policy and Administration	335	52,968	335	54,870	0	+1,902
CVP Restoration Fund	23	55,039	23	48,904	0	-6,135
California Bay-Delta Restoration	0	0	10	15,000	+10	+15,000
Working Capital Fund	1,783	0	1,783	0	0	0
Subtotal, Appropriations *	5,450	878,033	5,464	844,921	+14	-33,112
Permanents and Other						
Colorado River Dam Fund,						
Boulder Canyon Project	202	79,772	202	80,447	0	+675
San Gabriel Basin Restoration Fund	0	9,000	0	5,000	0	-4,000
Loan Program Subsidy Re-estimate	0	0	0	0	0	0
Loan Program Liquidating Account	0	-3,779	0	-3,389	0	+390
Miscellaneous Permanents	0	280	0	280	0	0
Reclamation Trust Funds	10	24,000	0	0	-10	-24,000
Dutch John Fund	0	0	0	0	0	0
Subtotal, Permanents and Trusts	212	109,273	202	82,338	-10	-26,935
TOTAL, BUREAU OF RECLAMATION	5,662	987,306	5,666	927,259	-4	-60,047

^{1/} The 2002 enacted column excludes \$30,259 from emergency response fund for counter-terrorism.

For scorekeeping purposes, BOR's current budget authority is offset by discretionary receipts in the CVP Restoration Fund of \$44.9 million in 2002 and \$39.6 million in 2003. In addition, \$5.0 million of permanent appropriations is scored as discretionary with an offset of \$5.0 million in receipts.

Comparison of 2003 Request with 2002 Enacted (with the CSRS/FEHB legislative proposal):

	2002 Enacted ^{1/}		2003 Request		Change from 2002	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Appropriations						
Water and Related Resources	3,306	775,705	3,313	739,705	+7	-36,000
Policy and Administration	335	64,009	335	66,238	0	+2,229
All other appropriations	1,809	62,534	1,816	63,904	+7	+1,370
Subtotal, Appropriations	5,450	902,248	5,464	869,847	+14	-32,401
Permanents and Other	212	109,273	202	82,338	-10	-26,935
TOTAL, BUREAU OF RECLAMATION	5,662	1,011,521	5,666	952,185	+4	-59,336

^{1/} The 2002 enacted column excludes \$30,259 from emergency response fund for counter-terrorism.

HIGHLIGHTS OF BUDGET CHANGES
By Appropriation Activity/Subactivity

APPROPRIATION: Water and Related Resources

	<u>2001 Actual</u>	<u>2002 Enacted</u> ^{1/}	<u>2003 Request</u>	<u>Change from 2002 Enacted</u>
Animas-La Plata Project	1,996	16,000	33,000	+17,000
Boise Area Projects	7,412	7,597	5,906	-1,691
Central Arizona Project	39,380	31,442	34,783	+3,341
Central Valley Project	130,313	155,107	128,773	-26,334
Colorado River Basin Salinity Control ..	25,725	24,460	23,912	-548
Colorado River Storage Project	12,383	11,908	13,472	+1,564
Columbia Basin Project	11,099	13,163	10,831	-2,332
Columbia/Snake River				
Salmon Recovery	5,610	11,000	15,000	+4,000
Dam Safety Program	71,652	69,978	81,000	+11,022
Endangered Species				
Recovery Implementation	12,154	13,522	12,747	-775
Garrison Diversion Unit	25,239	26,728	25,239	-1,489
Klamath Project	11,162	15,483	14,267	-1,216
Lower Colorado River Ops Program	11,705	13,103	12,421	-682
Mid-Dakota Project	10,019	15,040	10,040	-5,000
Middle Rio Grande Project	15,807	22,851	15,463	-7,388
Mni Wiconi Project	33,665	37,489	31,520	-5,969
Native American Affairs	8,483	8,400	8,500	+100
Pick-Sloan Missouri Basin Program	30,910	32,930	33,687	+757
Rocky Boy's				
Indian Water Rights Settlement	15,967	8,000	4,600	-3,400
Science and Technology Program	7,634	10,340	7,150	-3,190
Site Security/Counter Terrorism *	1,033	1,755	28,440	+26,600
Water Mgt. and Conservation	7,085	7,507	6,581	-926
Water Reclamation/Reuse Projects	30,567	36,040	17,750	-18,290
Yakima Project/				
Basin Water Enhancement	19,030	11,100	11,900	+800
Yuma Area Project	19,146	19,695	20,765	+1,070
Other Project/Programs	160,951	189,656	156,342	-33,314
Underfinancing	-47,720	-47,763	-37,942	+9,821
TOTAL (without CSRS/FEHB)	678,407	762,531	726,147	-36,384
CSRS/FEHB legislative proposal	12,750	13,174	13,558	+384
TOTAL (with CSRS/FEHB)	691,157	775,705	739,705	-36,000

^{1/} The 2002 enacted column excludes \$30,259 from emergency response fund for counter-terrorism.

Highlights of Budget Changes

The 2003 request includes funds for the following projects and programs.

Animas-La Plata

In December 2000, legislation was enacted to resolve the Colorado Ute Tribes' water rights claims and allow construction of a smaller Animas-La Plata Project to proceed. The reformulated project limits depletions to an average of 57,100 acre-feet per year and provides only municipal and industrial water for the Tribes and local non-Indian entities. Work planned for 2003 includes award of construction contracts for Ridges Basin Dam and the Durango Pumping Plant.

Boise Area Projects

The request provides funds for continued operation, maintenance, and rehabilitation of project facilities, including an ongoing 4-year program for replacement of the original twenty Ensign valves at Arrowrock Dam with clamshell gates to ensure safe operation.

Central Arizona Project

Funds are requested for continued construction of the Gila River Indian Community Distribution System and other Indian distribution systems; work on recreation development; fulfilling endangered species mitigation commitments for Roosevelt Dam and for the CAP Aqueduct; and work with Tucson area municipal entities on Tucson Aqueduct Reliability.

Central Valley Project

Funds are requested for continued facility operations, maintenance, and rehabilitation, and for numerous management and development efforts, including construction of Placer County Water Agency Permanent Pump Facility, water conservation and drainage management programs, the Trinity River Restoration Program, construction of screens on unscreened diversions, and mitigation of fish losses at Tracy Pumping Plant. Related activities will be funded by the Central Valley Project Restoration Fund.

Colorado River Basin Salinity Control Program

The Yuma Desalting Plant will be maintained in ready reserve status. Funds are provided for operation, maintenance, and rehabilitation of completed projects in the Upper Colorado River Basin and for a basinwide program to identify and implement cost effective salinity control options based on proposals from non-Federal interests.

Colorado River Storage Project

Funds are requested for the Federal share of the costs of facility operations, maintenance, and rehabilitation, including the rehabilitation of recreation facilities at BOR-constructed reservoirs. Funds are provided for repairs at the Upper Stillwater Dam. Implementation of mitigation measures continue, including work on temperature control modifications on Glen Canyon Dam.

Columbia Basin Project

Funds are requested to continue ongoing support for the planning and implementation of effective water conservation measures with water districts and other entities under the Water Conservation Field Services Program. The project also continues the day-to-day operation of two storage dams and reservoirs, three Grand Coulee powerplants, one pump/generating plant, associated switchyards, transmission lines, as well as the feeder canal at Grand Coulee and the distribution canal systems for the irrigation reserved works.

Columbia and Snake River Salmon Recovery

This program addresses requirements in biological opinions issued in December 2000 by the National Marine Fisheries Service and the FWS. These requirements include significantly increased regional coordination efforts; actions to modify the daily, weekly, and seasonal operation of BOR dams; acquisition of water flow augmentation; off-site mitigation studies of hydrosystem impacts in selected sub-basins; and significantly increased research, monitoring, and evaluation.

Dam Safety Program

Funds are requested for the Safety Evaluation of Existing Dams Program, for corrective actions on individual dams, and for other dam safety activities. Continues dam safety risk management and risk reduction activities at BOR's 358 high and significant hazard dams. Corrective actions will continue or start on: Horsetooth Dam (CO), Wickiup Dam (OR), Pineview Dam (UT), and Keechelus Dam (WA). Funds are also provided for minor modifications at other facilities, and for the Department of the Interior Dam Safety Program.

Endangered Species Recovery Implementation

This program provides for the development and implementation of measures for the preservation, conservation, and recovery of native and endangered, threatened, proposed, and candidate species that are resident in or migratory to habitats affected by the operation of BOR projects. Ongoing efforts funded by this program involve the Colorado, San Juan, and Platte river basins, as well as watersheds in the Pacific Northwest.

Garrison Diversion Unit

Funds are requested for grants to the State of North Dakota for municipal, rural, and industrial water projects, for development of Indian irrigation facilities, for work at several wildlife refuges, and for operation and maintenance of completed project facilities.

Klamath Project

The request continues funding for studies and initiatives related to improving water supply and quality to meet agriculture, tribal, wildlife refuge, and environmental needs in the Klamath River Basin; and for improvements in fish passage and habitat.

Lower Colorado River Operations Program

This program funds work necessary to carry out the Secretary's responsibilities as Water Master of the lower Colorado River. It also funds measures required by the interim biological opinion on BOR's lower Colorado River operations, and development of a multi-species conservation program to provide a basis for Endangered Species Act compliance on the lower Colorado River over the long term.

Mid-Dakota Project

This program provides for grants to the project sponsor for construction of water supply transmission lines and storage reservoirs.

Middle Rio Grande Project

Funds are provided for operations, maintenance, and rehabilitation of project facilities, and for efforts focused on the protection and recovery of the Rio Grande silvery minnow and southwestern willow flycatcher.

Mni Wiconi Project

Funds are requested for design and construction activities on the Oglala Sioux, Rosebud Sioux, Lower Brule Sioux, and West River/Lyman-Jones Rural Water Systems; and for operation and maintenance of new and existing facilities on the three Indian reservations.

Native American Affairs Program

This program provides funding for efforts to promote the successful application of BOR programs to Indian issues and needs, for support for Indian water rights negotiations and the implementation of enacted settlements, and for assistance to Tribes in their efforts to become self-sufficient in the management and development of their water resources.

Pick-Sloan Missouri Basin Program

Funds are provided for the Federal share of the costs of operations, maintenance, and rehabilitation of facilities on thirty-three units of the Pick-Sloan Missouri Basin program.

Rocky Boy's Indian Water Rights Settlement

Funds are requested for transfer to the Tribe for planning, design, and construction of authorized on-reservation water resource improvements.

Science and Technology Program

Funds are requested for development of new information and technologies that respond to BOR's mission-related needs, and that provide for innovative management, development, and protection of water and related resources through cost-shared research and technology transfer.

Site Security/Counter-terrorism

Funds are requested to continue BOR's ongoing site security efforts including overall program management, counter-terrorism activities, including guards and surveillance, and security improvements.

Water Management and Conservation Program

The request includes funds for technical assistance in support of water management and conservation efforts by water users, and for such activities as water quality monitoring in cooperation with State and local entities.

Water Reclamation and Reuse Projects

Funds are requested to continue Federal cost-sharing for nine water reclamation and reuse projects and studies in California and Arizona; and to conduct a water recycling research program, as well as studies of potential water recycling projects.

Yakima Project/Basin Water Enhancement

Work includes operation and maintenance of existing facilities, and the implementation of water conservation, fish, and wildlife improvements, and other measures authorized by the Yakima River Basin Water Enhancement Act, including the Kennewick study.

Yuma Area Projects

The request funds infrastructure maintenance along the lower Colorado River necessary to ensure uninterrupted water delivery to both urban and agricultural users in Arizona and California, and to Mexico. Work also includes river management, well inventory, flood and drainage control, protection of endangered species and their habitat, and land use management activities.

APPROPRIATION: Loan Program

	<u>2001 Actual</u>	<u>2002 Enacted</u>	<u>2003 Request</u>	<u>Change from 2002 Enacted</u>
Loan Program	8,924	7,215	0	-7,215
Program Administration	424	280	0	-280
TOTAL APPROPRIATION	9,348	7,495	0	-7,495

Highlights of Budget Changes

Loan Program

No funding is requested for the Loan Program in 2003 as three ongoing loans are nearing completion. No new loans are proposed for 2003.

APPROPRIATION: Policy and Administration

	<u>2001 Actual</u>	<u>2002 Enacted</u>	<u>2003 Request</u>	<u>Change from 2002 Enacted</u>
TOTAL APPROPRIATION	50,114	52,968	54,870	+1,902
CSRS/FEHB legislative proposal	10,680	11,041	11,368	+327
TOTAL (with CSRS/FEHB)	60,794	64,009	66,238	+2,229

Highlights of Budget Changes

Policy and Administration

This appropriation funds all of BOR's centralized management functions, and supports management and administrative activities that are not directly chargeable to a specific project or program.

APPROPRIATION: Central Valley Project Restoration Fund

	<u>2001 Actual</u>	<u>2002 Enacted</u>	<u>2003 Request</u>	<u>Change from 2002 Enacted</u>
Fish and Wildlife Resources Habitat	31,864	45,714	42,971	-2,743
Fish and Wildlife Resources Mgt	6,496	9,325	5,933	-3,392
TOTAL APPROPRIATION	38,360	55,039	48,904	-6,135

Highlights of Budget Changes

Central Valley Project Restoration Fund

Funds collected from project beneficiaries are used for protection, restoration, and enhancement of fish and wildlife and associated habitat in the CVP area of California. Programs are planned in cooperation with FWS and the Central Valley Project Restoration Fund Roundtable.

APPROPRIATION: California Bay-Delta Restoration

	<u>2001 Actual</u>	<u>2002 Enacted</u>	<u>2003 Request</u>	<u>Change from 2002 Enacted</u>
TOTAL APPROPRIATION	0	0	15,000	+15,000

Highlights of Budget Changes

California Bay-Delta Restoration

This account funds activities that are consistent with the objectives of the CALFED Bay-Delta program. Funds are requested in 2003 for the BOR share of the costs to continue work on studies addressing water storage.