

BUREAU OF RECLAMATION

Mission — The Bureau of Reclamation's 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.

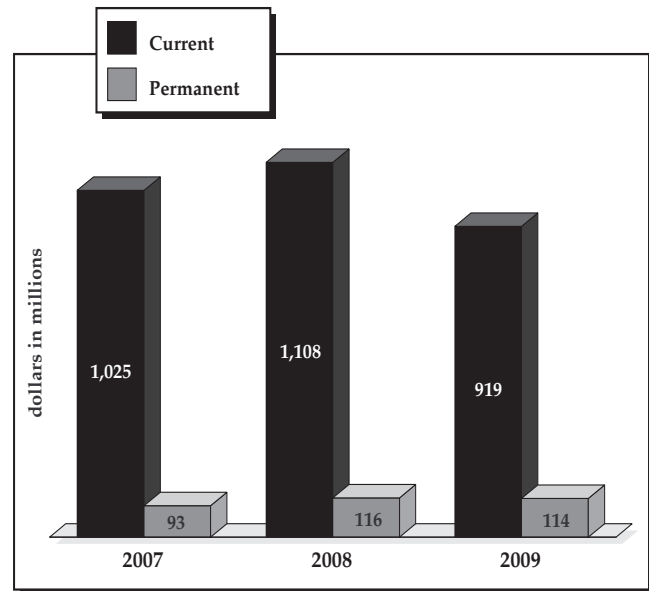
Program Overview — Reclamation is the largest supplier and manager of water in the 17 western States. It maintains 479 dams and 348 reservoirs with the capacity to store 245 million acre-feet of water. These facilities deliver water to one in every five western farmers for about ten million acres of irrigated land and provide water to over 31 million people for municipal, rural, and industrial uses. Reclamation is also the Nation's second largest producer of hydroelectric power, generating 44 billion kilowatt hours of energy each year from 58 power plants. In addition, Reclamation's facilities provide substantial flood control, as well as many recreation and fish and wildlife benefits.

Since its establishment in 1902, Reclamation has developed water supply facilities that have contributed to sustained economic growth and an enhanced quality of life in the western States. Lands and communities served by Reclamation projects have been developed to meet agricultural, tribal, urban, and industrial needs. Reclamation continues to develop authorized facilities to store and convey new water supplies.

Water is one of the scarcest resources in some of the fastest growing areas of the Nation; it is the lifeblood of the American West. In many areas, existing water supplies as currently managed are, or may become, inadequate to meet the demands for water for people, cities, farms, and the environment.

These supply and management challenges, coupled with the fact that the West has experienced severe drought conditions over the past several years, guarantee that water supply-related crises will become more frequent if action is not taken now. Reclamation is committed to working with its customers, States, Tribes, and other stakeholders to find ways to balance and provide for the mix of water resource needs in 2009 and beyond. The 2009 request includes a Water for America initiative aimed at

Reclamation Funding



addressing 21st century water challenges and ensuring water security for future generations.

Management Excellence — The National Academy of Sciences, at Reclamation's request, completed and published its study in 2006 to assist Reclamation in determining the appropriate organizational, management, and resource configurations to meet its construction and related infrastructure management responsibilities associated with fulfilling its core mission of delivering water and power for the 21st century. Reclamation has reviewed all recommendations and is in various stages of implementing them. Reclamation continues to strive for excellence in the President's management agenda. Efforts toward advancing management excellence in the 2009 budget include implementing the actions identified through Reclamation's Management for Excellence efforts. The budget includes reductions of \$1.9 million for travel and \$1.2 million for savings resulting from converting contracts to performance-based contracts. These reductions enable the direction of resources to higher priority programs and activities.

Reclamation continues to use the PART review process to improve program management and performance. The Water Management–Project Planning and Construction program was originally PARTed in 2004 and rated results not demonstrated primarily due to the lack of performance measures. Since that time, Reclamation developed and populated performance measures for the program, including one efficiency measure. Recommendations to facilitate program improvement have been developed and are being implemented. As a result of the rePART during the 2009 budget development process, the program is now rated moderately effective.

The Water Management–Environmental Mitigation program, as defined for the PART process, includes various mitigation activities which address the adverse effects of Reclamation’s existing water management upon the environment. It includes those activities that are legally mandated and those activities that Reclamation determines are authorized and reasonable to implement, evaluate, avoid, minimize, or compensate for adverse environmental effects that result from Reclamation’s water management activities. Performance measures were developed and approved for the program while doing a PART review during the 2009 budget development process. Recommendations to facilitate program improvement were also developed and are being implemented. This program is rated adequate.

Budget Overview — Reclamation’s 2009 budget request is \$919.3 million. The 2009 request for the Central Valley Project Restoration Fund is \$56.1 million. This is offset by discretionary receipts in the CVPRF, estimated to be \$48.3 million and a legislative proposal for restoration of the San Joaquin River that has the effect of reducing the CVPRF by \$7.5 million, for a net CVPRF request of \$48.6 million. The request for permanent appropriations in 2009 totals \$114.3 million.

Water and Related Resources — The 2009 request for Reclamation’s principal operating account is \$779.3 million, a decrease of \$170.6 million from 2008 and \$36.9 million below the 2008 President’s Budget. The 2008 enacted level for Water and Related Resources is \$71.3 million over the 2007 level. As a result of the large increase in funding between 2007 and 2008, Reclamation has decreased its request in 2009 while continuing to meet its core mission responsibilities. Consistent with the 2008 President’s request, under-financing, an undistributed reduction in anticipation of delays in construction schedules and other planned activities, is eliminated in the 2009 budget request.

The budget proposal continues to emphasize assuring operation and maintenance of Reclamation facilities in a safe, efficient, economic, and reliable manner; assuring

systems and safety measures are in place to protect the public and Reclamation facilities; working smarter to address the water needs of a growing population in an environmentally responsible and cost-efficient manner; and assisting States, Tribes, and local entities in solving contemporary water resource issues. Funding for each project or program within Reclamation’s budget request is based upon Administration, Departmental, and Bureau priorities, and directly supports the Department of the Interior’s strategic plan and performance goals.

The 2009 request includes a total of \$383.0 million for water and energy, land, and fish and wildlife resource management development activities. Funding in these activities provides for planning, construction, water conservation activities, management of Reclamation lands including recreation, and actions to address the impacts of Reclamation projects on fish and wildlife.

The 2009 budget request also provides a total of \$396.3 million for facility operations, maintenance, and rehabilitation activities. Providing adequate funding for these activities continues to be one of Reclamation’s highest priorities. The Bureau continues to work closely with water users and other stakeholders to ensure that available funds are used effectively. These funds are used to allow the timely and effective delivery of project benefits; ensure the reliability and operational readiness of Reclamation’s dams, reservoirs, power plants, and distribution systems; and identify, plan, and implement dam safety corrective actions and site security improvements.

Water for America Initiative — The request includes funding for a comprehensive water security initiative to help avert crises and assure sufficient 21st century water supplies. Reclamation’s part of this initiative is \$63.0 million, an increase of \$13.1 million. Through the initiative, Reclamation will assess increasing water demands and decreasing availability and will accelerate the implementation of cost-effective actions that will secure water supplies throughout the western United States.

This will be accomplished through basin-wide studies; through coordinated water management and cost-effective actions that will conserve water by improving efficiency; and by accelerating the recovery of endangered species. The initiative will incorporate the most successful elements of the existing Water 2025 program by expanding the scope, transparency, and placing renewed emphasis on responding to the changing water realities of the 21st century. Reclamation will work with State and local partners and implement water conservation activities using competitively awarded grants based on West-wide criteria. Reclamation’s vision is to provide opportunities that can expand water supplies in a sustainable manner. This is a joint initiative with the U.S.

Geological Survey, and under this joint initiative they will initiate the first water census in 30 years as well as begin upgrading outdated streamgages.

Project Requests — The budget request includes \$50.0 million for the Animas-La Plata project to continue implementation of the Colorado Ute Settlement Act. This funding will provide for continued construction of the Ridges Basin Dam, Durango Pumping Plant, and Ridges Basin Inlet Conduit. It will also allow initiation of construction of the Navajo Nation Municipal Pipeline.

The request provides \$26.9 million for the Central Arizona Project for continuing construction of the Indian distribution systems; continuing work to protect native fish in the Gila and Santa Cruz river basins; and completing land acquisition and start-up costs associated with the endangered species work at Roosevelt Dam.

The request provides \$120.3 million for operating, managing and improving California's Central Valley Project. Within this amount, the CVP Replacements, Additions, and Extraordinary Maintenance program includes a total of \$24.1 million.

The 2009 Reclamation budget request includes \$16.4 million for Lower Colorado River Operations to fulfill the role of the Secretary as water master for the Lower Colorado River. The request provides funding for management and oversight of both the annual and long-range operating criteria for Colorado River reservoirs; water contract administration; and implementation of the Lower Colorado River Multi-Species Conservation program. The Bureau of Reclamation remains committed to maximizing efficient ways to deliver water under its contracts and to conserve water for multiple uses, including endangered species protection.

Removal of the Savage Rapids Dam is funded at \$3.0 million, and the project is expected to be completed in 2009. Removal of this irrigation diversion dam and the installation of pumping facilities will allow the local farming community to continue irrigated agriculture and remove a migration barrier for the threatened Southern Oregon and Northern California coho salmon.

The budget requests \$21.9 million for Endangered Species Act Recovery Implementation programs. The budget request includes \$11.5 million in the Great Plains Region to implement the Platte River Endangered Species Recovery Implementation program, based upon approval of the program by the Secretary and the Governors of Colorado, Nebraska, and Wyoming in late 2006. Implementation of the program provides measures to help recover four endangered or threatened species, thereby enabling existing water projects in the Platte River Basin to continue

operations, as well as new water projects to be developed in compliance with the Endangered Species Act.

The Klamath project request is \$25.0 million and includes funds for studies and initiatives related to improving water supplies to meet the competing demands of agricultural, tribal, wildlife refuge, and environmental needs. Key areas of focus include continuing a water bank; making improvements in fish passage and habitat; taking actions to improve water quality; developing a basin-wide recovery plan; increasing surface and groundwater supplies; and continuing coordination of Reclamation's Conservation Improvement program.

The Middle Rio Grande project is funded at \$22.7 million, which will continue funding of endangered species activities and Reclamation's participation in the Middle Rio Grande Endangered Species Act Collaborative program as well as repair of priority river levee maintenance sites.

The 2009 Reclamation budget requests \$39.0 million for the rural water component of two on-going rural water projects, the Mni Wiconi Rural Water project and the rural water component of the Garrison Diversion Unit. During formulation of the 2009 budget, Reclamation developed and used a transparent set of criteria to allocate funding for rural water projects.

On December 22, 2006, the President signed the Rural Water Supply Act of 2006. Title I of the statute requires the Secretary to establish a formal rural water supply program for rural water and major maintenance projects in the 17 western States. The Act requires the establishment of programmatic and eligibility criteria for the rural water program along with other reporting requirements and criteria for appraisal and feasibility studies. Implementation of the Act will allow the Department, the Administration, and Congress to set priorities and establish clear guidelines for project development to help meet the water supply needs of rural communities throughout the West. These requirements are under development and are expected to be published in 2008.

A total of \$91.3 million is requested for Reclamation's Safety of Dams program, which includes \$49.0 million directed to dam safety issues at Folsom Dam. Program funding includes \$71.5 million to initiate safety of dams corrective actions activities and \$18.5 million for safety evaluations of existing dams. Also included is \$1.3 million for the Interior Department's Safety of Dams program.

A total of \$29.0 million is requested for site security to ensure the safety and security of the public, Reclamation's employees, and key facilities. This funding includes \$7.6 million for physical security upgrades and \$21.4 million to continue all aspects of Reclamation-wide se-

curity efforts, including law enforcement, risk and threat analysis, implementing security measures, security risk assessments and security-related studies, and guards and patrols. The 2009 budget assumes that the annual costs associated with guard and patrol activities will be treated as project operations and maintenance costs, subject to reimbursement based upon project cost allocations.

Central Valley Project Restoration Fund — The 2009 budget includes a request of \$56.1 million for the CVPRF. The requested amount for this activity is reduced to \$48.6 million, due to the proposed legislation that will redirect \$7.5 million to the San Joaquin River Restoration Fund and the formulaic calculation of the three-year rolling average. This budget request is offset by collections estimated at \$48.3 million from mitigation and restoration charges authorized by the Central Valley Project Improvement Act.

The 2009 program funds a variety of activities to restore fish and wildlife habitat and populations in the CVP service area of California, including: acquiring water for anadromous fish and other environmental purposes; providing for long-term water deliveries to wildlife refuges; continuing the anadromous fish restoration program with the goal of doubling their natural production; monitoring the effectiveness of restoration actions; acquiring fee title or conservation easements to facilitate better management; restoring land to improve wildlife habitat, conserve water, and reduce drainage; and continuing funding for fish screens on diversions along the Sacramento River.

California Bay-Delta Restoration — The budget requests \$32.0 million for CALFED, pursuant to the CALFED Bay-Delta Authorization Act that was signed into law on October 25, 2004. The legislation provides a six-year Federal authorization to implement the collaborative CALFED program. A consortium of Federal and State agencies fund and participate in the CALFED program, focusing on the health of the ecosystem and improving water management and supplies. In addition, CALFED addresses the issues of water supply reliability, aging levees, and threatened water quality.

Funding for California Bay-Delta Restoration is requested in the following program areas: \$7.0 million for the environmental water account; \$5.0 million for water quality; \$6.5 million for the storage program; \$7.1 mil-

lion for water conveyance; \$1.5 million for ecosystem restoration; \$3.0 million for science; and \$2.0 million for Reclamation's oversight function to ensure program balance and integration.

Reclamation's Working Capital Fund — This fund is operated for the purpose of managing financial activities such as acquisition and replacement of capital equipment; recovery of the cost of services provided to others; indirect cost recovery for the Technical Service Center and management services and human resources in regional and area offices; and information technology-related costs and services. The fund operates on a self supporting basis through user charges deposited in the Fund.

San Joaquin River Restoration Fund Proposed Legislation — The 2009 budget also reflects the settlement of *Natural Resources Defense Council v. Rodgers*. The Administration supports authorizing legislation, the San Joaquin River Restoration Settlement Act, which includes a provision to establish the San Joaquin River Restoration Fund. Under the Settlement, the legislation proposes to redirect \$17.3 million per year of payments from the Central Valley Project Friant Division into the Fund, which would be available without further appropriations to implement the provisions of the Settlement.

Pick-Sloan Missouri Basin Program Legislative Proposal — The budget proposes to reallocate repayment of capital costs of the Pick-Sloan Missouri Basin program. The Administration will submit legislation to Congress to reallocate repayment of construction and operations costs to power customers. Power customers would be responsible for repayment of all construction from which they benefit. This change would increase reimbursements from power customers by an estimated \$23.0 million in 2009 and in the out-years. This proposal is consistent with the Government Accountability Office and the Office of Inspector General recommendations regarding the project's cost allocation. The reallocation will likely result in modest increases to power rates for Pick-Sloan customers.

Other Accounts — The request for the Policy and Administration appropriation, the account that finances Reclamation's central management functions, is \$59.4 million. Permanent appropriations available in the Colorado River Dam Fund are estimated to be \$96.0 million in 2009.

SUMMARY OF BUREAU APPROPRIATIONS

(all dollar amounts in thousands)

Comparison of 2009 Request with 2008 Enacted:

	2008 Enacted		2009 Request		Change from 2008	
	FTE	Amount	FTE	Amount	FTE	Amount
Appropriations						
Water and Related Resources	3,192	949,882	3,198	779,320	+6	-170,562
Loan Program	1	0	1	0	0	0
Policy and Administration.....	289	58,811	289	59,400	0	+589
Central Valley Project Restoration Fund.....	24	59,122	24	56,079	0	-3,043
Legislative Proposal	0	0	0	-7,500	0	-7,500
<i>Subtotal, CVPRF (with legislative proposal)</i>	<i>[24]</i>	<i>[59,122]</i>	<i>[24]</i>	<i>[48,579]</i>	<i>[0]</i>	<i>[-10,543]</i>
California Bay-Delta Restoration.....	25	40,098	25	32,000	0	-8,098
Working Capital Fund	1,668	0	1,668	0	0	0
Subtotal, Appropriations.....	5,199	1,107,913	5,205	919,299	+6	-188,614
Central Valley Project Restoration Fund Offset	0	-51,321	0	-48,278	0	+3,043
<i>Net Discretionary</i>	<i>5,199</i>	<i>1,056,592</i>	<i>5,205</i>	<i>871,021</i>	<i>+6</i>	<i>-185,571</i>
Permanents and Other						
Colorado River Dam Fund,						
Boulder Canyon Project	207	95,908	207	96,019	0	+111
Basin Funds.....	211	0	211	0	0	0
Loan Program Subsidy Re-estimate	0	19,257	0	0	0	-19,257
Loan Program Liquidating Account	0	-2,644	0	-2,682	0	-38
Miscellaneous Permanents	0	280	0	280	0	0
Reclamation Trust Funds	5	3,000	5	3,000	0	0
San Gabriel Basin Restoration Fund.....	0	300	0	100	0	-200
Federal Lands Recreation Enhancement Act	0	250	0	250	0	0
San Joaquin River Restoration Fund	0	0	0	17,300	0	+17,300
Subtotal, Permanents and Other.....	423	116,351	423	114,267	0	-2,084
TOTAL, BUREAU OF RECLAMATION	5,622	1,172,943	5,628	985,288	+6	-187,655

HIGHLIGHTS OF BUDGET CHANGES
By Appropriation Activity/Subactivity

APPROPRIATION: Water and Related Resources

	2007 Actual	2008 Enacted	2009 Request	Change from 2008
Animas-La Plata Project	63,420	60,639	50,000	-10,639
Central Arizona Project	27,203	27,138	26,850	-288
Central Valley Project	130,941	125,388	120,300	-5,088
Colorado-Big Thompson.....	15,195	11,502	13,292	+1,790
Colorado River Basin Salinity Control.....	22,652	20,922	19,155	-1,767
Colorado River Storage Project.....	10,201	10,513	6,623	-3,890
Columbia Basin Project	10,154	12,749	10,548	-2,201
Columbia/Snake River				
Salmon Recovery.....	17,325	14,760	18,000	+3,240
Dam Safety Program.....	69,003	75,768	91,250	+15,482
Endangered Species				
Recovery Implementation*	11,299	[16,348]	[21,939]	[5,591]
Klamath Project	24,750	24,600	25,000	+400
Lower Colorado River				
Operations Program	20,000	15,171	16,400	+1,229
Middle Rio Grande Project	27,620	38,918	22,700	-16,218
Native American Affairs	6,307	6,080	7,020	+940
Pick-Sloan Missouri Basin Program	41,850	40,311	40,740	+429
Rural Water Projects				
Fort Peck Reservation Dry Prairie	7,000	9,840	0	-9,840
Garrison Diversion Unit.....	27,600	67,896	22,106	-45,790
Lewis and Clark Rural Water	21,000	26,568	0	-26,568
Mid-Dakota Rural Water.....	15	15	15	0
Mni Wiconi Project.....	37,860	37,571	26,240	-11,331
North Central MT Rural Water Supply	800	5,904	0	-5,904
Perkins County Rural Water Systems ..	200	2,952	0	-2,952
Less Non-Rural Water Component ..	-13,699	-10,188	-9,346	+842
Subtotal, Rural Water Projects.....	80,776	140,558	39,015	-101,543
Savage Rapids Dam	13,000	14,760	3,000	-11,760
Science and Technology Program.....	8,539	15,254	10,975	-4,279
Site Security.....	39,600	34,932	28,950	-5,982
Title XVI Water Reclam. / Reuse Projects..	10,850	23,615	7,000	-16,615
Water 2025*	14,500	5,929	0	-5,929
Water Conservation Field Services*	7,221	6,510	[4,000]	[-2,510]
Water for America Initiative*	0	[49,918]	62,998	+13,080
Yakima Project / Basin Water Enhance.....	20,641	8,334	8,503	+169
Yuma Area Projects	22,732	22,543	21,863	-680
Other Projects / Programs	162,844	192,988	129,138	-63,850
TOTAL APPROPRIATION (w/o drought supp)...	878,623	949,882	779,320	-170,562
Drought Supplemental.....	18,000	0	0	0
TOTAL APPROPRIATION (w/ drought supp)....	896,623	949,882	779,320	-170,562

* Base funding from these programs have been redirected to the Water for America initiative.

Program Highlights

The 2009 request includes funds for the following projects and programs.

Animas-La Plata Project

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. Funding will provide for completion of construction of the Ridges Basin Dam, Durango Pumping Plant, and the Ridges Basin Inlet Conduit allowing initiation of filling Lake Nighthorse. It will also allow initiation of construction of the Navajo Nation Municipal Pipeline.

Central Arizona Project

Funds are requested for continued construction of the Gila River Indian Community distribution system, San Xavier farm extension, and San Carlos Apache distribution system. Other work activities include recreation development; native fish protection along the Gila and Santa Cruz Rivers; work on the New Mexico Unit; work with Tucson area municipal entities on Tucson aqueduct reliability; and completing land acquisition and start-up costs associated with the endangered species work at Roosevelt Dam.

Central Valley Project

Funds are requested for continued facility operations, maintenance, rehabilitation, and for numerous management and development efforts; the water conservation and drainage management program; the Trinity River restoration program; construction of screens on unscreened diversions; and mitigation of fish losses at C.W. "Bill" Jones Tracy Pumping Plant (formerly Tracy Pumping Plant). Related activities will be funded by the CVP Restoration Fund and California Bay-Delta appropriation.

Colorado-Big Thompson Project

The Colorado-Big Thompson project diverts approximately 260,000 acre-feet of water annually from the Colorado River headwaters on the western slope of the Rocky Mountains for distribution to eastern slope project lands. Funding is provided to continue coordination of activities associated with conservation, enhancement, development, and restoration of fish and wildlife populations and their habitats.

Colorado River Basin Salinity Control Program

The Yuma desalting plant will be maintained in ready reserve status, while Reclamation works to identify and evaluate the options for replacing or recovering bypass flows to Mexico. Funds are provided for operation, maintenance, and rehabilitation of completed projects in the Upper Colorado River basin and for a basin-wide 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 Reclamation constructed reservoirs. Implementation of mitigation measures continue.

Columbia Basin Project

Bonneville Power Administration, through memorandum of agreement, directly funds power operation and maintenance costs. In addition, BPA directly funds, through sub agreements, major power replacements, additions, and improvements. The project also continues the day-to-day operation of two storage dams and reservoirs; three Grand Coulee power plants; one pump and generating plant; associated switchyards and transmission lines; the feeder canal at Grand Coulee; and the distribution canal systems for the irrigation reserved works.

Columbia/Snake River Salmon Recovery

This program implements actions under Section 7(a)(2) of the Endangered Species Act and required by biological opinions issued in December 2000 by the Fish and Wildlife Service and November 2004 by the National Marine Fisheries Services. The 2004 BiOp has been remanded to Fisheries and a new BiOp is due in early 2008. During the remand, the 2004 BiOp remains in place as Reclamation continues to implement actions identified in the 2004 updated proposed action. These requirements ensure that agency actions are not likely to jeopardize the continued existence of endangered or threatened species, or to adversely modify or destroy their designated critical habitats. These actions include modifications to dam and fish facility operations.

Dam Safety Program

This program provides funding for Safety of Dams Evaluation and Modification program, which identifies and evaluates Safety of Dams issues at Reclamation dams and implements modifications to reduce associated risks to the public. The request continues dam safety risk management and risk reduction activities throughout Reclamation's inventory of high and significant hazard dams. The program continues planned ongoing safety of dams modifications activities at several Reclamation dams including Folsom Dam (CA); Stony Gorge Dam (CA); Deer Flat (ID); Deer Creek (UT); and Scofield Dam Spillway (UT). Funds are also provided 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 Reclamation projects. On-going efforts funded by this program involve the Colorado, San Juan, and Platte river basins, as well as watersheds in the Pacific Northwest.

Klamath Project

The request continues funding for studies and initiatives related to improving water supplies to meet the competing demands of agricultural, tribal, wildlife refuge, and environmental needs in the Klamath River basin. Key areas of focus include increasing surface and groundwater supplies, continuing a water bank, making improvements in fish passage and habitat, taking actions to improve water quality, develop a basin-wide recovery plan, and continuing coordination of Reclamation's Conservation Implementation program.

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, including the development of the Shortage Guidelines and reservoir management strategies, during low reservoir conditions. It funds measures under the multi-species conservation program to provide long term Endangered Species Act compliance for lower Colorado River operations for both Federal and non-Federal purposes.

Middle Rio Grande Project

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

Native American Affairs Program

This program provides funding for efforts to promote the successful application of Reclamation's 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. The budget includes a proposal to reallocate repayment of construction and operations costs to power customers. Power customers would be responsible for repayment of all construction from which they benefit. This change would increase reimbursements from power customers by an estimated \$23.0 million in 2009 and in the out-years. This proposal is consistent with the Government Accountability Office and the Office of Inspector General recommendations regarding the project's cost allocation. The reallocation will likely result in modest increases to power rates for Pick-Sloan customers.

Rural Water Projects

On December 22, 2006, the President signed the Rural Water Supply Act of 2006. Title I of the statute requires the Secretary to establish a formal rural water supply program for rural water and major maintenance projects in the 17 western States. The Act requires the establishment of programmatic and eligibility criteria for the rural water program along with other reporting requirements and criteria for appraisal and feasibility studies. Implementation of the Act will allow the Department, the Administration, and Congress to set priorities and establish clear guidelines for project development to help meet the water supply needs of rural communities throughout the West. These requirements are under development and expected to be published in 2008.

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 MR&I water and irrigation facilities; for work at several wildlife refuges; and for operation and maintenance of completed project facilities.

Mni Wiconi Project

Funds are requested for design and construction activities on the Oglala Sioux and Rosebud Sioux Indian reservations and West River/Lyman-Jones rural water systems; and for operation and maintenance of new and existing facilities on the Indian reservations.

Savage Rapids Dam Removal

Funding is provided to complete construction of a pumping facility to allow Grants Pass irrigation district to comply with a Federal court consent decree requiring the district to cease irrigation diversions using Savage Rapids Dam. Funding is provided to begin removal of a major portion of the dam.

Science and Technology Program

Funds are requested for development of new solutions and technologies that respond to Reclamation's mission-related needs and that provide for innovative management, development, and protection of water and related resources.

Site Security

Funds are requested for Reclamation's site security efforts that include physical security upgrades at key facilities, guards and patrols, anti-terrorism program activities, security risk assessments, and security-related studies. The 2009 budget assumes that the annual costs associated with guard and patrol activities will be treated as project operations and maintenance costs, subject to reimbursement based upon project cost allocations.

Title XVI Water Reclamation and Reuse Program

Funds are requested to continue Federal cost sharing for seven water reclamation and reuse projects and studies and to conduct a water recycling and desalination research program that includes studies of potential water reclamation and reuse projects.

Water for America

The request includes funding for a comprehensive Water for America initiative to help avert crises and assure sufficient 21st Century water supplies. Reclamation's part of this initiative is \$63.0 million, an increase of \$13.1 million. Through the initiative, Reclamation will assess increasing water demands and decreasing availability and will accelerate the implementation of cost-effective actions that will secure water supplies throughout the western United States.

This will be accomplished through basin-wide studies; through coordinated water management and cost-effective actions that will conserve water by improving efficiency; and by accelerating the recovery of endangered species. The initiative will incorporate the most successful elements of the existing Water 2025 program by expanding the scope, transparency, and placing renewed emphasis on responding to the changing water realities of the 21st Century. Reclamation will work with State and local partners and implement water conservation activities using competitively awarded grants based on West-wide criteria. Reclamation's vision is to provide opportunities that can expand water supplies in a sustainable manner. This is a joint initiative with the U.S. Geological Survey, and under this joint initiative they will initiate the first water census in 30 years and begin upgrading outdated streamgages.

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. Funding is also included to begin implementation of the Yakama Nation's water conservation plans.

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: Policy and Administration

	2007 Actual	2008 Enacted	2009 Request	Change from 2008
TOTAL APPROPRIATION	57,575	58,811	59,400	+589

Program Highlights**Policy and Administration**

This appropriation funds all of Reclamation'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

	2007 Actual	2008 Enacted	2009 Request	Change from 2008
Fish and Wildlife Resources Habitat	47,150	52,590	43,879	-8,711
Fish and Wildlife Resources Mgt	5,000	6,532	4,700	-1,832
TOTAL APPROPRIATION	52,150	59,122	48,579	-10,543

Program Highlights**Central Valley Project Restoration Fund**

Funds collected from project beneficiaries are used for the protection, restoration, and enhancement of fish and wildlife and associated habitat in the CVP area of California. Programs are planned in cooperation with the Fish and Wildlife Service and the Central Valley Project Restoration Fund Roundtable. The \$48.6 million request has been reduced by \$10.5 million, reflecting \$7.5 million that will be redirected to the San Joaquin River Restoration Fund under the proposed Friant legislation, and \$3.0 million resulting from the annual calculation of the rolling three-year average.

APPROPRIATION: California Bay-Delta Restoration

	2007 Actual	2008 Enacted	2009 Request	Change from 2008
TOTAL APPROPRIATION	36,648	40,098	32,000	-8,098

Program Highlights**California Bay-Delta Restoration**

This account funds activities that are authorized by the Calfed Bay-Delta Authorization Act that was signed into law on October 25, 2004, which focuses on the health of the Bay-Delta ecosystem and improving water management and supplies. Funds are requested for the environmental water account, the storage program, conveyance, water use efficiency, ecosystem restoration, and planning and management activities.