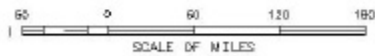


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LEGEND



KEY MAP



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF RECLAMATION

LOWER COLORADO REGION  
FY 2004

**LOWER COLORADO REGION PROJECTS/PROGRAMS  
MAP KEY**

1. Ak Chin Indian Rights Settlement Act Project
2. Calleguas Municipal Water District Recycling Project
3. Central Arizona Project
4. Colorado River Basin Salinity Control Project (Title I)
5. Colorado River Front Work/Levee System
6. Colorado River Water Quality Improvement Program
7. Endangered Species Conservation/Recovery Program
8. Ft. McDowell Settlement Act Mitigation
9. Halfway Wash Project/Study
10. Lake Mead/Las Vegas Wash Program
11. Long Beach Area Water Reclamation Project
12. Lower Colorado River Investigations Program
13. Lower Colorado River Operations Program
14. North San Diego County Area Water Recycling Project
15. Northern Arizona Investigations Program
16. Orange County Regional Water Reclamation Project, Phase I
17. Parker-Davis Project
18. Phoenix Metropolitan Water Reclamation Program
19. Salt River Project
20. Salton Sea Research Project
21. San Diego Area Water Reclamation Program
22. San Gabriel Basin Project
23. Southern Arizona Water Rights Settlement Act Program
24. South/Central Arizona Investigations Program
25. Southern California Investigations Program
26. Tres Rios Wetlands Project
27. Yuma Area Projects Consolidated

**FY 2004 Lower Colorado Region Budget Summary**

(\$ in thousands)

Project	FY 2003 Request 1/	FY 2004					FY 2004 Request	Other Fed/ Non-Fed	Total Program
		Water & Energy	Land Management	Fish & Wildlife	Facility Operations	Facility Maintenance			
Ak Chin Indian Water Rights Settlement	6,200	0	0	0	5,743	0	5,743	0	5,743
Calleguas Municipal Water Dist Recycling Project	700	700	0	0	0	0	700	7,300	8,000
Colorado River Basin, Central Arizona Project	34,783	32,913	1,096	0	78	0	34,087	935	35,022
Colorado River Basin Salinity Control, Title I	10,971	751	0	0	1,733	8,766	11,250	100	11,350
Colorado River Front Work & Levee System	3,450	3,442	0	58	0	0	3,500	0	3,500
Colorado River Water Quality Improvement Program	150	150	0	0	0	0	150	0	150
Endangered Species Conservation/Recovery Program	1,800	0	0	1,673	0	0	1,673	503	2,176
Ft. McDowell Settlement Act Mitigation	500	1,000	0	0	0	0	1,000	0	1,000
Halfway Wash Project / Study	0	100	0	0	0	0	100	100	200
Lake Mead/Las Vegas Wash Program	1,000	1,408	0	0	0	0	1,408	1,408	2,816
Long Beach Area Water Reclamation Project	1,000	1,100	0	0	0	0	1,100	2,115	3,215
Lower Colorado River Investigations Program	275	325	0	0	0	0	325	325	650
Lower Colorado River Operations Program	12,421	6,074	0	7,748	0	0	13,822	5,035	18,857
Navajo Sandstone Aquifer Recharge Study	100	0	0	0	0	0	0	0	0
North San Diego County Area Water Recycling	1,100	1,300	0	0	0	0	1,300	7,930	9,230
Northern Arizona Investigations Program	422	325	0	0	0	0	325	245	570
Orange County Regional Water Reclamation Project	1,100	1,300	0	0	0	0	1,300	76,817	78,117
Parker Davis Project	0	0	0	0	0	0	0	10,225	10,225
Phoenix Metropolitan Water Reuse Project	250	250	0	0	0	0	250	250	500
Salt River Project	39	0	87	0	0	0	87	100	187
Salton Sea Research Project	1,000	1,000	0	0	0	0	1,000	0	1,000
San Diego Area Water Reclamation Program	3,700	4,300	0	0	0	0	4,300	85,666	89,966
San Gabriel Basin Project	1,100	1,300	0	0	0	0	1,300	12,495	13,795
Southern Arizona Water Rights Settlement Act Project	4,825	4,017	0	0	0	0	4,017	776	4,793
Southern California Investigations Program	842	1,135	0	0	0	0	1,135	1,135	2,270
Southern Nevada Water Recycling	0	0	0	0	0	0	0	0	0
South/Central Arizona Investigations Program	797	625	0	150	0	0	775	775	1,550
Tres Rios Wetlands Demo	200	630	0	0	0	0	630	300	930
Tucson Area Water Reclamation Study	100	0	0	0	0	0	0	0	0
Yuma Area Projects	20,765	1,552	0	0	5,126	15,994	22,672	50	22,722
<b>Subtotal - Water and Related Resources</b>	<b>109,590</b>	<b>65,697</b>	<b>1,183</b>	<b>9,629</b>	<b>12,680</b>	<b>24,760</b>	<b>113,949</b>	<b>214,585</b>	<b>328,534</b>

1/ The FY 2003 column reflects the President's budget request level as adjusted by the FY 2003 Budget Amendments transmitted to Congress on January 7, 2003. The original Lower Colorado Region FY 2003 request been adjusted from \$114,790,000 to \$109,590,000 to reflect the expenses related to the settlement of the "Sumner Peck Ranch, Inc. v. Bureau of Reclamation."

**LOWER COLORADO REGION  
FY 2004 OVERVIEW**

<b>FY 2003 Request <sup>1/</sup></b>	<b>FY 2004 REQUEST FOR WATER AND RELATED RESOURCES</b>					
	<b>Water &amp; Energy</b>	<b>Land Management</b>	<b>Fish &amp; Wildlife</b>	<b>Facility Operations</b>	<b>Facility Maintenance</b>	<b>Total Program</b>
\$109,590,000	\$65,697,000	\$1,183,000	\$9,629,000	\$12,680,000	\$24,760,000	\$113,949,000

<sup>1/</sup> The FY 2003 column reflects the President's budget request as adjusted by the FY 2003 Budget Amendments transmitted to Congress on January 7, 2003. The original Lower Colorado Region FY 2003 request has been adjusted from \$114,790,000 to \$109,590,000 to reflect the expenses related to the settlement of the "*Sumner Peck Ranch, Inc. v. Bureau of Reclamation*".

Reclamation's Water and Related Resources budget request for the Lower Colorado Region is \$113,949,000, an increase of \$4,359,000 from FY 2003. The Lower Colorado Region encompasses all of the lands drained by rivers flowing into the Pacific Ocean along the coast of California south of the Tehachapi mountains and all of the lands drained by the Colorado River south of Lee's Ferry, Arizona. This includes most of Arizona, the extreme western portion of central New Mexico, the southwestern corner of Utah, southern Nevada, and southeastern California. The State of Hawaii is also included. With management responsibility for the Lower Division of the Colorado River, the Lower Colorado Region encounters many of the controversies and pressures that characterize water resources management throughout the arid southwestern United States. These issues include increasing water requirements for urban use, Indian trust needs, and endangered species. Water for urban uses is a major issue since both of the fastest growth areas in the United States, Las Vegas and Phoenix, and the largest metropolitan area, southern California, are located within the region. Reclamation facilities in the region deliver over 9 million acre-feet of water annually to customers within the United States for irrigation, municipal and industrial and other uses, and to meet the United States' treaty obligations to Mexico. Reclamation facilities also provide flood control along the Colorado River benefiting Nevada, California, Arizona, and Mexico.

Reclamation operates and maintains three hydroelectric plants on the Colorado River, which provide over 8.4 million megawatt-hours of energy to users in Arizona, California, and Nevada. Maximum powerplant capacity totals 2,439 megawatts.

Critical goals for the region include fulfilling our water master role on the lower Colorado River; maintaining Colorado River operations to fulfill our water delivery and power generation commitments while meeting the needs of endangered species; continuing construction of the Central Arizona Project; and continuing water conservation and water reuse programs to improve water use.

**Water and Energy Management and Development** - The request of \$65.7 million includes work on the Central Arizona Project to accomplish several objectives: construction of the Indian Distribution Systems; work to protect native fish in the Gila and Santa Cruz river basins; and environmental impact statement mitigation commitments and endangered species work at New Waddell and Roosevelt Dams. Construction of the Indian Distribution Systems is focused on the Gila River Indian Community system and the San Xavier existing farm for the Tohono O'Odham Nation. Design of the San Carlos Apache system will also continue. Construction of Indian Distribution Systems is now the largest component of Central Arizona Project funds and will continue for the next 10 to 15 years.

The Colorado River Front Work and Levee System funding continues the Yuma Valley drainage program.

This level of funding will continue construction of drainage improvements to reduce or eliminate severe groundwater problems in the Yuma area. Work will continue on mitigation work and bankline stabilization north of Blythe, California to restrict the Colorado River to the main channel, contain erosion of the existing bankline, protect Colorado River Indian tribal lands, and reduce the resulting sediment load below Palo Verde Diversion Dam.

Colorado River Basin Salinity Control Project, Title I funding continues efforts to ensure the Yuma Desalting Plant can operate for treaty and other Federal requirements. These efforts include long-term maintenance of essential Yuma Desalting Plant infrastructure and facilities, and for desalination research. This research is expected to further reduce the operational costs of the plant. The research emphasis is on methods to extend the useful life and preserve the existing membranes and to develop new membranes that are chlorine resistant.

The Fort McDowell Settlement Act request will continue mitigation work for cultural resource lands removed from the farming operations. The Federal government is responsible for all mitigation work on this settlement act.

The Lake Mead/Las Vegas Wash Program funding will initiate work on hydraulic features in the wash that will reduce erosion and allow the restoration of habitat, wetlands and other off-channel improvements.

The Lower Colorado River Operations Program proposal covers all of the work necessary to carry out the Secretary's direct statutory responsibility to act as water master for the lower Colorado River.

The Southern Arizona Water Rights Settlement Act Program continues work on the San Xavier Existing Farm rehabilitation and extension portion of the project.

The seven Title XVI water reclamation and reuse programs in the region will primarily help California reduce its use of water from the Bay-Delta and reduce use of need for Colorado River water.

The four Investigation Programs contain funding for 18 studies. Two specific planning programs, Halfway Wash Project / Study and the Colorado River Water Quality Improvement Program, will continue in FY 2004. The Colorado River Water Quality Improvement Program continues to monitor and investigate the salinity causes in our region and is identifying sources of pollution entering the Colorado River from the Las Vegas Wash.

The Salton Sea Project funding request deals with issues surrounding the Salton Sea. Since 1992, there has been increasing concern due to sudden deaths of large numbers of migratory birds and increasing salinity. A report was provided to Congress in January 2000, detailing alternatives available to improve water quality conditions, maintain quality habitat for migratory birds and endangered species, enhance the fishery, and protect human recreation values in the Salton Sea. An additional report detailing alternatives will be made available in FY 2003. This request will continue Reclamation's role in the studies and activities that result from the reports to Congress.

**Land Management and Development** -The funding request of \$1.2 million continues development of trails along the Central Arizona Project aqueduct, recreation enhancements at New Waddell Dam and Reservoir, and provides a minimum level of Federal stewardship on the Salt River Project.

**Fish and Wildlife Management and Development** - The request of \$9.6 million will continue work on deteriorated backwaters associated with the Colorado River Front Work and Levee System. These efforts will preserve and restore wetlands along the Colorado River. The Endangered Species Conservation and Recovery Program will fund additional environmental initiatives. The terrestrial and aquatic habitat of threatened and

endangered species will be enhanced by construction and improvement of habitat, and information and education programs. These projects have 50 percent non-Federal cost sharing.

The environmental portion of the Lower Colorado River Operations Program will continue planning for the long-term multi-species conservation program to provide a permanent means to avoid a jeopardy opinion on Reclamation's river operations. This planning effort will complete in May 2005. This provides a level of funding sufficient to continue the reasonable and prudent alternatives and measures contained in the Fish and Wildlife Service's biological opinions on Reclamation's lower Colorado River operations and activities necessary to avoid a jeopardy opinion. The out-year Federal funding needs for implementation of the multi-species conservation program are expected to require annual funding levels averaging between \$10 million and \$20 million.

**Facility Operations** - The request of \$12.7 million will continue delivery of water to the Ak Chin Indian Community under the Ak Chin Water Rights Settlement Act. Water and power users provide Parker-Davis Project funding under agreements executed in 1999. The agreements provide all of the funding necessary to assure the continued operation of the project's dams and powerplants. Funding for the Central Arizona Project operations is also included. Under the Colorado River Basin Salinity Control Program - Title I, project wells and the bypass drain facilities are being operated to assure that water delivered to Mexico continues to meet salinity requirements as defined by Minute 242 of the Mexican Treaty. Funding for the Yuma Area Projects will continue necessary river management, well inventory and operations, flood and drainage control oversight, operation of all fish and wildlife facilities along the river, and land use management including land conversion, unauthorized use control, and structures inventory.

**Facility Maintenance and Rehabilitation** - The request of \$24.8 million includes funding for the Yuma Area Projects to meet the ongoing infrastructure maintenance programs and continues mitigation efforts resulting from the removal of sediment deposited into the Colorado River at the confluence of the Gila River, near Yuma, Arizona. Work under the Colorado River Basin Salinity Control Program, Title I, will keep the Yuma Desalting Plant in ready reserve status. This includes maintenance of the Bypass Drain, the Protective and Regulatory Pumping Unit, and the equipment and structures of the plant. A long-term program to bank water to offset the need to recover bypassed water once the interim period ends will also continue. Water and power users will fund the Parker-Davis Project maintenance items under agreements executed in 1999. These agreements cover all maintenance costs including unit rewinds and other major equipment replacements.

**Major Accomplishments** - Accomplishments in FY 2002 include completion of the Los Angeles Area Water Reclamation and Reuse Project and the permanent Central Arizona Project Cultural Resources Repository. Scheduled accomplishments in FY 2003 include completion of the Mission Basin Brackish Groundwater Desalting Demonstration Project, Verde River Basin Water Management Study, Central Arizona Project San Pedro River fish barriers and transfer of Central Arizona Project cultural artifacts to the permanent repository.

**Budget and Performance Integration** - The region will demonstrate greater linkage between its budget and performance in FY 2004. Primary end outcome goals reflect Reclamation's core mission to: 1) deliver water consistent with applicable State and Federal law, in an environmentally responsible and cost-efficient manner, and 2) deliver hydropower consistent with applicable State and Federal law, in an environmentally responsible and cost-efficient manner. Program activities not directly aligned with these two goals provide ancillary support for their achievement.

The following tables show performance goals and targets and FY 2004 projected accomplishments for the region. Tables linking Reclamation's total budget and end outcome goals are included in the General Statement section of this document.

## Lower Colorado - Performance Goals and Targets

<b>End Outcome Goal:</b> Deliver Water Consistent with Applicable State and Federal Law, in an Environmentally Responsible and Cost-Efficient Manner					
<b>End/Intermediate Outcome Measures</b>	<b>FY 2001 Actual</b>	<b>FY 2002 Actual</b>	<b>FY 2003 Target</b>	<b>FY 2004 Target</b>	<b>Increase/Decrease from FY 2003</b>
<b>Water Delivery:</b> Acre-feet of water delivered consistent with applicable substantive and procedural requirements of Federal and State water law	10,242,000 MAF	10,500,000 MAF	9,910,000 MAF	9,600,000 MAF	310,000 MAF
<b>Reliability:</b> Reduce the amount of acre-feet of restricted capacity	--	--	--	0	--
<b>Reliability:</b> % of water facilities that do not receive notices of violation under environmental requirements as defined by Federal and State law	--	--	--	100%	--
<b>Maximize Cost- Efficiency and Value:</b> Cost per acre-foot of water delivered	--	--	--	*Price Range \$11.78 to \$4.69	--
<b>Strategy 1: Operate and Maintain Safe and Secure Infrastructure - Facilities Condition:</b> Water facilities are in fair or better condition as measured by the Facilities Condition Index - <b>Dams/Associated Facilities</b>	--	--	<b>100% assessed 100%</b>	Maintain those facilities rated as good or fair condition during FY03 baseline assessment at the same or higher level.	--
Long-term Planning: # of western watersheds with 25 year needs forecasts completed	--	--	--	Targets set at the Reclamationwide level.	--
<b>Customer Satisfaction:</b> # score of satisfaction for water customers served by DOI	--	--	--	Targets set at the Reclamationwide level.	--
<b>Strategy 3: Address environmental concerns.</b> Percent of environmental audit findings addressed.	--	--	--	50%	--
<b>Strategy 4: Complete authorized construction projects to increase delivery infrastructure and water availability - Increased Supply:</b> Acre-feet made available through completion of projects	Prior to FY 2004, this goal only included Title XVI projects  70,000 AF	17,500 AF	27,000 AF	31,980 AF	4,980 AF



<b>End Outcome Goal:</b> Deliver Hydropower Consistent with Applicable State and Federal Law, in an Environmentally Responsible and Cost-Efficient Manner					
<b>Achieve Cost Efficient Power Generation:</b> Achieve the top quartile of lowest cost hydropower producers: Percentile of lowest cost hydropower producers, comparing cost per megawatt of installed capacity	Upper 25 <sup>th</sup> percent	Upper 20 <sup>th</sup> percent	Upper 25 <sup>th</sup> percent	Upper 25 <sup>th</sup> percent  Reclamationwide target	--
<b>Assure Reliability of Reclamation Generation:</b> Achieve the Industry Average or Lower Forced Outage Rate: % of time in forced outage equal to or better (lower) than the industry average	46% lower than the industry average of 3% (=1.6%)	56% lower than the industry average of 3% (=1.3%)	50% lower than the industry average of 3% (= to 1.5%)	Meet the industry average  Reclamationwide target	--
% of power facilities that do not receive notices of violations under environmental requirements as defined by Federal and State law	--	--	--	100%	This is a new goal for FY 2004
<b>Strategy 1: Operate and Maintain Reliable, Safe and Secure Power Facilities - Facility condition:</b> Power Facilities are in fair or better condition as measured by the appropriate Facilities Condition Index	--	--	<b>100% assessed</b>	Maintain those facilities rated as good or fair condition during the FY03 baseline assessment at the same or higher level.	--
<b>Strategy 2: Improved Power Generation Management to Maximize Supply - Reclamation-wide weighted forced outage rate (# of hours of out of service due to forced outage/8,760 total hours in the year weighted for plant size and capacity)</b>	1%	0.91 %	3%	3%	0
<b>End Outcome Goal:</b> Improve Access to Appropriate Recreation Opportunities on DOI Managed or Partnered Lands and Waters					
<b>Strategy 1: Improve capacities to provide access for recreation - Disability Access:</b> % of universally accessible programs and facilities in relation to the total number of sites	--	Not measured separately in FY 2003	18%	25%	10%

<b>End Outcome Goal:</b> Ensure a Quality Experience and Enjoyment of Natural and Cultural Resources on DOI Managed or Partnered Land and Waters					
<b>Strategy 1: Enhance the Quality of Recreation Opportunities - Facilities Condition:</b> Recreation Facilities are in fair or better condition as measured by the Facilities Condition Index	--	--	In FY 2003, the goal is to assess facilities to obtain baseline data on condition from which future goals would be set	Maintain those facilities that rated in good or fair condition during the FY03 baseline assessment period at the same or higher level.	--
<b>End Outcome Goal:</b> Protect Lives, Resources and Property					
<b>End Outcome Measure - Injury Reduction:</b> # of fatalities and serious <b>“accidents”</b> among employees at DOI	0	0	0	0	0

\*The lower dollar amount is based upon appropriated funds for reserved works only and the higher dollar amount is based upon all funds related to the delivery of water. No Bureauwide funding was included in either number.

**FY 2004 Projected Accomplishments**

***Deliver Hydropower Consistent with Applicable State and Federal Law, in an Environmentally Responsible and Cost-Efficient Manner:***

The Lower Colorado Region’s FY 2004 projected accomplishments include the expected delivery of 9.6 million acre-feet of water to contract holders (i.e. California, Arizona, Nevada, and Mexico). In addition, 15,000 acre-feet of water is expected to be made available from the transfer of the Cibola Valley Irrigation District’s Colorado River water rights to the Mohave County Water Authority, the Hopi Native American Indian Tribe, and the Lower Colorado Region. The LC Region also anticipates that in FY 2004, 31,980 acre-feet of increased water availability will take place due to the completion of the Escondido Water Reclamation Project; the San Elijo Water Reclamation Program, the Olivenhain Recycled Water Project, and a Yuma Area Water Resource Management Group initiative to complete a bifurcation structure. In addition, the Southern Arizona Water Rights Settlement Act Project - Sax Xavier work continues and it is expected that it will be 20 percent completed by the end of FY 2004, with the initial phase of water deliveries occurring in FY 2005. The Central Arizona Project - Gila River Indians Distribution System work is also continuing and it is expected to be 38 percent completed by the end of FY 2004, with phase one water deliveries beginning in FY 2005.

***Deliver Hydropower Consistent with Applicable State and Federal Law, in an Environmentally Responsible and Cost-Efficient Manner:***

In FY 2004, the Lower Colorado Region expects to achieve a three percent or less weighted forced outage rating, and will continue to maintain those high and significant hazards dams and associated facilities that received a fair/good condition rating during the FY 2003 Facilities Reliability Rating Assessment period at the same or higher level.

***Improve Access to Appropriate Recreation Opportunities on DOI Managed or Partnered Lands and Waters:***

In FY 2004, the Lower Colorado Region expects to increase the percent of universally accessible recreation programs and facilities by at least 10 percent from an FY 2003 target of 18 percent.

***Ensure a Quality Experience and Enjoyment of Natural and Cultural Resources on DOI Managed or Partnered Land and Waters:***

The Lower Colorado Region in FY 2004 expects to maintain those recreation facilities that were assessed in FY 2003 at the same or higher level.

## Ak Chin Indian Water Rights Settlement Act Project

**LOCATION:** Ak Chin Indian Reservation, Pinal County, Arizona.

**DESCRIPTION/JUSTIFICATION:** The Ak Chin Settlement Act facilities deliver Colorado River water through the Central Arizona Project to 16,000 acres of irrigated lands on the Ak Chin Indian Reservation. The Act requires that this water be delivered at no cost to the Ak Chin Community.

**AUTHORIZATION:** P.L. 95-328, Settlement of Ak Chin Water Rights Claims, July 28, 1978, P.L. 98-530, The Ak Chin Indian Water Rights Settlement Act, October 19, 1984, and P.L. 106-285, Ak Chin Water Use Amendments Act of 1999, October 10, 2000.

### SUMMARIZED FINANCIAL DATA

**Program Financial Data**

Activity	FY 2003 <sup>1/</sup>	FY 2004
Facility Operations	\$6,200,000	\$5,743,000
Total Program	\$6,200,000	\$5,743,000
Prior Year Funds	0	0
Request	\$6,200,000	\$5,743,000
Underfinancing	TBD	0
Total Reclamation Allotment	\$6,200,000	\$5,743,000

<sup>1/</sup> The FY 2003 column reflects the President's budget request level.

**WORK PROPOSED FOR FY 2004:**

**Facility Operations** - Continues the operation and maintenance functions and repairs to the delivery canal associated with the delivery of 87,200 acre-feet of Central Arizona Project water to the Ak Chin Community.  
**\$5,743,000**

**Reclamation Request** **\$5,743,000**

**SEE APPENDIX FOR:** Obligations by Function for Operating Projects

## Calleguas Municipal Water District Recycling Project

**LOCATION:** This project is located in Ventura County, California.

**DESCRIPTION/JUSTIFICATION:** This project consists of planning, designing, and constructing regional water recycling projects that include wastewater reclamation and reuse, brackish groundwater recovery, and regional salinity management projects. A total of ten specific projects are planned resulting in annual recycling or recovery of a total of 51,470 acre-feet of water in order to reduce the region's dependence on imported water supplies.

**AUTHORIZATION:** P.L. 102-575 - Title XVI, Reclamation Wastewater and Groundwater Study and Facilities Act, October 30, 1992, and P.L. 104-266, Reclamation Recycling and Water Conservation Act of 1996, October 9, 1996.

**COMPLETION DATA:** As of September 30, 2002, this project is 18 percent completed. The project is scheduled for completion in 2010.

### SUMMARIZED FINANCIAL DATA

#### Program Financial Data

Activity	FY 2003 <sup>1/</sup>	FY 2004
Water and Energy Management and Development	\$8,262,907	\$8,000,000
<b>Total Program</b>	<b>\$8,262,907</b>	<b>\$8,000,000</b>
Prior Year Funds	(12,907)	0
Non-Federal	(7,550,000)	(7,300,000)
Request	\$700,000	\$700,000
Underfinancing	TBD	0
<b>Total Reclamation Allotment</b>	<b>\$700,000</b>	<b>\$700,000</b>

<sup>1/</sup> The FY 2003 column reflects the President's budget request level as, adjusted by the FY 2003 Budget Amendments transmitted to Congress on January 7, 2003. The original FY 2003 request amount of \$1,000,000 has been adjusted to \$700,000 to reflect the expenses related to the settlement of the "*Sumner Peck Ranch, Inc. v. Bureau of Reclamation*".

#### Total Construction Costs to be Allocated

	Total Estimated Cost	Total to 9/30/02	FY 2003	FY 2004	Balance to Complete
Reclamation	\$20,000,000	\$3,578,000	\$700,000	\$700,000	\$15,022,000
Adjustments <sup>1/</sup>	71,157,000	10,421,000	7,550,000	7,300,000	45,886,000
<b>Total</b>	<b>\$91,157,000</b>	<b>\$13,999,000</b>	<b>\$8,250,000</b>	<b>\$8,000,000</b>	<b>\$60,908,000</b>

<sup>1/</sup> Includes cost-sharing of \$71,157,000 from Calleguas Municipal Water District.

#### Construction Cost Allocation and Methodology

Allocation	FY 2003	FY 2004
Municipal and Industrial Water	\$100,205,000	\$91,157,000
<b>Total</b>	<b>\$100,205,000</b>	<b>\$91,157,000</b>

**METHODOLOGY:** The methodology of cost allocation has not been modified from last year. The decrease of \$9,048,000 is due to updated cost estimates from the District, which will be applied to the non-Federal share.

**APPROPRIATION CEILING:** P.L. 104-266, Reclamation Recycling and Water Conservation Act of 1996, imposed a ceiling of \$20,000,000. The Federal obligation is \$20,000,000 which does not exceed the appropriation ceiling.

**WORK PROPOSED FOR FY 2004:**

**Water and Energy Management and Development** - Continues work on construction of a regional water recycling project in the Calleguas Municipal Water District service area.

	\$8,000,000
Non-Federal - Calleguas Municipal Water District	<u>(7,300,000)</u>
Subtotal, Water and Energy Management and Development	<b><u>\$700,000</u></b>
<b>Reclamation Request</b>	<b>\$700,000</b>

Please refer to the discussion in the Water & Related Resources Overview concerning the Title XVI Program, including the Program Assessment Rating Tool (PART) results for Title XVI.

**SEE APPENDIX FOR:** Benefit Cost Ratios as of October 1, 2003  
Project Repayment for FY 2004  
Status of NEPA Compliance

## **Colorado River Basin Project Central Arizona Project**

**LOCATION:** The Central Arizona Project is located in Maricopa, Pima, Gila, La Paz, Mohave, Coconino, Yavapai, and Pinal Counties of Arizona; San Bernardino County, California; Clark County, Nevada; Grant County, New Mexico; and Kane and Washington Counties, Utah. The transmission lines serve both power and water development portions of the project. They are located in Coconino, Mohave, Yavapai, and Maricopa Counties, Arizona; Kane and Washington Counties, Utah; Clark County, Nevada; and San Bernardino County, California. The Non-Indian Distribution Systems are located in Maricopa, Pinal, and Pima Counties, Arizona.

**DESCRIPTION/JUSTIFICATION:** The Central Arizona Project is a multipurpose water resource development and management project which provides irrigation, municipal and industrial water, power generation, flood control, outdoor recreation, environmental enhancement, and sediment control. In addition, the project will provide delivery of tribal homeland water, partial settlement of Indian water rights claims, and economic benefits accruing from leasing of Indian agricultural water rights to municipal entities. It will provide a partial replacement water supply to 417,773 acres of irrigable lands, which consists of 280,873 acres of non-Indian agricultural land and up to 136,900 acres of reservation land. In addition, there is up to 670,000 acre-feet of water provided annually for direct municipal and industrial use. The water demand was re-estimated in the 1996 Water Supply Study and, beginning in FY 1997, incorporated into the official cost allocation. In 2000 the water supply delivery estimates were modified to reflect the agreements reached under the settlement negotiations. Benefits to recreation, flood, and sediment control are provided. The sediment control benefits associated with Buttes Dam, Middle Gila Division have been indefinitely deferred. The maximum benefits for recreation will be realized upon completion of the recreation development associated with Tucson Reliability construction. Benefits for flood and sediment control were realized upon completion of the modified Theodore Roosevelt Dam in 1996 along with the power benefits associated with the completed New Waddell Dam. In addition, a power entitlement of 546,750 kilowatts is available to the project through terms of the Navajo Project Participation Agreement.

**AUTHORIZATION:** P.L. 90-537, Colorado River Basin Project Act, September 30, 1968; P.L. 97-293, Southern Arizona Water Rights Settlement Act of 1982, Title II, October 12, 1982; P.L. 97-373, Amend Colorado River Basin Project Act, December 20, 1982; P.L. 100-512, Salt River Pima Maricopa Indian Community Water Rights Settlement Act, October 20, 1988; P.L. 101-628, Fort McDowell Indian Community Water Rights Settlement Act of 1990, December 28, 1990; P.L. 102-497, To Make Technical Amendments to Certain Indian Statutes, October 24, 1992; P.L. 102-575 - Title XXXVII, San Carlos Apache Tribe Water Rights Settlement Act of 1992, October 30, 1992, as amended; P.L. 102-575 - Title XXXIX, Siphon Repair and Replacement, October 30, 1992; P.L. 103-434 Title I, Yavapai-Prescott Indian Water Rights Settlement, October 31, 1994; and P.L. 107-66, Energy and Water Development Appropriation Act of 2002, November 12, 2001.

**COMPLETION DATA:** Initial operation of the Navajo Generating Station began on May 31, 1974. Initial operation of the last (third) generating unit began April 30, 1976. Initial water via the Hayden-Rhodes Aqueduct was delivered to the Phoenix metropolitan area in 1985. Initial water delivery was made to users of the Fannin-McFarland Aqueduct and to users in Pinal County in 1986. Initial water delivery to the Ak-Chin Indian Community was made in June 1987. Water deliveries to northern Pima County were made in 1989 and were made to the Tucson area in August 1992.

Water delivery to the Salt River Pima Maricopa Indian Community began in July 1997. The Southern Arizona Water Rights Settlement Act, as amended, established the completion date of July 12, 1993, for

the San Xavier and Schuk Toak Districts of the Tohono O'Odham Nation. Notice was given to the Tohono O'Odham Nation on September 25, 1992, that the Central Arizona Project aqueduct was capable of making canal side water deliveries. Water deliveries to the Schuk Toak District began in June 2000. Partial water deliveries to the existing San Xavier Farm began in January, 2001. Full deliveries to the existing farm are scheduled to begin in 2005. Construction of the reservation delivery systems has been delayed due to difficulties in reaching agreement on implementation of the portion of the Act dealing with the allottee water rights on the San Xavier District. Additional legislation is being prepared to resolve issues relating to full implementation of the Act. Fort McDowell Indian Community pre-settlement planning activities, authorized under the Central Arizona Project, were completed in September 1991. Construction of their delivery system was accomplished under the Small Reclamation Projects Act, as required by the Fort McDowell Indian Community Water Rights Settlement Act of 1990, P.L. 101-628. The Yavapai-Prescott Indian Community's water settlement was ratified October 31, 1994. This resulted in a water right allocation exchange agreement dated December 28, 1995, between the cities of Scottsdale, Prescott, and Nogales; Cottonwood Water Works; Mayer Domestic Water Improvement District; Rio Rico Utilities; and Camp Verde Water System, Inc. Under the agreement, any financial compensation for the Community's water allocation may only be used towards water development. The Gila River Indian Community (GRIC) delivery and distribution system is under construction. The Community will progressively complete system components resulting in staged water deliveries beginning in 2005, with full deliveries sometime after 2015. Completion has been delayed from 2012, shown in the FY 2003 justifications, due to scheduling constraints. Firm water delivery dates for the remaining Indian communities (Sif Oidak, San Carlos-Apache, Pascua Yaqui, Camp Verde, and Tonto Apache) will be determined when planning is complete.

Water deliveries to the Non-Indian Distribution Systems were made to Harquahala Valley Irrigation District in 1985; Tonopah Irrigation District and Chaparral City Water Company in 1986; and New Magma Irrigation and Drainage District in 1987. Full deliveries were made to Queen Creek, San Tan, and Chandler Heights Citrus Irrigation Districts in 1989. Full deliveries were made to Maricopa-Stanfield and Hohokam Irrigation and Drainage Districts in 1990. The Central Arizona Irrigation and Drainage District was capable of receiving full deliveries in February 1991.

As of September 30, 2002, the Central Arizona Project is 88 percent complete. The percent complete is a composite of the Central Arizona Project, Water and Power Development, and the Non-Indian Distribution Systems.



**SUMMARIZED FINANCIAL DATA**

**Program Financial Data**

Activity	FY 2003 <sup>1/</sup>	FY 2004
Water and Energy Management and Development	\$35,058,939	\$33,163,000
Land Management and Development	2,533,000	1,741,000
Facility Operations	130,517	118,000
<b>Total Program</b>	<b>\$37,722,456</b>	<b>\$35,022,000</b>
Prior Year Funds	(20,456)	0
Non-Federal Cash Participation	(605,000)	(290,000)
Non-Federal Non-Cash Participation	(2,314,000)	(645,000)
<b>Request</b>	<b>\$34,783,000</b>	<b>\$34,087,000</b>
Underfinancing	TBD	0
<b>Total Reclamation Allotment</b>	<b>\$34,783,000</b>	<b>\$34,087,000</b>

<sup>1/</sup> The FY 2003 column reflects the President's budget request level.

**Total Construction Costs to be Allocated**

	Total Estimated Cost	Total to 9/30/02	FY 2003	FY 2004	Balance to Complete
Lower Colorado River Basin Development Fund <sup>1/</sup>	\$4,194,430,000	\$3,228,020,215	\$34,327,000	\$33,570,000	\$898,512,785
Non-Indian Distribution Systems <sup>2/</sup>	241,083,711	241,083,711	0	0	0
<b>Project Total</b>	<b>\$4,435,513,711</b>	<b>\$3,469,103,926</b>	<b>\$34,327,000</b>	<b>\$33,570,000</b>	<b>\$898,512,785</b>
Adjustments <sup>3/</sup>	798,963,672	769,316,671	2,864,000	895,000	25,888,001
<b>Total Costs</b>	<b>\$5,234,477,383</b>	<b>\$4,238,420,597</b>	<b>\$37,191,000</b>	<b>\$34,465,000</b>	<b>\$924,400,786</b>

<sup>1/</sup> Represents total Federal obligations financed under authority of section 309(a), P.L. 90-537, Colorado River Basin Project Act for the Lower Colorado River Basin Development Fund.

<sup>2/</sup> Represents total Federal obligations financed under authority of section 309(b), P.L. 90-537, Colorado River Basin Project Act, as amended by P.L. 97-373.

<sup>3/</sup> This amount includes \$2,529,000 for Central Arizona Project and \$-71,982 for the Non-Indian Distribution Systems for transfer of property; \$228,939,000 contributions provided on modified Plan 6 by local entities; \$11,350,000 for recreation provided by Maricopa County; \$14,388,000 by cost-sharing partners for Tucson Terminal Storage and the aqueduct recreation; \$59,433,863 for non-cash contributions provided by the repayment entities for the Non-Indian Distribution Systems; \$985,000 advanced by the State of Arizona for advance planning work; \$861,838 provided by Maricopa County for construction of Castle Hot Springs Road; \$638,478 provided by Salt River Project for the upgrade to the Theodore Roosevelt Dam Power plant;

and \$300,000 contributed by the State of New Mexico for drilling at Conner dam site. The city of Tucson's contribution of \$84,039 for the Tucson Pipeline is included as is the Central Arizona Water Conservation District's contribution of \$98,645 for a modification of the New River Siphon replacement along with an estimated \$45,713,000 in non-Federal construction by Central Arizona Water Conservation District for deficiency work for the Aqueduct, Permanent Operating Facilities and New Waddell Dam. The adjustment also includes \$96,458 reimbursable municipal and industrial interest during construction for the Non-Indian Distribution Systems for Chaparral City Water Company, Queen Creek Irrigation District, Chandler Heights Citrus Irrigation District, and San Tan Drainage District. Interest during construction on the Lower Colorado River Basin Development Fund is \$298,407,516 for municipal and industrial, and \$135,210,817 for commercial power.

**Construction Cost Allocation and Methodology**

Allocation	FY 2003	FY 2004
Irrigation <u>1/</u>	\$1,440,634,217	\$1,434,074,828
Power	663,824,360	660,737,815
Municipal and Industrial Water	1,399,841,844	1,408,409,670
Recreation	162,901,447	161,736,471
Environmental Enhancements <u>2/</u>	288,000	288,000
Flood Control	123,674,283	122,959,665
Non-Indian Distribution Systems <u>3/</u>	300,668,912	300,542,050
Indian Distribution Systems <u>4/</u>	631,429,000	642,277,000
Other <u>5/</u>	101,855,411	102,103,721
Unallocated Costs <u>6/</u>	404,602,163	401,348,163
<b>Total</b>	<b>\$5,229,719,637</b>	<b>\$5,234,477,383</b>

1/ For FY 2004 includes \$992,611,676 for costs allocated to Indian irrigation which is eligible for deferral under the Leavitt Act and \$441,463,152 which is allocated to non-Indian irrigation and is reimbursable.

2/ Environmental enhancement is one of the originally authorized project purposes under Title III, Section 301(a) of P.L. 90-537. Sierra Vista, San Pedro Wetlands was transferred to the Wetlands Development Program from the Central Arizona Project consistent with the direction contained in the FY 1998 Energy and Water Development Appropriations Act Conference Report.

3/ Includes all costs associated with the Non-Indian Distribution Systems. These costs are not allocated as part of the allocation procedure, but are assigned directly to the entities constructing and repaying these facilities. Systems include those for municipal use, \$4,524,173 and ten irrigation districts, \$296,017,877.

4/ Indian distribution system is listed separately because water may be used for irrigation, domestic, municipal, and industrial purposes on the reservations in accordance with the Secretary's Decision published March 24, 1983.

5/ Includes non-reimbursable costs of \$37,853,838 for cultural resources as authorized under Section 7 of the Archeological and Historic Preservation Act of 1974 (P.L. 93-291), \$3,500,000 for Pima County flood and erosion control near the city of Marana, and \$55,918,606 non-reimbursable siphon repair costs as authorized under Title XXXIX of P.L. 102-575. Also, includes prepaid costs of \$985,000 for the State of Arizona, \$963,000 for contributed investigation costs, \$900,277 for the Colorado River Division studies, \$861,838 from Maricopa County, Arizona, \$638,478 from Salt River Project for Reclamation to evaluate increasing

power generation at the Theodore Roosevelt, \$300,000 from the State of New Mexico, \$84,039 from the city of Tucson for the Tucson pipeline, and \$98,645 from Central Arizona Water Conservation District for New River Siphon modification.

6/ Includes costs of \$346,814,000 for the Middle Gila Division and Upper Gila Division which will be allocated when all the beneficiaries and repayment entities are identified and functions determined. Also includes \$54,534,163 for the Drainage Division. Construction of these features has been deferred indefinitely.

**METHODOLOGY:** The same methodology was used for cost allocation as that presented in the FY 2003 Budget Justifications. The allocations for FY 2004 also incorporate changes in total costs. The following is a summary of impacts on individual allocations:

**Irrigation** decreased \$6,559,389 due to an increase of the single purpose cost of municipal and industrial justifiable expenditures.

**Power** decreased \$3,086,545 as a result of a decrease in joint costs allocated to power.

**Municipal and Industrial water** increased \$8,567,826 as a result of increased estimate for mitigation of native fish and deficiency work. This was partially offset by decreased estimates for Roosevelt and Tucson Reliability.

**Recreation** decreased \$1,164,976 due to the decreased estimates for recreation facilities associated with aqueduct.

**Environmental Enhancement** did not change.

**Flood Control** decreased \$714,618 due to a decrease in joint costs allocated to Theodore Roosevelt Dam.

**Non-Indian Distribution Systems** decreased \$126,862 as a result of land costs for Queen Creek and project-wide archeology mitigation completed for less than projected.

**Indian Distribution Systems** increased \$10,848,000 due to indexing to October 2003 projected prices, particularly for the **Gila River Indian Community's** remaining works.

**Other** increased \$248,310. This was a result of higher than estimated costs for the completed portions of the deficiency work on the Hayden-Rhodes siphon.

**Unallocated Costs** decreased \$3,254,000 due to indexing to October 2003 projected prices.

**OTHER INFORMATION:**

**Water Allocations:** A final notice of allocation of project water for Indian irrigation use was published in the Federal Register on October 18, 1976. On December 1, 1980, the Secretary announced a modified allocation and raised the Indian's priority for receiving water. The modified allocation also increased the amount of project water allocated as Indian Priority water to 309,828 acre-feet. The Secretary approved the allocation of project water to non-Indian irrigation users, municipal and industrial water users, and Indian users on February 10, 1983. On November 28, 1990, the Fort McDowell Indian Community Water Rights Settlement Act was passed that authorized the Secretary to convert Harquahala Valley Irrigation District's original Central Arizona Project agricultural priority water to an Indian priority water of up to 33,251 acre-feet. Upon conversion action the Indian Priority water increases to 343,079 acre-feet. Ten contracts providing water to 12 Indian communities have been executed. Settlement negotiations concerning operations and repayment of the Central Arizona Project resulted in a Stipulated Settlement filed with the Federal Court May 9, 2000. As part of the stipulation it was agreed 200,000 acre feet of non-Indian Agricultural water, would be reallocated to assist in the settlement of the Indian claims. This water will retain its original priority status. A draft environmental impact statement, with this reallocation as the proposed action, was prepared and released for public review and comment on June 23, 2000. Work on the environmental impact statement for the water reallocation was suspended as directed by Section 202 of Division B, Title I, Chapter 2 of P.L. 106-246, which was applicable through September 30, 2001. Resumption of these activities is dependent upon the course of current Arizona Indian water right

settlement negotiations. At the completion of the settlement, it is anticipated that the Indian Water Supply will contain 667,724 acre-feet of water with various priorities.

**Water Service Contracts:** The Secretary approved a water service subcontract form in July 1983 and by the Central Arizona Water Conservation District in November 1983. There are currently six non-Indian agricultural water subcontracts which represent 46 percent of the non-Indian irrigation water. Twelve of the original allottees of Non-Indian irrigation districts have declined the subcontracts. The New Magma Irrigation and Drainage District had its subcontract terminated under a plan approved by the United States Bankruptcy Court in 1995. There are currently 56 municipal and industrial water service subcontracts. These subcontracts account for 555,031 acre-feet or 89 percent of the total M&I water. In March 1991, the State of Arizona provided recommendations to the Secretary for uncontracted water. On February 5, 1992, the Secretary published in the Federal Register the final notice reallocating 29.3 percent of the project water supply which was allocated to non-Indian agricultural uses, but not yet contracted. Draft contracts were developed by Reclamation but never offered due to independent and unapproved contract actions taken by the Central Arizona Water Conservation District. The Arizona Department of Water Resources sent recommendations to the Secretary of the Interior on January 20, 2000, that allocate the remaining current unallocated municipal and industrial priority water to various municipal and industrial entities within the State. It is anticipated when all the conditions for settlement of Central Arizona Project operations and repayment issues are satisfied, contracts will be entered into for the remaining uncontracted Central Arizona Project water supply in accordance with the settlement documents and agreements. Legislation is currently being developed which will codify the Stipulated Settlement conditions which addressed the operation and repayment issues (for more information, see appendices on repayment and status of repayment).

**Power:** The Colorado River Basin Project Act provided for the Secretary of the Interior to enter into an agreement with non-Federal interests, whereby the Federal government acquired the right to 24.3 percent of the power produced at the non-Federal Navajo Generating Station. The agreement also includes the delivery of power and energy over the transmission facilities to delivery points within the Central Arizona Project area. Capital improvements of approximately \$101.9 million for new sulphur dioxide scrubbers reduced visibility degradation pollution. These became operational in August 1999.

**Plan 6:** As originally authorized, the Central Arizona Project included Orme Dam and Reservoir. In 1984, Plan 6 replaced this regulatory storage component of the Central Arizona Project. Plan 6 originally included New Waddell Dam, Modified Theodore Roosevelt Dam, and Cliff Dam. In June 1987, Cliff Dam was deleted from Plan 6 by mutual agreement with the State, the Secretary, Congressional, and environmental interests.

Federal and local officials executed an agreement on local funding for Plan 6 on April 15, 1986. The Agreement requires non-Federal parties to contribute funds of approximately \$229 million available to the United States to expedite the construction of Plan 6 and to ensure the timely completion of all Central Arizona Project features. (This funding excludes approximately \$37 million of Safety of Dams funding for work at Theodore Roosevelt, Stewart Mountain, Horseshoe, and Bartlett Dams.) The entities contributing funds under the agreement include: Central Arizona Water Conservation District; Maricopa County Flood Control District; Salt River Project Agricultural Improvement and Power District and Salt River Valley Water Users Association; and the cities of Chandler, Glendale, Mesa, Phoenix, Scottsdale, and Tempe. Local funds first became available under the agreement in August 1986. Construction of all Plan 6 facilities, including Safety of Dams, is substantially complete. The funding agreement was amended in October 1987, to reflect the deletion of Cliff Dam from Plan 6. The funding agreement was amended on December 21, 1993, to reassign the water rights and repayment obligation of the Hohokam Irrigation and Drainage District to the Plan 6 cities to satisfy their Cliff Dam water entitlement. Section 4(a) of the Salt River Pima-Maricopa Indian Community Water Rights Settlement Act of October 1988, P.L. 100-512, provided the Community with 7,000 acre-feet of storage space

from the cities' share of the new conservation space behind Theodore Roosevelt Dam. This decreased the cities' contribution by \$1,203,000. This portion of Theodore Roosevelt Dam was federally funded in FY 1995 from Reclamation's Indian Water Rights Settlement Act Project, reducing the CAP share of the cost.

**Siphons:** After a 1987 corrosion monitoring program, Reclamation determined that six Hayden-Rhodes siphons contained defects that could cause failures. Reclamation studies determined that the principle causes of the siphon deterioration were defective wire used to reinforce the concrete pipe and incomplete encasement of the prestressing wire with portland cement slurry and mortar coating. Reclamation's contracting Officer rendered a Final Decision on September 28, 1995, concluding the contractor was liable to the government for the siphons' distress and demanded reimbursement of \$39.5 million for the repair and replacement costs. The contractor appealed the Final Decision to the Interior Board of Contract Appeals. On June 8, 1999, the Judge issued a decision denying the contractor's Motion for Partial Summary Judgment. The hearing began on November 6, 2000. On January 4, 2001, the judge issued an order staying trial proceedings pending the parties' attempts to resolve the appeals through mediation. The parties reached a preliminary agreement on February 2, 2001 contingent on approvals from Reclamation, the contractor and primary subcontractor and their insurers. All approvals except the insurers have been obtained. The last of the insurers' approvals is expected to be completed and the settlement finalized in March 2003. Repairs have been substantially completed on the siphons. The total cost to repair all six siphons is estimated at \$111.8 million. Title XXXIX, Siphon Repair and Replacement, of P.L. 102-575, October 30, 1992, made 50 percent of the siphon repair costs non-reimbursable.

**Gila River Biological Opinion Litigation:** On April 20, 1994, pursuant to Section 7 of the Endangered Species Act, the U.S. Fish and Wildlife Service issued its final Biological Opinion on the transportation and delivery of Central Arizona Project water to the Gila River Basin. The Opinion concluded that long-term deliveries of Central Arizona Project water would jeopardize the continued existence of four native threatened or endangered fish species. In order for the project to avoid the likelihood of jeopardizing the continued existence of these species, the U.S. Fish and Wildlife Service identified several reasonable and prudent alternatives that Reclamation would be required to implement. The measures include construction of fish barriers, public education programs, fish monitoring, and long-term funding for research and conservation actions.

On March 7, 1997, the Southwest Center for Biological Diversity filed a lawsuit in U.S. District Court in Phoenix, Arizona, alleging the Opinion was inadequate and both Reclamation and the U.S. Fish and Wildlife Service were in violation of the Endangered Species Act. The government's response to the complaint was filed July 7, 1997. On July 14, 1997, the Central Arizona Water Conservation District filed a Complaint in the U.S. District Court in Arizona against the Secretary of the Interior, U.S. Fish and Wildlife Service, and Reclamation on the Gila River Biological Opinion. The complaint requested that the court find the Gila River Biological Opinion legally inadequate, instruct Reclamation to cease implementation of the reasonable and prudent measures and instruct the U.S. Fish and Wildlife Service to prepare a new Opinion.

On August 24, 1997, both lawsuits against the Secretary were consolidated. On October 23, 1997, Reclamation and U.S. Fish and Wildlife Service filed an administrative record. The Central Arizona Water Conservation District filed a motion on December 19, 1997, for summary judgment, and on February 6, 1998, the government filed a motion and memorandum in support of cross motion for summary judgment and in opposition to Central Arizona Water Conservation District's motion for summary judgment. The Southwest Center for Biological Diversity filed its brief in opposition to Central Arizona Water Conservation District's motion for summary judgment on March 6, 1998. The government's reply in support of initial cross motion was filed April 3, 1998. An initial order was issued in October 1999, denying Central Arizona Water Conservation District's motion for summary judgment.

The Federal court heard oral arguments on the Southwest Center for Biological Diversity's complaint on July 27, 2000. The court requested that the Southwest Center for Biological Diversity submit a supplemental brief on the issue of remedy. The brief, filed August 7, 2000, requested that Reclamation re-initiate consultation with the U.S. Fish and Wildlife Service to formulate more comprehensive measures against non-native fishes in the Central Arizona Project aqueduct, while at the same time continuing implementation of existing Reasonable and Prudent Alternatives. The Southwest Center for Biological Diversity also requested "the water connections between the Central Arizona Project and the habitat of listed fishes be severed during the re-consultation." The Federal government filed its reply brief August 17, 2000, alleging it would be illegal to re-consult while continuing to implement prior reasonable and prudent alternatives.

The District Court ruling on September 26, 2000 denied in part and granted in part the Southwest Center for Biological Diversity's motion. The court ruled the reasonable and prudent alternatives were not arbitrary and capricious, but the amendments to the Opinion issued by U.S. Fish and Wildlife Service to grant more time for Reclamation to implement the Reasonable and Prudent Alternatives were arbitrary and capricious, and therefore directed Reclamation to re-initiate consultation. The court further ruled Reclamation was in violation of Section 9 because "take" of listed species was imminent, and the "take" was attributable to project water deliveries. However, the Court found the Southwest Center for Biological Diversity's request for injunctive relief, "to sever the water connections between the Central Arizona Project and the habitat of listed species" too vague. On October 11, 2000, the government filed a Motion for Reconsideration of the Section 9 "take" ruling and requested an evidentiary hearing on the question of take. On December 13, 2000, the court ruled against the government's Motion for Reconsideration and declined to issue injunctive relief (to stop Central Arizona Project water deliveries to the Gila River Indian Community), but admonished Reclamation and the U.S. Fish and Wildlife Service to complete the re-initiated consultation by the scheduled date of April 17, 2001. The consultation was completed on April 17, 2001. Reclamation agreed to implement additional fish barriers to aid in the conservation of native fishes. These barriers must be completed in 5-year increments staged over the next 15 years from the date of the re-negotiation. In addition, Reclamation agreed to allow the U.S. Fish and Wildlife Service to add administrative costs to the native fish conservation and non-native fish eradication measures. The Reasonable and Prudent Alternatives from the 1994 Opinion will continue to be implemented. The parties agreed on a stipulation of final judgment and the Court issued its final order on June 12, 2001.

**Southwestern Willow Flycatcher Litigation:** Reclamation initiated formal consultation with the U.S. Fish and Wildlife Service on potential impacts from operation of the Modified Roosevelt Dam on the endangered southwestern willow flycatcher in September 1995. On January 8, 1996, Reclamation was sued by the Southwestern Center for Biological Diversity which alleged that Reclamation should supplement its 1990 environmental assessment on Modified Roosevelt Dam due to newly identified impacts to the flycatcher. The Southwestern Center for Biological Diversity sought to prevent the new reservoir capacity from being filled until further environmental study is completed. The judge heard oral arguments on July 23, 1999. On March 12, 2000, the Federal judge ruled on the Southwestern Center for Biological Diversity's motion for summary judgment. On the question of the adequacy of the U.S. Fish and Wildlife Service's Biological Opinion, the court concluded that the U.S. Fish and Wildlife Service fully complied with the requirements under the Endangered Species Act. On the question whether Reclamation violated the National Environmental Policy Act, the court concluded that Reclamation did not act arbitrarily or capriciously in its evaluation of alternatives in the 1996 environmental assessment and that Reclamation did not violate the National Environmental Policy Act.

**APPROPRIATION CEILING:** Appropriations authorized are \$4,043,064,000 (October 2003). The comparable Federal obligation is \$4,194,430,000 which exceeds the appropriation ceiling by more than the amount of contingencies included in the obligation. Legislation to provide additional appropriation ceiling would be needed to complete the total project as authorized. Current estimated commitments are within the existing ceiling due to the indefinite deferral of \$390,966,000 for the Upper Gila Division, Middle Gila

Division, and Drainage System.

The Non-Indian Distribution Systems authorized by Section 309(b) of P.L. 90-537 and P.L. 97-373 were completed in FY 1997. The final Federal obligation is \$241,083,711. The authorized ceiling at the time of substantial completions was \$347,466,000 (October 1996).

**WORK PROPOSED FOR FY 2004:**

**Water and Energy Management and Development** - The aqueduct system, consisting of Hayden-Rhodes, Fannin-McFarland, Tucson and Transmission Divisions, has been substantially completed and moved to completed work. Activity funding is being requested to provide for:

Regulatory Storage Division - New Waddell Dam - Completes the last environmental impact statement commitment for New Waddell, the fish limnology follow-up study, and associated fish and wildlife coordination activities. Efforts to close out the financial and contractual aspects of this feature will continue.

115,000

Theodore Roosevelt Dam - Continues ongoing activities required to comply with environmental laws, and Section 7 Biological Opinion for the endangered southwestern willow flycatcher including the cowbird management program, habitat management, the flycatcher management fund and banding program, surveys and nest monitoring, annual funding of management. Continues oversight of the San Pedro Preserve and program administration and financial support for ongoing activities including cleanup of acquired land and the recording of water rights to the new conservation space in the reservoir and associated costs of first fill and updating the Water Control Manual as well as reviewing allocable costs for completed work.

2,027,000

Non-Federal Cash Participation - The central Arizona cities will continue to make Plan 6 Up-front Funding Agreement contributions for activities associated with construction of additional water storage at Theodore Roosevelt Reservoir.

(250,000)

Total Regulatory Storage Division

1,892,000

Tucson Reliability Division – Continues coordination and design elements for the water supply reliability feature. Completes the planning report, Environmental Impact Statement, and designs for the reservoir.

390,000

Indian Distribution Division – Begins right-of-way appraisals for acquisition for the San Carlos water conveyance system. Continues ongoing activities being accomplished under a self-governance P.L. 93-638 annual funding agreement by the Gila River Indian Community, which includes design and construction of sections of the Pima Maricopa Irrigation Project (PMIP) Maricopa Canals, tribal supervision and administration of the program, and Reclamation oversight. Other ongoing efforts include a P.L. 93-638 Cooperative Agreement with the San Carlos Apache to design and comply with environmental regulations for the Tribe's irrigation system; associated Reclamation oversight; rehabilitation of the San Xavier Existing Farm and Extension; planning studies, planning environmental work and design of the Camp Verde Yavapai Apache and Tonto Apache distribution systems. Work continues on tribal coordination, program oversight and administration of all of the tribal entities as well as assisting the Pascua Yaqui tribe in determining the best use of their CAP allocation and general Indian Distribution System program administration.

22,888,000

Central Arizona Project

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Other Project Costs - Program Administration - Continues project management activities for the consolidated CAP. These activities include implementation of the stipulated settlement agreement, and preparation of reports on the entire project to meet congressional and departmental requirements relating to the project's overall construction program, and workers compensation associated with injuries incurred during the construction of CAP. 512,000

Curation Facilities - Continues curation management and oversight of Huhugam Heritage Center repository. 444,000

Native Fish Protection - Continues construction of the Santa Cruz Fish Barriers and other related work required to meet legal requirements under the Section 7 Biological Opinion for the Gila and Santa Cruz Rivers including non-native fish eradication and native fish conservation and public information and education program. Completes construction work on the Blue River Fish Barrier. 6,787,000

Total Other Project Costs 7,743,000

Subtotal, Water and Energy Management and Development **\$32,913,000**

**Land Management and Development - Land Management** - Continue land management activities for those project lands associated with completed portions of the project for which there is no operating entity or facilities. These activities include coordination with the Bureau of Land Management to return excess withdrawn lands; review of applications, mandatory reports and record management actions; and field reviews. 439,000

Hayden-Rhodes Aqueduct Recreation Development - Continues recreational development on the canal trail program with the City of Scottsdale. Completes trail development along the canal with the City of Phoenix. 702,000

Non-Federal Non-Cash Participation - Cities of Scottsdale and Phoenix (345,000)  
357,000

Tucson Aqueduct Recreation - Completes recreational development of trails. 600,000  
Non-Federal Non-Cash Participation - Pima County (300,000)  
300,000

Subtotal, Land Management and Development **1,096,000**

**Facility Operation -**

Distribution Systems - Continues pesticide management; review of crop census reports; monitoring water district reserve funds, determining interest for non-agricultural water use and co-mingling fees; performing municipal and industrial conversion actions, collection actions on delinquent payments, and other administrative actions. 118,000

Non-Federal Cash Contributions: Various (40,000)

Subtotal, Facility Operation **78,000**

**Reclamation Request \$34,087,000**

**SEE APPENDIX FOR: Benefit Cost Ratios as of October 1, 2003**



Land Certification  
Obligations by Function for Operating Projects  
Project Repayment FY 2004  
Status of NEPA Compliance  
Status of Water Service and Repayment Contracts  
Summary of Irrigation Investments

## **Colorado River Basin Salinity Control Project - Title I**

**LOCATION:** This project is located in southwestern Arizona in Yuma County and southeastern California in Imperial County.

**DESCRIPTION/JUSTIFICATION:** The project activities include maintaining the Yuma Desalting Plant; maintaining the U.S. Bypass Drain, the Mexico Bypass Drain; and ensuring desalting/replacement obligations are minimized and Mexican Treaty salinity requirements are maintained.

The project provides for the enhancement and protection of the quality of water available in the Colorado River for the United States and the Republic of Mexico and to comply with the requirements of Minute 242 approved August 30, 1973, under the 1944 Treaty with Mexico. In executing the plan to reduce the quantity and improve the quality of Wellton-Mohawk Division drainage so the majority of it can be credited toward treaty deliveries, several measures were implemented: (1) construction of the Yuma Desalting Plant; (2) construction of the bypass drain in the United States and Mexico; (3) implementation of the Wellton-Mohawk Irrigation Efficiency Improvement Program; (4) Wellton-Mohawk acreage reduction; (5) Painted Rock Reservoir land acquisition and operation schedule modification; (6) construction of the Main Outlet Drain Extension Siphon; and (7) fish and wildlife mitigation measures.

**AUTHORIZATION:** P.L. 93-320, Colorado River Basin Salinity Control Act, Title I, June 24, 1974, and P.L. 96-336, Amend Colorado River Basin Salinity Control Act, September 4, 1980.

**COMPLETION DATA:** As of September 30, 2002, the project was 92 percent complete. The Protective and Regulatory Pumping Unit and associated features were completed in FY 1979; 14 wells and associated features on the Protective and Regulatory Pumping Unit were completed in FY 1979; the Coachella Canal Unit Replacement was completed in FY 1984; an additional 7 wells and associated features were completed in FY 1984; and the remainder of the wells and associated features will be completed as required. The Desalting Complex Unit was completed in FY 1991 and test operation of the main facility was completed and production of desalting water began in FY 1992. In FY 1993, the Yuma Desalting Plant was placed in ready reserve status and will continue to operate at this level for the near future. Construction of the remaining features associated with the Yuma Desalting Complex Unit will be completed as necessary and a new completion date will be determined.

**SUMMARIZED FINANCIAL DATA**

**Program Financial Data**

Activity	FY 2003 <sup>1/</sup>	FY 2004
Water and Energy Management and Development	\$731,289	\$751,000
Facility Operations	1,668,000	1,733,000
Facility Maintenance and Rehabilitation	8,710,674	8,866,000
Total Program	\$11,109,963	\$11,350,000
Prior Year Funds	(38,963)	0
Non-Federal	(100,000)	(100,000)
Request	\$10,971,000	\$11,250,000
Underfinancing	TBD	0
Total Reclamation Allotment	\$10,971,000	\$11,250,000

<sup>1/</sup> The FY 2003 column reflects the President’s budget request level.

**Total Construction Costs to be Allocated**

	Total Estimated Cost	Total to 9/30/02	FY2003	FY 2004	Balance to Complete
Reclamation	\$451,805,000	\$411,724,497	\$731,000	\$751,000	\$38,598,503
Adjustments	715,000	715,000	0	0	0
Total	\$452,520,000	\$412,439,497	\$731,000	\$751,000	\$38,598,503

**Construction Cost Allocation and Methodology**

Allocation	FY 2003	FY 2004
Irrigation	\$45,938,000	\$45,938,000
Mexican Treaty	405,284,000	406,418,000
Other <sup>2/</sup>	164,000	164,000
Total	\$451,386,000	\$452,520,000

<sup>2/</sup> Nonreimbursable preauthorization investigations costs (P.L. 92-149).

**METHODOLOGY:** The methodology of cost allocation has not been revised. The Mexican Treaty allocation increased \$1,134,000 primarily due to indexing of the regulatory pumping unit estimates (\$344,000) and revised estimates for research activities (\$790,000).

**APPROPRIATION CEILING:** Appropriations authorized are \$539,006,000 (October 2002). The comparable estimated total Federal obligation is \$452,520,000. This authorization is adequate to cover the project as currently proposed.

**OTHER INFORMATION:** The House of Representatives Report accompanying the FY 1995 Energy and Water Development Appropriations bill directed Reclamation to maintain the Yuma Desalting Plant in such a manner as to be capable of operating at one-third capacity with a one-year notice of funding. The Secretary of the Interior has directed Reclamation to work with the Colorado River Basin States and the International Boundary and Water Commission to identify a long-term, low-cost alternative to operating the plant. Additionally, the Senate Report accompanying the FY 2000 Energy and Water

Development Appropriations bill directed the Department to provide a report to the Appropriations Committee on alternatives to meet Treaty requirements without the Desalting Plant, and actions Reclamation can take to reduce the high annual operation and maintenance costs. This report was scheduled to be completed in the summer of 2000 but was delayed until the Colorado River Basin States could be consulted about alternatives to the operation of the Desalting Plant. Discussions with stakeholders are underway and a report is expected to be completed during FY 2003.

**WORK PROPOSED FOR FY 2004:**

**Water and Energy Management and Development** - Continues Title I research technology to promote less expensive operation of the Yuma Desalting Plant and exploration of new technology to keep the Yuma Desalting Plant viable as a tool to address future water resource needs. Research successes have included partnerships with local communities to address drinking water problems and with industry partners to explore emerging technology, advances in drying cellulose acetate membranes, and success in formulating chlorine resistant membranes. Research advancements have already realized a cumulative savings of \$10,000,000 in full plant operating expenses. Research continues with the goal to effect additional savings. **\$751,000**

**Facility Operations** – Continues collection and analysis of required data to enable Reclamation to satisfy its legal obligations under the Colorado River Basin Salinity Control Act. Continues operation of the A-22 sludge disposal equipment and site. Continues activities required to purify feed-water to the Yuma Desalting Plant. Continues Pilot System 1 operation and all research testing equipment located in the Water Quality Improvement Center. Continues evaluating and estimating the salinities of flows arriving at Imperial Dam and flows going to Mexico. Continues efforts to ensure the Wellton-Mohawk Irrigation and Drainage District drainage flows are minimized thereby reducing the Federal desalting and/or replacement obligation. Continues water sampling on the Colorado River, Gila River, open drains, and drainage wells. Continues salinity accounting at the Northern International Boundary and Imperial Dam. Allows for the preparation of the annual Wellton-Mohawk Irrigation and Drainage District water budget, which analyzes irrigation efficiency, drainage return flows, diversions, and consumptive use of water. **1,733,000**

**Facilities Maintenance and Rehabilitation** - Continues efforts to ensure the Yuma Desalting Plant can operate for treaty and other Federal requirements. These efforts include long-term maintenance of essential Yuma Desalting Plant infrastructure and facilities. Maintains the United States and Mexico sections of the Bypass Drain, Protective and Regulatory Pumping Unit, and mitigation features constructed under the Title I authority. Other efforts include cold storage of two-thirds of existing membrane elements, needed to operate the Yuma Desalting Plant. The other one-third of membranes are stored without cost due to successful research results. Continues work associated with transfer of technology to entities other than Reclamation on a cost-shared or cost-reimbursed basis through testing at the Yuma Water Quality Improvement Center, designated a National Center for Water Treatment Technology.

	\$5,624,000
Non-Federal: Water Users - Yuma Water Quality Improvement Center	<u>(100,000)</u>
	5,524,000

Continues a long-term program to bank water to offset the need to recover drainage water once the interim period ends. This program has been presented to the Seven Colorado River Basin States as a means to satisfy the Colorado River Basin Salinity Control Act at a lower cost than that of operating the Yuma Desalting Plant. Continues Yuma Desalting Plant permitting and environmental compliance process. Continues design deficiency corrections of essential Title 1 Yuma Desalting Plant and Water Quality Improvement Center infrastructure equipment; including Aluminum Bronze Reject Piping

modification, Ammonia System replacement, Clearwell pH Control System modification, Control Block Isolation Valves and Actuators replacements, Main Outlet Drain Extension II Blend Flow System replacement, On-site Chlorine Generation equipment, Ramp installation in Cells AA9 to AA12 at the A-22 sludge disposal site, and Yuma Desalting Plant and Water Quality Improvement Center Silt Density Index Equipment replacements. Completes Protective and Regulatory Pumping Unit well pump replacements to meet water delivery obligations to Mexico. 3,242,000

Subtotal, Facilities Maintenance and Rehabilitation **8,766,000**

**Reclamation Request** **\$11,250,000**

**SEE APPENDIX FOR:** Benefit Cost Ratios as of October 1, 2003  
Project Repayment for FY 2004  
Status of NEPA Compliance  
Status of Repayment Contracts  
Summary of Irrigation Investments

## Colorado River Front Work and Levee System

**LOCATION:** This project is located in Mohave, La Paz, and Yuma Counties in western Arizona; Riverside, San Bernardino, and Imperial Counties in southeastern California; and Clark County in southern Nevada.

**DESCRIPTION/JUSTIFICATION:** The Colorado River Front Work and Levee System extends approximately 700 river miles from Lee’s Ferry, Arizona (the division point between the upper and lower Colorado River Basins), to the International Boundary between the United States and Mexico. Colorado River Front Work and Levee System is a drainage and minor construction program to control floods, improve navigation, and regulate the flows of the Colorado River. The lower Colorado River extends about 280 river miles from Davis Dam to the border, and transverses three wildlife refuges, five Indian reservations, and six irrigation districts. For administrative purposes, this reach of the river has been divided into ten operational divisions. These divisions, starting at Davis Dam and proceeding in order downstream, are: Mohave Valley, Topock Gorge, Havasu, Parker, Palo Verde, Cibola, Imperial, Laguna, Yuma, and Limitrophe. Major project facilities include the offstream Senator Wash Dam and Reservoir, a pump generating plant, access roads, water crossing facilities, armored banklines, and flood control levees.

The project regulates the meandering river channel by the use of bankline structures with riprap protection or a riprap protected dredge channel. Settling basins for trapping sediment have been built upstream from Topock Bridge and Laguna Dam. Water salvage activities along the lower Colorado River include controlling the size of open water areas, selective clearing of phreatophytes, draining the river valley, and establishing deeper backwater areas. Major groundwater control and recovery programs have been undertaken by development of well fields and conveyance systems in the South Gila and Yuma valleys and on the Yuma Mesa.

**AUTHORIZATION:** P.L. 585, Colorado River Front Work and Levee System Adjacent to Yuma Project, March 3, 1925; P.L. 560, Colorado River Front Work and Levee System, January 21, 1927; P.L. 697, Amend Colorado River Front Work and Levee System Act, July 1, 1940; P.L. 469, Amend Colorado River Front Work and Levee System Act, June 28, 1946; P.L. 85-389, Amend Colorado River Front Work and Levee System Act, May 1, 1958; and P.L. 99-450, Colorado River Floodway Protection Act, October 8, 1986.

### SUMMARIZED FINANCIAL DATA

**Program Financial Data**

Activity	FY 2003 <sup>1/</sup>	FY 2004
Water and Energy Management and Development	\$2,485,000	3,442,000
Fish and Wildlife Management and Development	2,020,700	58,000
<b>Total Program</b>	<b>\$4,505,700</b>	<b>\$3,500,000</b>
Prior Year Funds	(238)	0
Non-Federal	(1,055,462)	0
Request	\$3,450,000	\$3,500,000
Underfinancing	TBD	0
<b>Total Reclamation Allotment</b>	<b>\$3,450,000</b>	<b>\$3,500,000</b>

<sup>1/</sup> The FY 2003 column reflects the President’s budget request level.

**Total Construction Costs to be Allocated**

	Total Estimated Cost	Total to 9/30/02	FY 2003	FY 2004	Balance to Complete
Reclamation	\$175,576,000	\$106,277,877	\$3,450,000	\$3,500,000	\$62,348,123
Adjustments <sup>2/</sup>	1,400,000	344,538	1,055,462	0	0
<b>Total</b>	<b>\$176,976,000</b>	<b>\$106,622,415</b>	<b>\$4,505,462</b>	<b>\$3,500,000</b>	<b>\$62,348,123</b>

<sup>2/</sup> Adjustments include contributions from the State of California for California channel riparian restoration which will be completed in FY 2003.

**APPROPRIATION CEILING:** None.

**WORK PROPOSED FOR FY 2004**

**Water and Energy Management and Development** – Continues work to improve the undersized and inadequate Yuma Area drainage system and increase the efficiency of groundwater reduction efforts.  
217,000

Continues repairs of the severe erosion immediately upstream from the Topock Settling Basin to improve river stability, reduce the sediment load in the river and stop erosion. Activities include environmental consulting and compliance, quarrying, grading and shaping the bankline with terraces, and environmental landscaping. Continues planning and design of control structures and bankline stabilization north of Blythe, California to contain the river within the main channel during high releases from upstream dams, protecting rural populations, and Federal, Indian, and agricultural facilities.

3,225,000

Subtotal, Water and Energy Management and Development **\$3,442,000**

**Fish and Wildlife Management and Development** – Continues monitoring activities on the California channel riparian restoration which restored Colorado River water flow to approximately 2000 acres of backwaters and wetlands. The channels, wetlands, and vegetation must be monitored and reports prepared for three years to ensure stability and to comply with associated permits and the agreement with the State of California. **58,000**

**Reclamation Request** **\$3,500,000**





*Colorado River Water Quality Improvement Program*

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coordination activities. Continues to support the Clean Water Action Plan for water quality investigation and coordination activities along the Colorado River. Prepares a report on the quality, accuracy, and accessibility of Reclamation's water quality reporting systems to better understand the quality of water at Reclamation facilities and its effects to our customers. **\$150,000**

**Reclamation Request** **\$150,000**

## Endangered Species Conservation/Recovery Project

**LOCATION:** Projects are located at various sites within the Lower Colorado Region in Arizona, southern California, and southern Nevada.

**DESCRIPTION/JUSTIFICATION:** This program provides for the development and implementation of projects for the stewardship of endangered, threatened, proposed, and candidate species that are resident or migratory to habitats within the Lower Colorado Region. The principal threatened and endangered species include the razorback sucker, bonytail chub, Colorado pike minnow, woundfin minnow, Virgin River roundtail chub, Yuma clapper rail, bald eagle, and southwestern willow flycatcher. Specific projects include the rearing of endangered fish in isolated coves on Lakes Mohave, Havasu, and Mead; rehabilitating marsh and backwater areas along the lower Colorado River for endangered fish rearing; exotic fish removal on Virgin River; riparian/marshland improvement for several endangered bird species; and nestwatch programs for the bald eagle in central Arizona.

**AUTHORIZATION:** P.L. 93-205, Endangered Species Act of 1973, December 28, 1973, as amended.

**COMPLETION DATA:** These actions are taken to maintain and improve existing resident populations or localized critical habitats for migrating species within areas under Reclamation's jurisdiction within the lower Colorado River corridor. An ultimate completion date for these actions cannot be determined. These stewardship actions will continue for as long as Reclamation manages lands, water, and power operations within the Lower Colorado Region.

### SUMMARIZED FINANCIAL DATA

#### Program Financial Data

Activity	FY 2003 <sup>1/</sup>	FY 2004
Fish and Wildlife Management and Development	\$2,544,000	\$2,176,000
Total Program	\$2,544,000	\$2,176,000
Prior Year Funds	0	0
Non-Federal	(744,000)	(503,000)
Request	\$1,800,000	\$1,673,000
Underfinancing	TBD	0
Total Reclamation Allotment	\$1,800,000	\$1,673,000

<sup>1/</sup> The FY 2003 column reflects the President's budget request level.

#### Total Construction Costs to be Allocated

	Total Estimated Cost	Total to 9/30/02	FY 2003	FY 2004	Balance To Complete
Reclamation	N/A	\$20,665,038	\$1,800,000	\$1,673,000	N/A
Non-Federal <sup>2/ 3/</sup>	N/A	3,792,000	744,000	503,000	N/A
Total	N/A	\$24,457,038	\$2,544,000	\$2,176,000	N/A

<sup>2/</sup> Non-Federal and other Federal cost-sharing: Bureau of Land Management, Fish and Wildlife Service, Nevada Department of Wildlife, National Park Service, Bureau of Indian Affairs, Arizona Game and Fish Department, Southern Nevada Water Authority, Metropolitan Water District, Utah Game and Fish Department, Washington County, Arizona State University, and University of Nevada Las Vegas.

**Construction Cost Allocation and Methodology**

Allocation	FY 2003	FY 2004
Fish and Wildlife Management and Development <sup>3/</sup>	N/A	N/A
Total	N/A	N/A

<sup>3/</sup> Total cost estimates are not available. This is an ongoing program that will continue as long as conservation and consultation efforts are needed.

**APPROPRIATION CEILING:** Not Applicable.

**WORK PROPOSED FOR FY 2004:**

**Fish and Wildlife Management and Development –**

Southwestern Willow Flycatcher Nest Predation - Continues monitoring of Southwestern Willow Flycatcher nests using photographic equipment to gather predation data. Predator behavior will provide insight on how to protect the endangered Southwestern Willow Flycatcher nests.

	55,000
Non-Federal – Various	<u>(10,000)</u>
	45,000

Flycatcher Rangewide Database - Begins development of a database that contains demographic information collected during annual surveys and nest monitoring of the Southwestern Willow Flycatcher.

\$68,000

Lake Rearing Coves - Continues work on the construction and operation of rearing coves for native fishes on Lakes Mead, Mohave, and Havasu. Native fish will be stocked in these areas, reared, and then released.

	235,000
Non-Federal - Various	<u>(60,000)</u>
	175,000

Backwater Rearing Areas - Continues work on the construction and operation of protected rearing areas for endangered fishes along tributary streams. Local golf course ponds and ornamental ponds at parks will also be renovated for use as rearing ponds.

	160,000
Non-Federal - Various	<u>(25,000)</u>
	135,000

Area Office Endangered Species Activities & Program Administration - Continues work on outreach programs at all area offices to do initial investigations into endangered species conservation and recovery projects with Federal, non-Federal, and state agencies. Regional endangered species coordination and management activities will also continue.

400,000

Willow Beach Hatchery - Continues work on the retrofit of Willow Beach Hatchery. Continues maintaining a solar heating system to facilitate rearing warm water fish for reintroduction to reaches of the Lower Colorado River.

	175,000
Non-Federal - Fish and Wildlife Services, Arizona Game and Fish	<u>(50,000)</u>
	125,000

Endangered Species Habitat Restoration - Continues work on the restoration and enhancement of the riparian ecosystem for the conservation and recovery of endangered species indigenous to the Lower Colorado

*Endangered Species Conservation/Recovery Project*

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Region. Continues expansion of native plant nurseries to be used in restoration projects on the Lower Colorado River. 400,000  
 Non-Federal - Various (200,000)  
 200,000

Southwestern Willow Flycatcher Conservation Coordination - Continues range-wide coordination for the improvement of the Southwestern Willow Flycatcher status and identification of conservation strategies. Assists state, Federal, and private entities to identify and implement conservation and recovery actions. 90,000

Bubbling Ponds - Continues work on the rearing of endangered Razorback Suckers for stocking in the Colorado River. The Razorback Suckers are raised from fingerlings (3-5 inches) to sub-adults (10-12 inches). Construction of a water delivery system and lining of two ponds will also continue. 156,000  
 Non-Federal – Various (56,000)  
 100,000

San Pedro River Native Fish Pond – Continues operations and maintenance of an existing 3-acre pond on the Nature Conservancy’s San Pedro River Preserve. The ponds will be used to rear endangered Razorback Suckers and serve as refugia for other imperiled native fishes. 19,000  
 Non-Federal – Nature Conservancy and Arizona Game and Fish (2,000)  
 17,000

Virgin River Endangered Fishes – Begins Reclamation participation on the Virgin River Fishes Recovery Team. Begins construction activities for fish barriers in the Virgin River basin. Begins installing fish screens on water diversion structures. 125,000

Bald Eagle Activities - Continues annual winter and occupancy-reproductive assessment, helicopter surveys, and nestwatch activities. 193,000  
 Non-Federal - Various (100,000)  
 93,000

Pima Pineapple Cactus Research/Habitat Enhancement - Continues the study of the genetic variability of the **Pima Pineapple Cactus**, as well as investigates the validity of taxonomic status, conduct surveys in Mexico, and investigate transplant techniques. 100,000

Subtotal, Fish and Wildlife Management and Development **\$1,673,000**

**Reclamation Request \$1,673,000**

## Fort McDowell Settlement Act

**LOCATION:** The Fort McDowell Reservation is located northeast of Phoenix in central Arizona.

**DESCRIPTION/ JUSTIFICATION:** In accordance with the terms of the Fort McDowell Indian Community Settlement Act, construction of the distribution system was funded under the Reclamation Small Loan Act. The environmental and cultural mitigation was the responsibility of the Secretary of Interior. That mitigation consisted of setting aside 330 acres of Reservation land for environmental purposes and avoidance of 227 acres to preserve cultural resource sites that would have been impacted by development. The avoidance of the cultural resource site reduced the Community's planned agricultural development from 1,584 to 1,357 acres. This mitigation plan was implemented and completed by 1996. The Fort McDowell Indian Community re-evaluated these actions and decided they did not receive the full benefits of the Settlement Act, as the restricted use of Reservation lands was a cost to the Tribe, rather than the Secretary. The goal of the remaining work planned is to return 100 percent of the acres lost from the initial mitigation actions to the Tribe and provide compensation for the delay in full development of the original farm. Reclamation would acquire equivalent lands off-reservation for biological mitigation to be managed in perpetuity by Reclamation or its designee. Reclamation would also provide the Community with non-reimbursable funds to compensate the Tribe for the lands set aside for cultural resources. This would allow the Tribe to develop additional lands and complete the project to its original size. The revised mitigation plan does not restrict the size of the Tribe's distribution system development nor restrict Tribal use of Reservation lands for environmental protection.

**AUTHORIZATION:** P.L. 101-628, The Fort McDowell Indian Community Water Rights Settlement Act of 1990, January 23, 1990.

**COMPLETION DATA:** The Tribe's construction under the loan program was substantially completed in September 1997. The initial environmental clearances and mitigation were substantially completed in FY 1997. The schedule for implementation of all revised environmental and cultural mitigation plans has been revised for completion in December of 2005 due to project scheduling constraints.

### SUMMARIZED FINANCIAL DATA

**Program Financial Data**

Activity	FY 2003 <sup>1/</sup>	FY 2004
Water and Energy Management and Development	\$500,000	\$1,000,000
<b>Total Program</b>	<b>\$500,000</b>	<b>\$1,000,000</b>
Prior Year Funds	0	0
Request	\$500,000	\$1,000,000
Underfinancing	TBD	0
<b>Total Reclamation Allotment</b>	<b>\$500,000</b>	<b>\$1,000,000</b>

<sup>1/</sup> The FY 2003 column reflects the President's budget request level.

**Total Construction Costs to be Allocated:**

	Total Estimated Cost	Total to 9/30/02 <sup>2/</sup>	FY 2003	FY 2004	Balance to Complete
Reclamation	\$3,700,000	\$0	\$500,000	\$1,000,000	\$2,200,000
<b>Total</b>	<b>\$3,700,000</b>	<b>\$0</b>	<b>\$500,000</b>	<b>\$1,000,000</b>	<b>\$2,200,000</b>

<sup>2/</sup> The initial mitigation work was performed with Reclamation appropriations under Indian Water Rights Settlement Acts. Total obligations from this program were \$746,899. From FY 1998 through 2001, negotiation efforts with the Tribe on a suitable alternative, land classification, and environmental clearances for the new lands to be developed have been funded from the Native American Affairs Program, \$1,313,136.

**METHODOLOGY:** Costs for land acquisition and compensation are allocated to non-reimbursable capital costs associated with construction of the Tribe's distribution system.

**APPROPRIATION CEILING:** The Act does not provide an overall appropriation ceiling.

**WORK PROPOSED FOR FY 2004:**

**Water and Energy Management and Development** - Awards an agreement to provide the Community with funds for agricultural development of lands in replacement of those set aside for cultural mitigation. Continues to develop and implement an operation and maintenance plan for the new off- reservation biological mitigation land. **\$1,000,000**

**Reclamation Request** **\$1,000,000**



**WORK PROPOSED FOR FY 2004:**

**Water and Energy Management and Development** – Begins the set-up and operation of Reclamation’s mobile water treatment pilot lab and prepare a report on the most effective treatment method. Begins work to install observation wells, which will determine water quality variation and soil gradation. Continues data collection on the Lower Virgin River, reviews previous studies in the area, and continues working with Federal, State and private partners to explore alternatives to optimize the water supply in the region.

\$200,000

Non-Federal – Virgin Valley Water District

(100,000)

Subtotal, Water and Energy Management and Development

**\$100,000**

**Reclamation Request**

**\$100,000**



## **Lake Mead/Las Vegas Wash Program**

**LOCATION:** Clark County, Nevada.

**DESCRIPTION/JUSTIFICATION:** The Las Vegas Wash plays an important role in environmental and water resource issues in Southern Nevada. Approximately 25 percent of the Las Vegas Wash is managed by Reclamation. Historically, the Las Vegas Wash was an ephemeral stream carrying storm flows from the Las Vegas Valley to the Colorado River and Lake Mead. Urban development over the past 60 years has resulted in continuous treated wastewater discharges that resulted in the formation of the wetlands that helped remove nutrients from these wastewater flows. However, as the rate of these discharges increased, erosion also increased, gradually destroying the existing wetlands and wildlife habitat.

Today, the Las Vegas Wash is a perennial stream with flows that consist of four components: treated wastewater, storm water, urban runoff, and shallow groundwater. Accelerating erosion, declining water quality, and loss of wildlife habitat are some of the more pressing issues. Over the years, it is estimated that 11 million cubic yards of sediment and more than 1,700 acres of wetlands have been lost due to erosion. Because of the increased channelization and flows, as well as contaminated shallow groundwater, there are many problems to be resolved including reduction of erosion, improvement of water quality, and restoration of the wetlands and wildlife habitat.

Due to the federally-owned land in the Las Vegas Wash, and the impact of drainage from this land to the Colorado River and Lake Mead, Reclamation has an interest in maintaining and improving water quality. Reclamation also built the Robert B. Griffith Project (formerly the Southern Nevada Water Project), and outflows from that project affect the Las Vegas Wash.

Local agencies that are participating in Las Vegas Wash activities include the Clark County Flood Control District, Clark County Department of Parks and Recreation, Southern Nevada Water Authority, Las Vegas Valley Water District, Clark County Sanitation District, city of Henderson, and city of Las Vegas. Contributions of local agencies total at least 50 percent of the program costs.

**AUTHORIZATION:** P.L. 74-46, Soil and Moisture Conservation Act, April 27, 1935; and P.L. 106-541, Water Resources Development Act of 2000, December 11, 2000.

**COMPLETION DATA:** Completion date has not been finalized.

**SUMMARIZED FINANCIAL DATA**

**Program Financial Data**

Activity	FY 2003 <sup>1/</sup>	FY 2004
Water and Energy Management and Development	\$2,008,574	\$2,816,000
Total Program	\$2,008,574	\$2,816,000
Prior Year Funds	(8,574)	0
Non-Federal	(1,000,000)	(1,408,000)
Request	\$1,000,000	\$1,408,000
Underfinancing	TBD	0
Total Reclamation Allotment	\$1,000,000	\$1,408,000

<sup>1/</sup> The FY 2003 column reflects the President's budget request level.

**WORK PROPOSED FOR FY 2004:**

**Water and Energy Management and Development** - Begins construction of two erosion control structures and continues bankline stabilization in the Las Vegas Wash. Continues partnership with local agencies, universities, Federal agencies, and private entities, to control erosion in the Las Vegas Wash, which in turn would restore native wetlands and create habitat diversity. Continues construction of wetlands and off channel improvements that will reduce erosion. Completes natural resource assessments, water quality monitoring, and ongoing demonstration projects.

	\$2,816,000	
Non-Federal - Various	(1,408,000)	
Subtotal, Water and Energy Management and Development		<b><u>\$1,408,000</u></b>
<b>Reclamation Request</b>		<b>\$1,408,000</b>

## Long Beach Area Water Reclamation Project

**LOCATION:** This project is located in Los Angeles County, California.

**DESCRIPTION/JUSTIFICATION:** This project consists of two units:

The Alamitos Barrier Reclaimed Water Project will ultimately recycle about 8,000 acre-feet per year in lieu of imported water. Facilities will be constructed so that tertiary treated water from the existing Long Beach Water Reclamation Plant can be treated to advanced levels so that it can be used for groundwater injection into seawater intrusion barriers.

The City of Long Beach Recycled Water System Expansion Project will construct an expansion of an existing distribution system that allows the use of recycled water throughout the city. The expansion consists of pumps, pipes, storage facilities, and control systems that would increase use of recycled water from 4,585 acre-feet per year to 16,677 acre-feet per year (including the Alamitos Barrier project).

**AUTHORIZATION:** P.L. 102-575 - Title XVI, Reclamation Wastewater and Groundwater Study and Facilities Act, October 30, 1992, and P.L. 104-266, Reclamation Recycling and Water Conservation Act of 1996, October 9, 1996.

**COMPLETION DATA:** As of September 30, 2002, the project is 30 percent complete. Alamitos Barrier Reclaimed Water Project is scheduled for completion in 2008. Project completion date has been delayed three years from that shown in the FY 2003 Budget Justifications due to a revised schedule for Phase 2 from the Water Replenishment District. The City of Long Beach Recycled Water System Expansion Project is scheduled for completion in 2009. Project completion date has been delayed one year from that shown in the FY 2003 Budget Justifications due to a revised schedule from the Long Beach Water Department.

### SUMMARIZED FINANCIAL DATA

**Program Financial Data**

Activity	FY 2003 <sup>1/</sup>	FY 2004
Water and Energy Management and Development	\$6,944,904	\$3,215,000
<b>Total Program</b>	<b>\$6,944,904</b>	<b>\$3,215,000</b>
Prior Year Funds	(7,904)	0
Non-Federal	(5,937,000)	(2,115,000)
<b>Request</b>	<b>\$1,000,000</b>	<b>\$1,100,000</b>
Underfinancing	TBD	\$0
<b>Total Reclamation Allotment</b>	<b>\$1,000,000</b>	<b>\$1,100,000</b>

<sup>1/</sup> The FY 2003 column reflects the President's budget request level as adjusted by the FY 2003 Budget Amendments transmitted to Congress on January 7, 2003. The original FY 2003 request amount of \$1,500,000 has been adjusted to \$1,000,000 to reflect the expenses related to the settlement of the "*Sumner Peck Ranch, Inc. v. Bureau of Reclamation*".

**Total Construction Costs to be Allocated**

	Total Estimated Cost	Total to 9/30/02	FY 2003	FY 2004	Balance to Complete
Reclamation	\$17,096,750	\$5,083,000	\$1,000,000	\$1,100,000	\$9,913,750
Adjustments <sup>2/</sup>	51,290,250	18,981,000	5,937,000	2,115,000	24,257,250
<b>Total</b>	<b>\$68,387,000</b>	<b>\$24,064,000</b>	<b>\$6,937,000</b>	<b>\$3,215,000</b>	<b>\$34,171,000</b>

<sup>2/</sup> Includes cost-sharing of \$24,782,250 from the Water Replenishment District of Southern California for the Alamitos Barrier Reclaimed Water Project; and \$26,508,000 from the city of Long Beach for the City of Long Beach Recycled Water System Expansion Project.

**Construction Cost Allocation and Methodology**

Allocation	FY 2003	FY 2004
Municipal and Industrial Water	\$61,656,000	\$68,387,000
<b>Total</b>	<b>\$61,656,000</b>	<b>\$68,387,000</b>

**METHODOLOGY:** The methodology of cost allocation has not been modified from last year. The increase of \$6,731,000 is due to updated cost estimates from the Water Replenishment District and the Long Beach Water Department. The increase is applied to the Federal share (25 percent) and non-Federal share (75 percent).

**APPROPRIATION CEILING:** P.L. 104-266, Reclamation Recycling and Water Conservation Act of 1996, imposed a ceiling of \$20,000,000. The comparable Federal obligation is \$17,096,750 which does not exceed the appropriation ceiling.

**WORK PROPOSED FOR FY 2004:**

**Water and Energy Management and Development**

Alamitos Barrier Reclaimed Water Project - Continues work for construction of additional facilities to treat tertiary wastewater to advanced levels so it can be used for groundwater injection into the existing Alamitos seawater intrusion barrier. \$400,000  
 Non-Federal - Water Replenishment District of Southern California (0)  
 400,000

City of Long Beach Recycled Water System Expansion Project - Continues work for construction of additional facilities to recycle water within the city of Long Beach. 2,815,000  
 Non-Federal - City of Long Beach (2,115,000)  
 \$700,000

Subtotal, Water and Energy Management and Development **\$1,100,000**

**Reclamation Request \$1,100,000**

Please refer to the discussion in the Water & Related Resources Overview concerning the Title XVI Program, including the Program Assessment Rating Tool (PART) results for Title XVI.

**SEE APPENDIX FOR:** Benefit Cost Ratios as of October 1, 2003  
 Project Repayment for FY 2004  
 Status of NEPA Compliance

## Lower Colorado River Investigations Program

**LOCATION:** The Colorado River area starting at Lee's Ferry, Arizona, to the Mexican border, including Coconino, Mojave, La Paz, and Yuma Counties in Arizona; Clark County in Nevada; and San Bernardino, Riverside, and Imperial Counties in California.

**DESCRIPTION/JUSTIFICATION:** The objective of this ongoing program is to focus on the resolution of problems that arise from competing and often conflicting uses of the lower Colorado River. The River provides critical habitat to several endangered species and is the main source of water for agriculture, municipal use, industrial use, and power production to Arizona, southern California, southern Nevada, and the Mexican states of Sonora and Baja California. It is also an important recreational resource for residents of Arizona, California, and Nevada and a traditional cultural and economic resource for Native American Indian tribes throughout the same region.

As demand has continued to escalate in the heavily populated and/or rapidly growing areas of southern California, southern Nevada, and central Arizona, so have concerns about the availability, quality, and allocation of Colorado River water. Recently, drought conditions in southern California have depleted or diminished local supplies and imported supplies from northern California. Imported supplies from the Colorado River are also stressed from drought conditions on the watershed. Moreover, concerns about effects of water management on the River ecosystem have grown as new projects are undertaken to ensure water deliveries to these states and Mexico.

California has suffered recent episodes of stage 3 power outages resulting in rolling blackouts in many parts of the State. There are several issues contributing to the problem, including the recent deregulation of the power industry in California, increased demand, and reluctance to build new generating facilities. The Power Evaluations Study will investigate Reclamation's opportunities to enhance power generating capabilities and review the timeliness of previous power generation enhancement studies. It will also investigate the potential for new power generation technology and the integration of alternative sources with Reclamation's current hydro-generation facilities. A review of the current power markets will be included to explore opportunities for Reclamation to provide greater assistance in the optimization of power generation and distribution in the southwestern United States where power shortages have become a concern for many citizens.

Management of the lower Colorado River by Reclamation is multi-faceted and includes, but is not limited to, water conservation, drought management, environmental restoration and enhancement, wetlands maintenance and preservation, technology transfer, preservation of rural water supplies, seawater desalination, wastewater reclamation and reuse, power production, and recreation. Investigations undertaken in this program seek to facilitate cooperation and interface between entities that use lower Colorado River water in an effort to resolve conflicts.

**AUTHORIZATION:** The Reclamation Act of 1902, June 17, 1902; Colorado River Basin Salinity Control Act of June 24, 1974, P.L. 93-320, as amended; and Solar Hydro Feasibility Study Authorization, P.L. 93-375, Sec. 9, October 3, 1980.

**SUMMARIZED FINANCIAL DATA**

**Program Financial Data**

Activity	FY 2003 <sup>1/</sup>	FY 2004
Water and Energy Management and Development	\$600,969	\$650,000
Total Program	\$600,969	\$650,000
Prior year Funds	(969)	0
Non-Federal	(325,000)	(325,000)
Request	\$275,000	\$325,000
Underfinancing	TBD	0
Total Reclamation Allotment	\$275,000	\$325,000

<sup>1/</sup> The FY 2003 column reflects the President's budget request level.

**COST-SHARING:** Potential partners for the Colorado River Watershed Economic Study include the Metropolitan Water District of Southern California, Santa Ana Watershed Project Authority, San Diego County Water Authority, Municipal Water District of Orange County, Orange County Water District, Orange County Sanitation District, City of Phoenix, City of Tucson, and the Southern Nevada Water Authority. Potential partners for the Power Evaluations Study include the California Department of Water Resources, Pacific Gas and Electric, San Diego Gas and Electric, Southern California Edison, Arizona Public Service, Salt River Project, Nevada Power, the California Public Utilities Commission, the Electric Power Research Institute, and other private utility companies.

**WORK PROPOSED FOR FY 2004:**

**Water and Energy Management and Development –**

Colorado River Watershed Economic Study – Begins to initiate compilation of data on sources of water that are contributing to higher salinity levels in the upper and lower Colorado River basin. Begins reviewing hydrological contributors in order to identify the costs and performance of expanded Title II salinity reduction programs that improve water quality in the study area. Begins the economic evaluation of comparing upper basin solutions to relatively expensive lower basin “end-of-pipe” solutions.

(FY 2004 - FY 2007)	\$300,000
Non-Federal - Various	<u>(150,000)</u>
	150,000

Power Evaluations Study – Continues to develop cost-sharing agreements, plans of study and review and update previous power generation enhancement studies. Continues collecting data on new power generation technologies and evaluate ability to combine new sources with current generation facilities. Continues dialogue with Federal, State, private partners, and power marketing entities to explore alternatives to optimize power generation and distribution. (FY 2003 - FY 2007)

	350,000
Non-Federal - Various	<u>(175,000)</u>
	175,000

Subtotal, Water and Energy Management and Development	<b><u>\$325,000</u></b>
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<b>Reclamation Request</b>	<b>\$325,000</b>
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## Lower Colorado River Operations Program

**LOCATION:** All areas within the Lower Colorado Region boundaries.

**DESCRIPTION/JUSTIFICATION:** The role of “*water master*” is unique to the lower Colorado River and is based primarily on the Boulder Canyon Project Act of 1928, Mexican Water Treaty, and specific requirements of the Supreme Court Decree in Arizona v. California which requires the Secretary of the Interior to administer and carry out functions related to the use of Colorado River water by any entity in the lower basin states of Arizona, California, and Nevada. The program includes responsibilities in operation and management of the river, water contracting, water entitlements, and decree accounting requirements.

The program also includes work resulting from Endangered Species Act consultations and compliance with environmental statutes such as the National Environmental Policy Act. The most significant consultation was the U.S. Fish and Wildlife Service’s Biological Opinion on operation and maintenance activities on the lower Colorado River, from Lake Mead to the southerly International Boundary with Mexico. The Opinion was issued on April 30, 1997, and found jeopardy to two species of native fish and one bird. The Opinion contains a reasonable and prudent alternative which includes 17 provisions to remove jeopardy and 14 terms and measures to reduce the amount of incidental take of these three species. Reclamation implemented most of these provisions during a 5-year period from the date of the Opinion. This 5-year period was extended for an additional 3 years to May 2005 due to delays resulting from the complexity in completing the planning for the Multi-Species Conservation Program, one of the provisions of the Opinion.

The lower Colorado River Multi-Species Conservation Program (MSCP) is a long-term (50-year) plan to conserve over 50 state and Federal special status species along the lower Colorado River from Lake Mead to Mexico through implementation of conservation elements. This long-term plan will provide the basis for Section 7 compliance for river operations for Federal and non-Federal purposes after the 8-year interim period is completed in May 2005. If the multi-species Conservation Plan is not complete and ready for implementation by May 2005, Reclamation would be required to reinitiate Section 7 consultation to assure continuous river operations.

**AUTHORIZATION:** Colorado River Front Work and Levee System and amendments, March 3, 1925; the Boulder Canyon Act of 1928; the Fish and Wildlife Coordination Act, March 10, 1934; the 1944 Mexican Water Treaty; the 1964 Supreme Court Decree - Arizona v. California; P.L. 90-537, the Colorado River Basin Project Act, September 30, 1968; P.L. 93-205; and the Endangered Species Act of 1973, December 28, 1973, as amended.

**SUMMARIZED FINANCIAL DATA**

**Program Financial Data**

Activity	FY 2003 <sup>1/</sup>	FY 2004
Water and Energy Management and Development	\$6,280,744	\$6,074,000
Fish and Wildlife Management and Development	10,522,018	12,783,000
Total Program	\$16,802,762	\$18,857,000
Prior Year Funds	(161,762)	0
Non-Federal	(4,220,000)	(5,035,000)
Request	\$12,421,000	\$13,822,000
Underfinancing	TBD	0
Total Reclamation Allotment	\$12,421,000	\$13,822,000

<sup>1/</sup> The FY 2003 column reflects the President's budget request level.

**WORK PROPOSED FOR FY 2004:**

**Water and Energy Management and Development -**

Administration of Colorado River - Continues the management and oversight of operating criteria, studies of river operation as it relates to the lower division states of Arizona, California, and Nevada and the Republic of Mexico, and fulfilling the requirements of the Secretary's role as water master. Continues environmental compliance support activities necessary to support the Biological Opinion and the NEPA requirements of it and future river requirements. Continues the 5-year review of long-term operating criteria, including preparation of environmental compliance for the Colorado River Reservoirs, and proposed regulations regarding lower Colorado River entitlements. Continues the administration of 43 CFR 417 consultations, modeling development, planning studies, development and preparation of the Annual Operating Plan, operating criteria, flood control reviews, and analysis of the Colorado River and reservoir operations. Continues administrative management of the Lower Colorado Region's hydro power relationships with existing and potential customers with process analysis of external activities of electric utilities and their impact on the Region's generation facilities. \$2,769,000

Water Contract Administration - Continues implementation of the California 4.4 plan to ensure that California stays within its annual allotment of 4.4 million acre feet of Colorado River Water. Continues administration, execution, negotiation, consultation, development and research of water and operation and maintenance contracts located within the lower Colorado River basin, and under Section 5 of the Boulder Canyon Project Act. Continues studies to develop user fees, geographic information systems database management activities of the land and waters within the lower basin, and well inventory data and analysis. 1,821,000

Decree Accounting - Continues the preparation of the annual decree accounting report for the reporting of consumptive use, as required by the Supreme Court decree. Continues to conduct well inventory along the lower Colorado River to identify non-contract users of Colorado River water. Continues the development and use of techniques such as the Lower Colorado River Accounting System for calculation of consumptive use by water users and irrigation districts along the mainstream of the Colorado River.



Continues compliance activities required for delivery of water to Mexico. Continues the development of data for the consumptive uses and losses report for the lower Colorado River basin. Continues science and technology development activities to enhance water management through advanced watershed and river system decision support tools. \$1,484,000

Subtotal - Water and Energy Management and Development **\$6,074,000**

**Fish and Wildlife Management and Development** - The following initiatives partially fulfill requirements of the lower Colorado River Biological Opinion:

Lower Colorado River Multi-Species Conservation Program - Continues the contracts necessary to complete development of the Multi-Species Conservation Program by May 2005. Continues the implementation of interim conservation measures and implementation of reasonable and prudent alternatives for short-term endangered species activity compliance associated with Colorado River operations and maintenance. Continues implementation of other biological opinion requirements for short-term compliance. Continues hydrologic data modeling runs, analysis and data exchange with the Glen Canyon Dam Adaptive Management Work Group in support of the reasonable and prudent alternatives development and Multi-Species Conservation Program goals to support river operations.

Non-Federal: Various 9,094,000  
(4,000,000)  
5,094,000

Flycatcher Protection - Continues agreements with appropriate land management agencies along the lower Colorado River and leasing of lands for maintaining the acreage protection requirements of the Opinion. Continues the cowbird trapping program in the Virgin River and Havasu National Wildlife Refuge areas together with studies to determine reproductive success and causes of nest failures, studies to assess the benefits of fire breaks and participation in fire management activities, and closure of levee roads. Continues the Opinion program requirements for protection of occupied flycatcher habitat, regardless of plant species composition, and unoccupied, but potential willow flycatcher habitat, including stands of willow, cottonwood willow, and mixtures of saltcedar and cottonwood willow under lands managed by Reclamation. Continues lower Grand Canyon sedimentation, vegetation, and documentation to meet Opinion requirements. 1,322,000

Non-Federal: Various (20,000)  
1,302,000

Razorback and Bonytail Chub Protection - Begins reintroduction and augmentation efforts of the bonytail chub into lakes Mohave and Havasu. Continues efforts to minimize takes of the bonytail chub and razorback sucker through the tagging of fish with radio and/or sonic transmitters to follow their progress, studies to assess and reduce the potential stranding of eggs, larvae or individual fish to determine the implementation strategies required, and continues studies to determine population sizes and locations in Lake Mead for population protection efforts. Continues the raising of 25,000 fingerling razorbacks for ultimate stocking into the Colorado River below Parker Dam. Continues studies to develop innovative methods and sites, such as local golf course ponds and ornamental ponds at local parks, to be renovated for use as rearing ponds sufficient to augment the razorback and bonytail chub in the rivers and lakes of the lower Colorado River basin. 450,000

Non-Federal: Various (150,000)  
300,000

Riparian Restoration and Research - Continues aerial or satellite imaging and mapping of vegetation on the lower Colorado River for establishing baseline mapping for the biological analysis of terrestrial and riparian vegetation to determine operational configurations. Continues surveys, monitoring, dispersal and recolonization studies, monitoring of productivity and survivorship, predation and parasitism, habitat

*Lower Colorado River Operations Program*

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relationships, and determining ecological conditions of the flycatcher that will promote habitat on the lower Colorado River. \$339,000

Ecological Restoration - Continues data collection, design, permitting, construction and monitoring of the reconnection of Walker Lake to the mainstem of the Colorado River which has been isolated from the main river channel. Continues implementation studies as the result of "opportunistic flows" from higher than normal releases to aid in the restoration of the river. Continues studies, monitoring and research efforts to provide native vegetation for the endangered Yuma clapper rail and other marsh nesting waterfowl. 678,000  
Non-Federal: Various (65,000)  
613,000

Secretarial Agreement Implementation - RPA Requirements - Continues the hand-spawning of razorback suckers at lake Mohave, the rearing of fingerlings and adult fish at Willow Beach National Fish Hatchery at lake Mohave, and other rearing facilities, such as at Bubbling Ponds State (Arizona) Fish Hatchery, and monitoring the movement and survival of those fish. Also provides for the habitat restoration and monitoring of the Southwestern Willow Flycatcher. 800,000  
Non-Federal: San Diego County Water Authority (800,000)  
0

Fish and Wildlife Program Administration - Continues management and administration of the program to fulfill the Opinion requirements, and for meeting the rules and regulations applicable to the environmental and National Environmental Policy Act requirements of the Colorado River operations. 100,000

Subtotal - Fish and Wildlife Management and Development **7,748,000**

**Reclamation Request** **\$13,822,000**

## North San Diego County Area Water Recycling Project

**LOCATION:** This project is located in San Diego County, California.

**DESCRIPTION/JUSTIFICATION:** The four components of this project are the result of a cooperative effort by the San Elijo Joint Powers Authority, the Carlsbad Municipal Water District, the Olivenhain Municipal Water District, and the Leucadia County Water District. This project consists of planning, designing, and constructing permanent facilities to reclaim and reuse approximately 15,350 acre-feet of water annually in the North San Diego County area in order to reduce the region's dependence on imported water supplies and reduce wastewater discharges to the ocean.

**AUTHORIZATION:** P.L. 102-575 - Title XVI, Reclamation Wastewater and Groundwater Study and Facilities Act, October 30, 1992, and P.L. 104-266, Reclamation Recycling and Water Conservation Act of 1996, October 9, 1996.

**COMPLETION DATA:** As of September 30, 2002, the project is 42 percent complete. The project is scheduled for completion in 2006, a delay of 2 years from that shown in the FY 2003 Budget Justifications. The delays resulted from revised construction schedules.

### SUMMARIZED FINANCIAL DATA

**Program Financial Data**

Activity	FY 2003 <sup>1/</sup>	FY 2004
Water and Energy Management and Development	\$8,919,689	\$9,230,000
<b>Total Program</b>	<b>\$8,919,689</b>	<b>\$9,230,000</b>
Prior Year Funds	(7,689)	0
Non-Federal	(7,812,000)	(7,930,000)
Request	\$1,100,000	\$1,300,000
Underfinancing	TBD	0
<b>Total Reclamation Allotment</b>	<b>\$1,100,000</b>	<b>\$1,300,000</b>

<sup>1/</sup> The FY 2003 column reflects the President's budget request level as adjusted by the FY 2003 Budget Amendments transmitted to Congress on January 7, 2003. The original FY 2003 request amount of \$1,800,000 has been adjusted to \$1,100,000 to reflect the expenses related to the settlement of the "*Sumner Peck Ranch, Inc. v. Bureau of Reclamation*".

**Total Construction Costs to be Allocated**

	Total Estimated Cost	Total to 9/30/02	FY 2003	FY 2004	Balance to Complete
Reclamation	\$20,000,000	\$8,482,000	\$1,100,000	\$1,300,000	\$9,118,000
Adjustments <sup>2/</sup>	60,645,000	25,943,000	7,812,000	7,930,000	18,960,000
<b>Total</b>	<b>\$80,645,000</b>	<b>\$34,425,000</b>	<b>\$8,912,000</b>	<b>\$9,230,000</b>	<b>\$28,078,000</b>

<sup>2/</sup> Includes cost-sharing of \$12,933,750 by the San Elijo Joint Powers Authority; \$27,873,750 by the Carlsbad Municipal Water District, \$8,761,500 by the Leucadia County Water District; and \$11,076,000 by the Olivenhain Municipal Water District for the four components.

**Construction Cost Allocation and Methodology**

Allocation	FY 2003	FY 2004
Municipal and Industrial	\$83,109,000	\$80,645,000
Total	\$83,109,000	\$80,645,000

**METHODOLOGY:** The methodology of cost allocation has not been modified from last year. The decrease of \$2,464,000 is due to updated cost estimates from the Districts, which will be applied to the non-Federal share.

**APPROPRIATION CEILING:** P.L. 104-266, Reclamation Recycling and Water Conservation Act of 1996, imposed a ceiling of \$20,000,000. The comparable Federal obligation is \$20,000,000 which does not exceed the appropriation ceiling.

**WORK PROPOSED FOR FY 2003:**

**Water and Energy Management and Development -**

<u>Encina Basin Water Reclamation Project</u> - Continues work on construction of a water recycling project in the Encina Basin.	\$9,130,000
Non-Federal: Various	<u>(7,930,000)</u>
	1,200,000

<u>San Dieguito Groundwater Project</u> - Continues work on construction of a groundwater storage facility for reclaimed water.	100,000
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Subtotal, Water and Energy Management and Development	<b><u>\$1,300,000</u></b>
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<b>Reclamation Request</b>	<b>\$1,300,000</b>
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Please refer to the discussion in the Water & Related Resources Overview concerning the Title XVI Program, including the Program Assessment Rating Tool (PART) results for Title XVI.

**SEE APPENDIX FOR:**      Benefit Cost Ratios as of October 1, 2003  
                                  Project Repayment for FY 2004  
                                  Status of NEPA Compliance

## Northern Arizona Investigations Program

**LOCATION:** Includes the northern Arizona Counties of Mohave, Coconino, Navajo, and Apache.

**DESCRIPTION/JUSTIFICATION:** The objective of this ongoing program is to improve and increase the management of existing water supplies; identify and develop potential water supplies; and develop processes and strategies for dealing with resource issues. The northern part of Arizona, which encompasses the Little Colorado River Watershed and Colorado Plateau area, has been experiencing multiple water resource use and supply issues. Potential settlement of Indian water rights, endangered species needs, sedimentation and flooding issues, and increasing water supply needs of local communities have contributed to resource conflicts within the basin. Assistance is needed to help manage existing water supplies and to develop and implement a realistic process or strategy for dealing with water and natural resource issues.

In addition, the Federal Government has trust responsibilities for Indian tribes as set forth in various treaties, statutes, and court decisions. Some tribes will seek P.L. 93-638 (Indian Self Determination, Education and Assistance Act) contract responsibility from the Bureau of Indian Affairs and will assume responsibility for planning of their own resources. As such, they are in need of expertise to help develop their own capability. Tribes within this area include the Navajo, Hopi, Kaibab Paiute, Hualapai, Havasupai, and Zuni.

**AUTHORIZATION:** The Reclamation Act of 1902, June 17, 1902; and P.L. 93-638, The Indian Self-Determination, Education and Assistance Act, January 4, 1975, as amended.

### SUMMARIZED FINANCIAL DATA

**Program Financial Data**

Activity	FY 2003 <sup>1/</sup>	FY 2004
Water and Energy Management and Development	\$974,828	\$570,000
Total Program	\$974,828	\$570,000
Prior year Funds	(19,382)	0
Non-Federal	(533,446)	(245,000)
Request	\$422,000	\$325,000
Underfinancing	TBD	0
Total Reclamation Allotment	\$422,000	\$325,000

<sup>1/</sup> The FY 2003 column reflects the President's budget request level.

**COST-SHARING:** Hopi Tribe for the Hopi Water Management Study; Navajo Nation for the Navajo Nation Rural Water Supply Study; and the Arizona Department of Water Resources, cities of Flagstaff and Williams, town of Tusyan and the Hopi Tribe for the North Central Arizona Water Supply Study.

**WORK PROPOSED FOR FY 2004:**

**Water and Energy Management and Development -**

Hopi Water Management Study - Continues development of a socioeconomic study, water management plans for range grazing units, identify potential sites for C aquifer exploration in the southern part of the main reservation, and conduct a wildlife inventory. (FY 2001 - FY 2007) \$100,000

Non-Federal - Hopi Tribe (10,000)  
90,000

Navajo Nation Rural Water Study - Continues the study of four irrigation projects within the lower basin of Little Colorado River Basin utilizing the criteria developed from the Ganado Irrigation Water Conservation Project. Continues assessment of current conditions, water management, legal/institutional issues, define/evaluate alternatives, environmental issues, estimate costs and report recommendations for further development of water supply and management actions/projects to maximization of water supplies and traditional economies. Completion date has been extended to FY 2008 due to the level of work scheduled for FY 2004. (FY 2003 - FY 2008) 20,000

Non-Federal - Navajo Nation (10,000)  
10,000

North Central Arizona Water Supply Study - Continues the regional assessment of future water supply and demands by building upon and integrating work underway by various stakeholders in northern Arizona. Continues the identification of data gaps and data collection programs as appropriate. Continues building a regional approach framework between communities, agencies and interested public geared toward developing a shared strategy for managing northern Arizona's water supplies. The completion date has been extended to FY 2008 due to the level of work scheduled for FY 2004. (FY 2002 - FY 2008)

Non-Federal - Various 450,000  
(225,000)  
225,000

Subtotal, Water and Energy Management and Development **\$325,000**

**Reclamation Request \$325,000**

## Orange County Regional Water Reclamation Project, Phase I

**LOCATION:** This project is located in Orange County, California.

**DESCRIPTION/JUSTIFICATION:** This project will take tertiary treated reclaimed water from an existing facility operated by the Orange County Sanitation District, treat the water to advanced levels using a pretreatment and reverse osmosis process, and pump the water through a pipeline that parallels the Santa Ana River up to existing recharge facilities adjacent to the River, where the water will be used to recharge the region's groundwater basin. This initial phase will provide about 50,000 acre-feet of water annually for groundwater recharge.

**AUTHORIZATION:** P.L. 102-575 - Title XVI, Reclamation Wastewater and Groundwater Study and Facilities Act, October 30, 1992, and P.L. 104-266, Reclamation Recycling and Water Conservation Act of 1996, October 9, 1996.

**COMPLETION DATA:** As of September 30, 2002, the project is 30 percent complete. The project is scheduled for completion in 2007, which is a delay of 3 years from that shown in the FY 2003 Budget Justifications. The delay is a result of revised construction schedules from the Orange County Water District.

### SUMMARIZED FINANCIAL DATA

#### Program Financial Data

Activity	FY 2003 <sup>1/</sup>	FY 2004
Water and Energy Management and Development	\$34,721,297	\$78,117,000
Total Program	\$34,721,297	\$78,117,000
Prior Year Funds	(6,297)	0
Non-Federal	(33,615,000)	(76,817,000)
Request	\$1,100,000	\$1,300,000
Underfinancing	TBD	0
Total Reclamation Allotment	\$1,100,000	\$1,300,000

<sup>1/</sup> The FY 2003 column reflects the President's budget request level as adjusted by the FY 2003 Budget Amendments transmitted to Congress on January 7, 2003. The original FY 2003 request amount of \$1,800,000 has been adjusted to \$1,100,000 to reflect the expenses related to the settlement of the "*Sumner Peck Ranch, Inc. v. Bureau of Reclamation*".

#### Total Construction Costs to be Allocated

	Total Estimated Cost	Total to 9/30/02	FY 2003	FY 2004	Balance to Complete
Reclamation	\$20,000,000	\$6,038,000	\$1,100,000	\$1,300,000	\$11,562,000
Adjustments <sup>2/</sup>	412,480,000	28,959,000	33,615,000	76,817,000	273,089,000
Total	\$432,480,000	\$34,997,000	\$34,715,000	\$78,117,000	\$284,651,000

<sup>2/</sup> Includes cost-sharing of \$412,480,000 from the Orange County Water District and/or the Orange County Sanitation District.

**Construction Cost Allocation and Methodology**

Allocation	FY 2003	FY 2004
Municipal and Industrial	\$355,590,000	\$432,480,000
<b>Total</b>	<b>\$355,590,000</b>	<b>\$432,480,000</b>

**METHODOLOGY:** The methodology of cost allocation has not been modified from last year. The increase of \$76,890,000 is due to updated cost estimates from the Districts, which will be applied to the non-Federal share.

**APPROPRIATION CEILING:** P.L. 104-266, Reclamation Recycling and Water Conservation Act of 1996, imposed a ceiling of \$20,000,000. The comparable Federal obligation is \$20,000,000 which does not exceed the appropriation ceiling.

**WORK PROPOSED FOR FY 2003:**

**Water and Energy Management and Development** - Continues work on construction activities for the regional water recycling project in the Orange County Water District service area.

	78,117,000	
Non-Federal - Orange County Water District/Sanitation District	<u>(76,817,000)</u>	
Subtotal, Water and Energy Management and Development		<b><u>\$1,300,000</u></b>
<b>Reclamation Request</b>		<b>\$1,300,000</b>

Please refer to the discussion in the Water & Related Resources Overview concerning the Title XVI Program, including the Program Assessment Rating Tool (PART) results for Title XVI.

**SEE APPENDIX FOR:** Benefit Cost Ratios as of October 1, 2003  
 Project Repayment for FY 2004  
 Status of NEPA Compliance



## Parker-Davis Project

**LOCATION:** This project is located in western Arizona, southern California, and southern Nevada.

**DESCRIPTION/JUSTIFICATION:** The Parker-Davis Project consists of Parker and Davis Dams, Lakes Havasu and Mohave, and two powerplants. The lakes have a combined storage capacity of 2,466,300 acre-feet and provide flood control, recreation, and fish and wildlife benefits. The two powerplants, with an annual power generation of approximately 2.75 billion kilowatt-hours of low-cost, renewable hydropower, serve various sectors of the southwest.

Funds are provided by Metropolitan Water District for approximately 50 percent of Parker Dam and powerplant costs. All remaining funds necessary to operate and maintain the project are provided by the power customers.

**AUTHORIZATION:** P.L. 409, Rivers and Harbors Act of 1935, August 30, 1935; P.L. 260, Reclamation Project Act of 1939 (Davis Dam Project), August 4, 1939 (authorized by the Secretary April 26, 1941); P.L. 373, Consolidate Parker Dam Power Project and Davis Dam, May 28, 1954; and P.L. 95-91, The Department of Energy Organization Act, August 4, 1977.

### SUMMARIZED FINANCIAL DATA

**Program Financial Data**

Activity	FY 2003	FY 2004
Facility Operations	\$5,024,000	\$5,634,000
Facility Maintenance and Rehabilitation	2,810,000	4,591,000
Total Program	\$7,834,000	\$10,225,000
Non-Federal	(7,834,000)	(10,225,000)
Request	\$0	\$0
Total Reclamation Allotment	\$0	\$0

**WORK PROPOSED FOR FY 2004:**

**Facility Operations** - Continues day-to-day hydroelectric power and water deliveries. **\$5,634,000**

**Facility Maintenance and Rehabilitation** – Begin powerplant rehabilitation with replacement of the Unit 3 generator windings, turbine and components at Parker Dam, which are extremely worn and failing. Failure to perform this rehabilitation could result in unit failure requiring the generator to be out of service for 2 years or longer. Work starting at Davis Dam includes replacement of 480V switchgear and rehabilitation of the penstock fixed wheel gates. **4,591,000**

Non-Federal - Metropolitan Water District and power customers **(10,225,000)**

**Reclamation Request** **\$0**

SEE APPENDIX FOR: Obligations by Function for Operating Projects

## Phoenix Metropolitan Water Reclamation and Reuse Project

**LOCATION:** This project is located near the city of Phoenix, Maricopa County, Arizona.

**DESCRIPTION/JUSTIFICATION:** In the near future, the three main sources of water for the Phoenix metropolitan area will be fully developed. The main sources of water are the Central Arizona Project, the Salt River Project, and groundwater. In the west valley, the groundwater table has been dropping at a rate of 1 to 4 feet per year. Recharging reclaimed water into the aquifer is one way of slowing the decline in the groundwater table.

The Sub-regional Operating Group consisting of the cities of Phoenix, Scottsdale, Glendale, Mesa, and Tempe has been assessing the possibilities of recharging reclaimed water near the convergence of the Agua Fria River and the New River. The 91st Avenue Wastewater Treatment Plant produces approximately 150 million gallons per day of high quality effluent and would be used as the source water.

The first stage involves planning studies necessary to determine the most efficient and effective method of recharging the reclaimed water produced at the 91st Avenue plant. The primary objective for the first stage will be to produce a feasibility report, containing an Environmental Impact Statement, economic analysis, and preliminary designs. This would allow Reclamation to submit the project to Congress for construction funding. The second stage of the project would be the construction of the recharge facilities. A "green belt" park with public amenities will be included in the non-Federal portion of the overall design.

The benefits for recharging reclaimed water in the western part of the Phoenix metropolitan area include: reducing the rate of decline of the groundwater table, reducing the demand for imported water; and providing a continuous and dependable supplemental source of water.

**AUTHORIZATION:** P.L. 102-575 - Title XVI, Reclamation Wastewater and Groundwater Study and Facilities Act, October 30, 1992; P.L. 104-266, Reclamation Recycling and Water Conservation Act of 1996, October 9, 1996.

**COMPLETION DATA:** As of September 30, 2002, the Federal portion of the project is three percent complete. The Stakeholder Coordination and Public Information or Phase I of the study is scheduled for completion in FY 2003. The feasibility report is scheduled for completion in FY 2006. A schedule for construction of the facilities will be determined after the feasibility report is completed.

### SUMMARIZED FINANCIAL DATA

#### Program Financial Data

	FY 2003 <sup>1/</sup>	FY 2004
Water and Energy Management and Development	\$551,917	\$500,000
Total Program	\$551,917	\$500,000
Prior Year Funds	(1,917)	0
Non-Federal	(300,000)	(250,000)
Request	\$250,000	\$250,000
Underfinancing	TBD	0
Total Reclamation Allotment	\$250,000	\$250,000

<sup>1/</sup> The FY 2003 column reflects the President's budget request level.

**Total Construction Costs to be Allocated**

	Total Estimated Cost	Total to 9/30/02	FY 2003	FY 2004	Balance to Complete
Reclamation	\$20,000,000	\$525,000	\$250,000	\$250,000	\$18,975,000
Adjustments <sup>2/</sup>	60,000,000	370,585	300,000	250,000	59,079,415
<b>Total</b>	<b>\$80,000,000</b>	<b>\$895,585</b>	<b>\$550,000</b>	<b>\$500,000</b>	<b>\$78,054,415</b>

<sup>2/</sup> Includes cost-sharing from the city of Phoenix.

**APPROPRIATION CEILING:** P.L. 104-266, Reclamation Recycling and Water Conservation Act of 1996, imposed a ceiling of \$20,000,000. The comparable Federal obligation is \$20,000,000 which does not exceed the appropriation ceiling.

**WORK PROPOSED IN FY 2004:**

Water and Energy Management and Development – Begins economic analysis of the project. Continues work on the National Environmental Policy Act documents and preliminary designs.

	\$500,000	
Non-Federal - City of Phoenix	<u>(250,000)</u>	
Subtotal, Water and Energy Management and Development		<b><u>\$250,000</u></b>
Reclamation Request		<b>\$250,000</b>

Please refer to the discussion in the Water & Related Resources Overview concerning the Title XVI Program, including the Program Assessment Rating Tool (PART) results for Title XVI.

**SEE APPENDIX FOR:** Project Repayment for FY 2004  
Status of NEPA Compliance

## Salt River Project

**LOCATION:** The Salt River Project is located near Phoenix in central Arizona.

**DESCRIPTION/ JUSTIFICATION:** The project includes an area of about 250,000 acres. The land within the project receives its irrigation water supply from the Salt and Verde Rivers and 248 pumping units for wells. About 24,715 acres receive supplemental irrigation water. The rivers are controlled with six storage dams. A diversion dam serves 1,259 miles of canals, laterals and ditches of which 842 miles are lined and piped. The power system includes five hydroelectric plants; three steam plants, two with separate combustion-turbine installations; and a combined cycle plant. In addition the Salt River Project is participating in five existing coal-fired generating stations. The power system also includes about 2,000 circuit miles of overhead distribution lines and over 6,000 miles of underground distribution lines. The project is operated and maintained by the Salt River Agricultural Improvement and Power District and Salt River Valley Water User's Association under several repayment and operating agreements including the June 25, 1904 agreement, the August 30, 1910 agreement for the cross cut canal and power plant, and the September 6, 1917 agreement and amendments. Project facilities and most of the lands are Reclamation-owned.

**AUTHORIZATION:** The Reclamation Act of June 17, 1902 (authorized by the Secretary on March 14, 1903); Rehabilitation and Betterment Act, October 7, 1949 as amended.

### SUMMARIZED FINANCIAL DATA

**Program Financial Data**

Activity	FY 2003 <sup>1/</sup>	FY 2004
Land Management and Development	\$139,000	\$187,000
Total Program	\$139,000	\$187,000
Prior Year Funds	0	0
Non-Federal	(100,000)	(100,000)
Request	\$39,000	\$87,000
Underfinancing	TBD	0
Total Reclamation Allotment	\$39,000	\$87,000

<sup>1/</sup> The FY 2003 column reflects the President's budget request level

**WORK PROPOSED FOR FY 2004:**

**Land Management and Development** - Continues response to right-of-way and easement issues, administering contracts, leases and permits, and conducting land field reviews. Implements public education program and land resource management activities associated with administering project lands previously funded from Reclamation wide programs. This work is done to provide a minimum level of stewardship of Federal interests in this project and continue compliance activities associated with the land management of project lands.

	\$187,000	
Non-Federal – Individual developers and municipalities	(100,000)	
Subtotal Land Management and Development		<b><u>\$87,000</u></b>
<b>Reclamation Request</b>		<b><u>\$87,000</u></b>

**SEE APPENDIX FOR:** Obligations by Function for Operating Projects

## Salton Sea Research Project

**LOCATION:** Imperial and Riverside Counties, California.

**DESCRIPTION/JUSTIFICATION:** The Salton Sea, located in southeastern California, is California's largest inland lake. It is a highly saline lake currently home to 418 different species of birds. A combination of water quality, biological issues, physical geography and fluctuating inflows are threatening the ecological values and recreational uses of the Salton Sea. Additionally, fluctuating surface elevations of the sea have created an unstable shoreline, impacting much of the developed area and the wetland wildlife habitat used by a number of different bird species. The rising sea also has inundated much of the Salton Sea National Wildlife Refuge located at the south end of the sea. The full impacts of increasing salinity, the decline in other water quality attributes, and water surface elevation on endangered species and/or other species that inhabit the sea are unknown, but comprehensive scientific studies and analyses presently are ongoing. In order to successfully identify and evaluate potential alternatives for remediating the condition of the sea, a continuing program of planning, research, and environmental review is needed.

The objectives of this program are to identify and evaluate alternatives to: improve water quality conditions; maintain quality habitat for migratory birds and endangered species; enhance the sport fishery; and protect human recreation values in and around the Salton Sea. Environmental scoping and scientific research of remediation alternatives are currently underway. An alternatives report is scheduled for release during FY 2003, which is a delay from that shown in the FY 2002 Budget Justifications. Additional time is needed to allow for a more thorough analysis of alternatives and their costs.

**AUTHORIZATION:** P.L. 102-575 - Title XI, Reclamation Projects Authorization and Adjustment Act of 1992, October 30, 1992; and P.L. 105-372, Salton Sea Reclamation Act of 1998, November 12, 1998.

**COMPLETION DATA:** The draft alternatives appraisal report and associated National Environmental Policy Act documentation was sent to Congress on January 27, 2000. The public review and comment period ended on May 16, 2000. Based on a review of these comments, Reclamation (with technical assistance from the Salton Sea Authority) is developing an alternatives report, which is scheduled for release during FY 2003.

### SUMMARIZED FINANCIAL DATA

**Program Financial Data**

Activity	FY 2003 <sup>1/</sup>	FY 2004
Water and Energy Management and Development	\$1,058,024	\$1,000,000
Total Program	\$1,058,024	\$1,000,000
Prior year Funds	(58,024)	0
Non-Federal	0	0
Request	\$1,000,000	\$1,000,000
Underfinancing	TBD	0
Total Reclamation Allotment	\$1,000,000	\$1,000,000

<sup>1/</sup> The FY 2003 column reflects the President's budget request level.

**Total Construction Costs to be Allocated**

	Total Estimated Costs	Total to 9/30/02	FY 2003	FY 2004	Balance to Complete
Reclamation <sup>1/2/</sup>	\$30,000,000	\$12,384,991	\$1,000,000	\$1,000,000	\$15,615,009
Adjustments <sup>3/</sup>	10,000,000	2,168,584	0	0	7,831,416
<b>Total</b>	<b>\$40,000,000</b>	<b>\$14,553,575</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>	<b>\$23,446,425</b>

<sup>1/</sup> Includes investigation costs.

<sup>2/</sup> Reclamation total estimated costs have increased by \$12,910,000 compared to the amount reported in the FY 2003 Justifications due to additional work needed to enhance feasibility cost estimates.

<sup>3/</sup> Includes cost-sharing from Salton Sea Authority, a joint authority of Imperial and Riverside Counties, two local water districts, and the State of California.

**Construction Cost Allocation and Methodology:** Not applicable, because construction is not yet authorized.

**OTHER INFORMATION:** The Secretary of the Interior on December 19, 1997, after consultation with appropriate local, state, and Federal agencies, announced that Reclamation and the Salton Sea Authority were the joint lead agencies in completing the planning and environmental compliance for a cost-shared effort to restore the sea's health.

On November 12, 1998, Congress enacted P.L.105-372, the Salton Sea Reclamation Act of 1998, which authorizes the Secretary of the Interior, acting through Reclamation, to conduct a feasibility study. As directed by Section 101(b)(1)(B) of this Act, the Department of the Interior transmitted to Congress on January 27, 2000, the findings of the requested studies. The Secretary transmitted to Congress the Salton Sea Restoration Project Draft Environmental Impact Statement/Environmental Impact Report; an Overview and Summary of the Draft Environmental Impact Statement/Environmental Impact Report; a Strategic Science Plan prepared by the Salton Sea Science Subcommittee; and the draft Alternative Appraisal Report prepared by Reclamation. The documents, submitted to Congress and the public, provide a detailed description of the scope and results of scientific work (studies) undertaken during the previous 18 months. The Draft Environmental Impact Statement/Environmental Impact Report provided a menu of alternatives, associated environmental impacts, alternative cost estimates, and a summary of findings.

Restoration of the Salton Sea is a complex challenge that will require both immediate action, as well as a long-term understanding of the problems facing the Sea, calling for a dedicated but flexible approach. Continued partnerships and collaboration between science and project management, and among Federal, state, tribal, and local government entities and others, as well as continued support from Congress, will be essential for restoration of the Salton Sea to succeed.

On September 4, 2002, the Center for Biological Diversity, Cabazon Band of Mission Indians and the Sierra Club, filed a lawsuit in the U.S. District Court in Central District of California alleging that Reclamation has failed to comply with provisions of the Salton Sea Reclamation Act of 1998. On November 15th, 2002, Reclamation filed an answer in response to the complaint. A scheduling conference has not yet been assigned.

**APPROPRIATION CEILING:** Appropriations authorized under P.L. 102-575 are \$10,000,000. The comparable Federal obligation is \$10,000,000. This authorization is adequate to cover the research and planning program as currently proposed. Any future project development under this authorization would

require an increase in ceiling. Appropriations authorized under P.L. 105-372 have no ceiling connected to the work authorized for feasibility, but a ceiling is associated with work for river reclamation and other irrigation drainage water treatment actions (New and Alamo Rivers) in the amount of \$3,000,000. The comparable Federal obligation is \$17,000,000 relating to the feasibility work and \$3,000,000 relating to the river reclamation and other irrigation drainage water treatment actions.

**WORK PROPOSED FOR FY 2004:**

**Water and Energy Management and Development** – Continues on-going technological and biological studies and demonstration initiatives. Continues to update and enhance feasibility cost estimates based on information gathered from on-going pilot and demonstration projects such as the Salinity Control Research Facility and the (small) Solar Pond Evaporation Pilot Facility. Finalizes site-specific environmental documentation.

**\$1,000,000**

**Reclamation Request**

**\$1,000,000**

## San Diego Area Water Reclamation Program

**LOCATION:** This project is located in San Diego County, California.

**DESCRIPTION/JUSTIFICATION:** Greater use of reclaimed water results in decreased dependency on potable imported water including water from the Colorado River. This project consisted of four units:

The San Diego Water Reclamation Project is a regional water reclamation program being implemented by the cities of San Diego and Poway, Sweetwater Authority, Otay Water District, County of San Diego, and Tia Juana Valley County Water District. The project provides for the construction of five new wastewater treatment plants, expansion of an existing plant, along with distribution systems, and two conjunctive use projects. Total system capacity upon completion will be approximately 57,116 acre-feet per year.

The Escondido Water Reclamation Project is being implemented by the city of Escondido to upgrade its Hale Avenue Resource Recovery Facility from secondary treatment to tertiary treatment. A distribution system that will put the recycled water to beneficial use for non-potable purposes is also being constructed. In addition, the city of San Diego is planning to upgrade and expand its San Pasqual Water Reclamation Plant, which will produce recycled water for non-potable uses, and for a possible conjunctive use project. A distribution system will also be constructed. The city of Poway will construct a distribution system that will utilize recycled water from the San Pasqual plant. When completed, the three project components will deliver a total of approximately 11,200 acre-feet of recycled water annually.

The San Diego Water Repurification Project has been stopped by the city of San Diego, and the reclaimed water and funds that would have been used for this project are now included in the San Diego Water Reclamation Project.

The Padre Dam Municipal Water District Reclamation Project will upgrade and expand an existing water treatment plant and construct a distribution system that will deliver 2,000 acre-feet of recycled water annually.

**AUTHORIZATION:** P.L. 102-575 - Title XVI, Reclamation Wastewater and Groundwater Study and Facilities Act, October 30, 1992, and P.L. 104-266, Reclamation Recycling and Water Conservation Act of 1996, October 9, 1996.

**COMPLETION DATA:** As of September 30, 2002, this project is 37 percent complete.

San Diego Water Reclamation Project is scheduled for completion in 2010.

Escondido Water Reclamation Project will be complete in 2008, a delay of one year from that shown in the FY 2003 Budget Justifications, due to a revised construction and funding schedule.

Padre Dam Municipal Water District Reclamation Project is scheduled for completion in 2006, a delay of one year from that shown in the FY 2003 Budget Justifications, due to a revised construction and funding schedule.



**SUMMARIZED FINANCIAL DATA**

**Program Financial Data**

Activity	FY 2003 <sup>1/</sup>	FY 2004
Water and Energy Management and Development	\$50,326,687	\$89,966,000
Total Program	\$50,326,687	\$89,966,000
Prior year Funds	(4,895)	0
Non-Federal	(46,621,792)	(85,666,000)
Request	\$3,700,000	\$4,300,000
Underfinancing	TBD	0
Total Reclamation Allotment	\$3,700,000	\$4,300,000

<sup>1/</sup> The FY 2003 column reflects the President's budget request level as adjusted by the FY 2003 Budget Amendments transmitted to Congress on January 7, 2003. The original FY 2003 request amount of \$6,000,000 has been adjusted to \$3,700,000 to reflect the expenses related to the settlement of the "*Sumner Peck Ranch, Inc. v. Bureau of Reclamation*".

**Total Construction Costs to be Allocated**

	Total Estimated Costs	Total to 9/30/02	FY 2003	FY 2004	Balance to Complete
Reclamation	\$172,590,000	\$64,245,996	\$3,700,000	\$4,300,000	\$100,344,004
Adjustments <sup>2/</sup>	517,770,000	206,045,929	46,621,792	85,666,000	179,436,279
Total	\$690,360,000	\$270,291,925	\$50,321,792	\$89,966,000	\$279,780,283

<sup>2/</sup> Includes cost-sharing of \$366,415,589 from the cities of San Diego and Poway, Sweetwater Authority, Otay Water District, County of San Diego, and/or Tia Juana Valley County Water District for the San Diego Water Reclamation Project; \$118,128,632 from the cities of Escondido, Poway, and/or San Diego for the Escondido Water Reclamation Project; \$3,646,827 from the city of San Diego for the San Diego Water Repurification Project; and \$29,578,952 from Padre Dam Municipal Water District for the Padre Dam Municipal Water District Reclamation Project.

**Construction Cost Allocation and Methodology**

Allocation	FY 2003	FY 2004
Municipal and Industrial Water	\$690,360,000	\$690,360,000
Total	\$690,360,000	\$690,360,000

**METHODOLOGY:** The methodology of cost allocation has not been modified from last year. A decrease of \$398,132 in San Diego Water Reclamation Project, was offset by an increase of \$398,132 in the Escondido Water Reclamation Project all due to updated costs, which are the responsibility of the non-Federal partners.

**APPROPRIATION CEILING:** An appropriation ceiling was not included in the original authorizing legislation. P.L. 104-266, Reclamation Recycling and Water Conservation Act of 1996, imposed a ceiling of \$172,590,000. The comparable Federal obligation is \$172,590,000, which does not exceed the appropriation ceiling.

**WORK PROPOSED FOR FY 2004:**

**Water and Energy Management and Development –**

San Diego Water Reclamation Project - Continues work on design and construction of wastewater treatment plants and water distribution systems. 83,793,000

Non-Federal - Various (81,036,000)  
2,757,000

Escondido Water Reclamation Project - Continues work on construction of the treatment plant expansions and reclaimed water distribution systems. 5,666,000

Non-Federal - Cities of Escondido, Poway, and/or San Diego (4,250,000)  
1,416,000

Padre Dam Municipal Water District Reclamation Project - Continues work on design and construction for the second phase treatment plant expansion and reclaimed water distribution system.

Non-Federal - Padre Dam Municipal Water District 507,000  
(380,000)  
127,000

Subtotal, Water and Energy Management and Development **\$4,300,000**

**Reclamation Request \$4,300,000**

Please refer to the discussion in the Water & Related Resources Overview concerning the Title XVI Program, including the Program Assessment Rating Tool (PART) results for Title XVI.

**SEE APPENDIX FOR:** Benefit Cost Ratios as of October 1, 2003  
Project Repayment for FY 2004  
Status of NEPA Compliance

## **San Gabriel Basin Project**

**LOCATION:** This project is located in the San Gabriel Valley of Los Angeles County, California.

**DESCRIPTION/JUSTIFICATION:** This project consists of three units:

The San Gabriel Basin Demonstration Project is a conjunctive use project that was originally envisioned to address the most severe area of groundwater contamination within the San Gabriel Basin, namely the Baldwin Park Operable Unit, which is an Environmental Protection Agency Superfund site. However, after additional investigations, it was apparent that a comprehensive solution to the water supply and groundwater contamination problems was required to adequately protect the groundwater resources of the San Gabriel Basin. Additional operable units within the San Gabriel Basin, known as the El Monte, South El Monte, and Puente Valley Operable Units were included in the project to provide such a comprehensive remedy. The revised project continues to meet the original objectives by implementing conjunctive use projects that will enhance both the groundwater quality and the local and regional water supply. Treatment projects will remove volatile organic compounds and other contaminants from the groundwater, and then deliver the water for distribution. Extraction, treatment, and distribution of San Gabriel Basin groundwater will improve the basin's groundwater quality, increase storage capacity, and expand the basin's use for regional benefits.

The Rio Hondo Water Recycling Program will distribute 10,000 acre-feet of recycled water annually from the San Jose Creek Water Reclamation Plant for landscape irrigation and industrial process water. This use of recycled water will replace the need for a like amount of potable water, thereby lessening the demand on both imported and groundwater resources. By reducing the need for groundwater pumping, this program will assist in the prevention of further migration of contamination from the San Gabriel plume, and wastewater discharges to the ocean will be decreased. Components of the program are construction of a main pump station, a booster pump station, reservoir storage facilities (10 million gallons), and approximately 40 miles of pipeline.

The San Gabriel Valley Water Reclamation Program will utilize up to 10,000 acre-feet of reclaimed water annually from the San Jose Creek Water Reclamation Plant to recharge the San Gabriel groundwater basin in order to replace and/or supplement water currently being imported and recharged. There will be no net change in the amount of water currently being recharged as a result of implementation of this program. The recharge will be accomplished in the San Gabriel River channel downstream of Santa Fe Dam. Additional facilities to allow reclaimed water to be used for landscape irrigation and industrial use are also included.

**AUTHORIZATION:** P.L. 102-575 - Title XVI, Reclamation Wastewater and Groundwater Study and Facilities Act, October 30, 1992; P.L. 103-126, Water and Energy Appropriations Act for 1994, October 28, 1993; and P.L. 104-266, Reclamation Recycling and Water Conservation Act of 1996, October 9, 1996.

**COMPLETION DATA:** As of September 30, 2002, this project is 44 percent complete. The San Gabriel Basin Demonstration Project is scheduled for completion in 2006, a delay of one year from that shown in the FY 2003 Budget Justifications, due to a revised construction and funding schedule. The Rio Hondo Water Recycling Program is scheduled for completion in 2006, a delay of one year from that shown in the FY 2003 Budget Justifications, due to a revised construction and funding schedule. The San Gabriel Valley Water Reclamation Program is scheduled for completion in 2003.

## SUMMARIZED FINANCIAL DATA

## Program Financial Data

Activity	FY 2003 <sup>1/</sup>	FY 2004
Water and Energy Management and Development	\$28,261,565	\$13,795,000
Total Program	\$28,261,565	\$13,795,000
Prior year Funds	(13,427)	0
Non-Federal	(27,148,138)	(12,495,000)
Request	\$1,100,000	\$1,300,000
Underfinancing	TBD	0
Total Reclamation Allotment	\$1,100,000	\$1,300,000

<sup>1/</sup> The FY 2003 column reflects the President's budget request level as adjusted by the FY 2003 Budget Amendments transmitted to Congress on January 7, 2003. The original FY 2003 request amount of \$1,800,000 has been adjusted to \$1,100,000 to reflect the expenses related to the settlement of the "*Sumner Peck Ranch, Inc. v. Bureau of Reclamation*".

## Total Construction Costs to be Allocated

	Total Estimated Costs	Total to 9/30/02	FY 2003	FY 2004	Balance to Complete
Reclamation	\$38,090,000	\$28,117,000	\$1,100,000	\$1,300,000	\$7,573,000
Adjustments <sup>2/</sup>	114,270,000	49,741,862	27,148,138	12,495,000	24,885,000
Total	\$152,360,000	\$77,858,862	\$28,248,138	\$13,795,000	\$32,458,000

<sup>2/</sup> Includes cost-sharing of \$61,229,319 from the Three Valleys Municipal Water District, the San Gabriel Basin Water Quality Authority, and/or other entities for the San Gabriel Basin Demonstration Project; \$36,295,500 from the Central Basin Municipal Water District for the Rio Hondo Water Recycling Program; and \$16,745,181 from the Upper San Gabriel Valley Municipal Water District for the San Gabriel Valley Water Reclamation Program.

## Construction Cost Allocation and Methodology

Allocation	FY 2003	FY 2004
Municipal and Industrial Water	\$161,975,000	\$152,360,000
Total	\$161,975,000	\$152,360,000

**METHODOLOGY:** The methodology of cost allocation has not been modified from last year. The net decrease of \$9,615,000 includes an decrease of \$9,614,819 in San Gabriel Basin Demonstration, due to revised cost estimates from the San Gabriel Basin Water Quality Authority, partly offset by an increase of \$181 in the San Gabriel Valley Water Reclamation Program due to updated costs, which are the responsibility of the non-Federal partners.

**APPROPRIATION CEILING:** An appropriation ceiling was not included in the original authorizing legislation. P.L. 104-266, Reclamation Recycling and Water Conservation Act of 1996, imposed a ceiling of \$38,090,000. The comparable Federal obligation is \$38,090,000, which does not exceed the appropriation ceiling.

**WORK PROPOSED FOR FY 2004:**

**Water and Energy Management and Development –**

San Gabriel Basin Demonstration Project - Continues work on construction of wells, conveyance and pumping systems, and treatment plants. \$10,495,000

Non-Federal - Various (9,395,000)  
1,100,000

Rio Hondo Water Recycling Program - Continues work for construction of pipelines to deliver recycled water to various communities. 3,300,000

Non-Federal - Central Basin Municipal Water District (3,100,000)  
200,000

Subtotal, Water and Energy Management and Development **\$1,300,000**

**Reclamation Request \$1,300,000**

Please refer to the discussion in the Water & Related Resources Overview concerning the Title XVI Program, including the Program Assessment Rating Tool (PART) results for Title XVI.

**SEE APPENDIX FOR:** Benefit Cost Ratios as of October 1, 2003  
Project Repayment for FY 2004  
Status of NEPA Compliance

## **Southern Arizona Water Rights Settlement Act Project**

**LOCATION:** San Xavier and Schuk Toak Districts of the Tohono O'Odham Nation, Pima County, Arizona.

**DESCRIPTION/ JUSTIFICATION:** This project includes work funded by Reclamation for construction of Southern Arizona Water Rights Settlement Act facilities. Project facilities authorized by the Act include rehabilitation of the **San Xavier District** Existing Farm and construction of irrigation distribution systems to service the **Schuk Toak** New Farm and the San Xavier District New Farm. The San Xavier Existing Farm rehabilitation, Schuk Toak New Farm and San Xavier New Farm projects are also funded under Central Arizona Project for that portion of the delivery systems, which connect the on-reservation delivery systems to the Central Arizona Project. Other authorized work, such as the **Tohono O'Odham** Water Resource Inventory and Water Management Plan is also carried out under this project.

The Secretary of the Interior is required to deliver annually up to 16,000 acre-feet of water to the Schuk Toak District and 50,000 acre-feet of water to the San Xavier District of the Tohono O'Odham Nation at no cost to the Nation or Districts. The Act established the Cooperative Fund as a source of funds for the Secretary to meet these obligations. The Bureau of Indian Affairs administers the Cooperative Fund and funds are transferred to Reclamation to pay operational costs.

**AUTHORIZATION:** P.L. 85, Snyder Act, November 2, 1921 and P.L. 97-293, Southern Arizona Water Rights Settlement Act of 1982, October 12, 1982.

**COMPLETION DATA:** As of September 30, 2002, the entire project is 42 percent complete. The authorizing Act required delivery to the Tohono O'Odham Nation to begin prior to October 12, 1992. Additional legislation extended the completion date by nine months. Schuk Toak New Farm was substantially completed in FY 2000 and the San Xavier CAP-Link pipeline was considered substantially complete in June of FY 2001. Completion of the Tohono O'Odham Water Resource Inventory and final report has been extended from September 2001 to September 2003 at the tribe's request for additional time. The completion date of the San Xavier Existing Farm Rehabilitation is scheduled for FY 2005 and FY 2007 for the San Xavier Farm Extension. A scheduled completion of the San Xavier New Farm has been deferred until the Nation has resolved its outstanding issues. Reclamation will work with the Nation to develop a new schedule as needed.

**SUMMARIZED FINANCIAL DATA**

**Program Financial Data**

Activity	FY 2003 <sup>1/</sup>	FY 2004
Water and Energy Management and Development	\$4,825,955	\$4,017,000
Facilities Operations	776,000	776,000
<b>Total Program</b>	<b>\$5,601,955</b>	<b>\$4,793,000</b>
Prior Year Funds	(955)	0
Other Federal	(776,000)	(776,000)
Request	\$4,825,000	\$4,017,000
Underfinancing	TBD	0
<b>Total Reclamation Allotment</b>	<b>\$4,825,000</b>	<b>\$4,017,000</b>

<sup>1/</sup> The FY 2003 column reflects the President's budget request level.

**Total Construction Costs to be Allocated**

	Total Estimated Cost	Total to 9/30/02 <sup>2/</sup>	FY 2003	FY 2004	Balance to Complete
Reclamation	\$64,983,000	\$27,518,000	\$4,825,000	\$4,017,000	\$28,623,000
<b>Total</b>	<b>\$64,983,000</b>	<b>\$27,518,000</b>	<b>\$4,825,000</b>	<b>\$4,017,000</b>	<b>\$28,623,000</b>

<sup>2/</sup> Prior to FY 1997, construction costs for this settlement act's implementation activities, in excess of Central Arizona Project authorization, were funded from Bureau of Indian Affairs transfers as well as Reclamation appropriations under Indian Water Right Settlement Acts. Total obligations through September 30, 1997, from these other programs are \$9,282,040.

**METHODOLOGY:** There is no change to total estimated cost from the FY 2003 Budget Justifications.

**APPROPRIATION CEILING:** The Act does not provide an overall appropriation ceiling. However, Section 303 (a) (4) of the Act contains an appropriation authorization of \$3,500,000 plus or minus indexing for those features of the project, which are not authorized to be constructed under any other provision of law. The San Xavier District and the remainder of the Schuk Toak District new farm will be constructed under the provision of the Snyder Act, which does not specify an appropriation ceiling.

**WORK PROPOSED FOR FY 2004:**

**Water and Energy Management and Development – San Xavier Existing Farm Rehabilitation and Extension** – Begins several contracts and agreements to fully utilize the 28,200 acre-feet per year of effluent. Continues planning and design of the Extension portion of the Existing Farm, construction on the rehabilitation of the Existing Farm, and activities associated with general settlement act including the effluent utilization plan, water management plan and program oversight. 4,017,000

Subtotal, Water and Energy Management and Development **\$4,017,000**

**Facility Operations – Schuk Toak and San Xavier Water Delivery** – Continues water delivery through the Central Arizona Project system, and administers payments for the Operation and Maintenance contract with the Nation and Districts to operate and maintain a 2.5 mile off-reservation pipeline used to deliver Central Arizona Project water to the Schuk Toak and San Xavier farms.

	776,000	
Other Federal – Bureau of Indian Affairs	<u>(776,000)</u>	
Subtotal, Facility Operations		<u>0</u>
<b>Reclamation Request</b>		<b>\$4,017,000</b>

**SEE APPENDIX FOR:** Land Certification

- Obligations by Function for Operating Projects
- Project Repayment for FY 2004
- Summary of Irrigation Investment
- Status of NEPA Compliance



## Southern California Investigations Program

**LOCATION:** Includes the counties of Imperial, Inyo, Mono, Los Angeles, Orange, Riverside, San Bernardino, San Diego, and Ventura in California.

**DESCRIPTION/JUSTIFICATION:** The objective of this ongoing program is to help Southern California identify feasible, reliable, local water supplies in order to become more self-reliant in addressing their water supply needs. Southern California faces a critical situation where water demands exceed the dependable supply, and imported supplies are becoming increasingly less reliable. Many of the imported water supplies are experiencing increased competition from environmental sectors as well as uses from other areas of California and other states. Water supplies come from a number of sources, such as water imported from the Colorado River, the Sacramento-San Joaquin Delta of northern California, and other areas in California; locally developed surface supplies; groundwater; reclaimed wastewater, and seawater desalination. There is an interest in increasing local sources of water, improving water quality, and keeping water costs reasonable.

Reclamation's priorities include local water supply enhancement, water conservation, drought management, support of environmental restoration and enhancement, wetlands, technology transfer, and safeguarding water supplies. All of these priorities are being encountered in Southern California. Reclamation has and will continue to demonstrate the ability to assist local entities in solving problems and bringing concerned parties together to reach mutually beneficial solutions.

**AUTHORIZATION:** The Reclamation Act of 1902, June 17, 1902; Migratory Bird Treaty Act of 1918, July 3, 1918; P.L. 101-233, North American Wetlands Conservation Act of 1989, October 13, 1989; P.L. 102-575-Title XVI, Reclamation Wastewater and Groundwater Study and Facilities Act, October 30, 1992.

### SUMMARIZED FINANCIAL DATA

**Program Financial Data**

Activity	FY 2003 <sup>1/</sup>	FY 2004
Water and Energy Management and Development	\$2,414,812	\$2,270,000
Total Program	\$2,414,812	\$2,270,000
Prior year Funds	0	0
Non-Federal	(1,572,812)	(1,135,000)
Request	\$842,000	\$1,135,000
Underfinancing	TBD	0
Total Reclamation Allotment	\$842,000	\$1,135,000

<sup>1/</sup> The FY 2003 column reflects the President's budget request level.

**COST-SHARING:** City of San Diego Metropolitan Wastewater Department and Water Department, San Diego County Water Authority, Tia Juana Valley County Water District, Otay Water District, Sweetwater Authority, California American Water Company, Commission International Limits y Agua, Secretaria de Asentamientos Humanos y Obras Publicas, California Department of Health Services, California Regional Water Control Board, California Department of Water Resources, City of Santee, and City of Chula Vista for the Border of the Californias Recycled Water Study; Santa Ana Watershed Projects Authority, Eastern Municipal Water District, and other water interests in the area for the San Jacinto Watershed Water Quality, Supply and Environmental Enhancement Study; Fallbrook Public Utilities District,

Rancho California Water District, Eastern Municipal Water District, San Diego County Flood Control District, and Riverside Flood Control and Water Conservation District for the Santa Margarita River Watershed Management Study, the Water Replenishment District of Southern California, Los Angeles County Department of Public Works, and possibly Orange County Water District for the Shallow Passive Seawater Barrier Study, the Cities of Los Angeles and San Diego, Santa Ana Watershed Project Authority, San Diego County Water Authority, Metropolitan Water District of Southern California, Central and West Basin Municipal Water Districts, Sanitation Districts of Los Angeles County, Orange County Sanitation District, South Orange County Reclamation Authority, Big Bear Area Regional Wastewater Agency, and California Department of Water Resources for the Southern California Water Recycling Projects Initiative and the Los Angeles-San Gabriel Rivers Watershed Council, Los Angeles County Department of Public Works, City of Los Angeles, Water Replenishment District of Southern California, Metropolitan Water District of Southern California, Los Angeles County Sanitation Districts, California Department of Water Resources, and California Department of Transportation for the Los Angeles Basin County Watershed Study.

**WORK PROPOSED FOR FY 2004:**

**Water and Energy Management and Development –**

Border of the Californias Recycled Water Study – Continues detailed analysis of alternative strategies. Completes Phase I data collection, modeling, and initial screening evaluation of alternatives on both sides of the border to identify feasible alternative water supply and water quality strategies in the Tijuana River watershed. (FY 2002 - FY 2007) \$200,000  
 Non-Federal - Various (100,000)  
100,000

Los Angeles Basin County Watershed Study – Begins to identify alternative recharge opportunities within the watershed, identify additional seasonal beneficial uses; identify environmental enhancement opportunities within the watershed, particularly with respect to endangered and threatened species; and identify alternative water management strategies for improving water quality within the watershed. Begins surveying current watershed-wide knowledge including groundwater, land use, and environmental resources; and collect additional hydrologic and environmental data, including the monitoring of demonstration sites to address the important impacts to groundwater from storm water recharge. Continues progress on identified portions of analytical work. (FY 2003 - FY 2007) 150,000  
 Non-Federal - Various (75,000)  
75,000

San Jacinto Watershed Water Quality, Supply, and Environmental Enhancement Study – Continues evaluation of water management options. (FY 2000 - FY 2006) 150,000  
 Non-Federal – Various (75,000)  
75,000

Santa Margarita Watershed Study – Continues the work initiated in prior years, which includes identifying alternative recharge opportunities within the watershed; identifying additional seasonal beneficial uses; evaluation of environmental enhancement opportunities within the watershed, particularly with respect to endangered and threatened species; and development of alternative water management strategies for improving water quality within the watershed. (FY 2002 – FY 2006) 300,000  
 Non-Federal - Various (150,000)  
150,000

*Southern California Investigations Program*

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Shallow Passive Seawater Barrier Study – Continues to monitor hydraulic performance of a test section of the proposed shallow seawater barrier, an impermeable subsurface deep soil mix barrier intended to prevent seawater intrusion into the groundwater aquifer. This test section will help to determine the feasibility of using this technology to construct an impermeable barrier to prevent seawater intrusion into groundwater in areas where the aquifer is less than 120 feet deep. Estimated study completion date has been delayed one year due to its complexity. (FY 2002 - FY 2007) 700,000  
Non-Federal - Various (350,000)  
350,000

Southern California Water Recycling Projects Initiative – Continues engineering, economic, and programmatic environmental impact evaluations on water recycling projects and regional analyses, as recommended by Phase 1 and Phase 2 Initiative work. (FY 2000 - FY 2005) 770,000  
Non-Federal - Various (385,000)  
385,000

Subtotal, Water and Energy Management and Development **\$1,135,000**

**Reclamation Request \$1,135,000**

## South/Central Arizona Investigations Program

**LOCATION:** Includes the Gila River Drainage Basin; the counties of Apache, Cochise, Gila, Graham, Greenlee, La Paz, Maricopa, Navajo, Pima, Pinal, Santa Cruz, Yavapai, and Yuma in Arizona; and the counties of Hidalgo, Grant, and Catron in New Mexico.

**DESCRIPTION/JUSTIFICATION:** The objective of this ongoing program is to improve management of water resources by evaluating existing water supplies; identify possible future water supplies; and identify and analyze other resource issues. Water management and planning in areas of the State of Arizona is fragmented and beyond the current capabilities of State and local governments. Uncertainties concerning the adequacy of future water supplies exist in many areas due to rapid growth, conflicting Indian and non-Indian water rights claims, endangered species, and other environmental issues. Other issues include water quality, water use practices, the lack of a coordinated water service infrastructure, and use of water from Reclamation's Central Arizona Project. Assistance is needed to integrate the planning efforts of various local entities in order to identify long-range needs and evaluate the ability to meet the needs with available supplies.

With Federal assistance, the various municipal and Indian water providers will be brought together to cooperate on developing efficient water management strategies. Reclamation will help to identify the resource needs and constraints and attempt to identify water supply and management options available to meet these needs.

**AUTHORIZATION:** The Reclamation Act of 1902, June 17, 1902; P.L. 102-575 - Title XVI, Reclamation Wastewater and Groundwater Study and Facilities Act, October 30, 1992.

### SUMMARIZED FINANCIAL DATA

**Program Financial Data**

Activity	FY 2003 <sup>1/</sup>	FY 2004
Water and Energy Management and Development	\$2,190,154	\$1,250,000
Fish and Wildlife Management and Development	350,397	300,000
<b>Total Program</b>	<b>\$2,540,551</b>	<b>\$1,550,000</b>
Prior year Funds	(51,551)	0
Non-Federal	(1,692,000)	(775,000)
<b>Request</b>	<b>\$797,000</b>	<b>\$775,000</b>
Underfinancing	TBD	0
<b>Total Reclamation Allotment</b>	<b>\$797,000</b>	<b>\$775,000</b>

<sup>1/</sup> The FY 2003 column reflects the President's budget request level.

**COST-SHARING:** Sub-Regional Operating Group which includes the Cities of Phoenix, Tempe, Glendale, Mesa and Scottsdale for the Central Arizona Salinity Study; Maricopa County Flood Control District for the El Rio River Restoration Study; Maricopa County Flood Control District for the Floodplain Watershed Management Study; Town of Payson and Gila County for the Mogollon Rim Water Resource Management Study; Arizona Department of Water Resources, Santa Cruz County and city of Nogales for the Nogales Area Water Storage Study; Metropolitan Domestic Water Improvement District, Community Water of Green Valley, Arizona Department of Water Resources, and the Pima County for the Southern Arizona Regional

Water Management Study; Graham County and New Mexico Environmental Department for the Upper Gila River Watershed Restoration Study.

**WORK PROPOSED FOR FY 2004:**

**Water and Energy Management and Development –**

Central Arizona Salinity Study – Begins work on Phase II, which will be looking at solutions and alternatives for the problems discovered in Phase I, and actions to address increasing salinity issues associated with water imported from the Colorado River, local sources, and reuse options.

(FY 2002 - FY 2007) \$550,000  
Non-Federal - Various (275,000)  
275,000

El Rio River Restoration Study – Begins the study by developing a cost-share agreement, work plan, and scope of work. Begins the assessment of water quantity associated with recharge projects being constructed along Agua Fria. Determines the effects of water supply in the Gila River downstream of confluence of the Agua Fria and Gila, and the effects of an upstream project, the full-scale Tres Rios Project. (FY 2004 - FY 2008)

150,000  
Non-Federal - Maricopa County Flood Control District (75,000)  
75,000

Floodplain/Watershed Management Study - Begins the study by developing a cost-share agreement, work plan, and scope of work. Begins consultations with other Federal, State, Tribal, and local agencies, and stakeholders to assist in identifying priority areas for evaluation, and determining how best to provide general planning assistance in the development of improved water resources, reuse, local flood management practices, and related development of multi-purpose projects associated with water supply, quantity, and quality issues in central Arizona. (FY 2004 - FY 2009)

100,000  
Non-Federal – Maricopa County Flood Control District (50,000)  
50,000

Mogollon Rim Water Resource Management Study – Begins consultation with other Federal, State, Tribal and local agencies to identify potential alternatives and reviewing alternatives explored in the past to determine if any reasonable alternatives have not been considered. Continues data gathering and compilation of technical analysis for the study effort. The study has expanded from a local water supply study with one local partner to a regional water supply study with multiple partners to reflect critical water shortage in the area and the political importance placed on the study by the local residents. As an example of the shortage, one town in the study area (Pine, AZ) recently ran out of water, which necessitated water hauling to address drought conditions. Study completion has been delayed one year due to revised schedules. (FY 2003 - FY 2007)

200,000  
Non-Federal - Various (100,000)  
100,000

Nogales Area Water Storage Study – Begins to collect data and information needed in order to develop alternatives for the Santa Cruz Active Management Area. Continues to evaluate issues and options related to increasing water storage in the basin. (FY 2003 - FY 2006)

150,000  
Non-Federal - Various (75,000)  
75,000

*South/Central Arizona Investigations Program*

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Southern Arizona Regional Water Management Study – Completes the evaluation of water use alternatives for the Metro Tucson area. Completes an implementation plan. (FY 1997 – FY 2004)

	100,000
Non-Federal - Various	<u>(50,000)</u>
	50,000

Subtotal, Water and Energy Management and Development **\$625,000**

**Fish and Wildlife Management and Development –**

Upper Gila River Watershed Restoration Program – Continues activities in Arizona including completion of fluvial geomorphology study reports, and consultation on demonstration project proposals/implementation strategies with Graham County, the San Carlos/Safford/Duncan Watershed Advisory Group, and other stakeholders. Continues evaluating biological and applicable water rights investigations, implementing public involvement activities, and coordinating study efforts with Federal, State, and local government agencies and stakeholders in Arizona and New Mexico to improve water resource management in the Upper Gila River watershed. Study completion has been delayed two years due to additional work being requested by the non-Federal partners. (FY 2000 - FY 2007)

	300,000
Non-Federal - Graham County	<u>(150,000)</u>
	150,000

Subtotal, Fish and Wildlife Management and Development **150,000**

**Reclamation Request** **\$775,000**

## Tres Rios Wetlands Demonstration

**LOCATION:** This project is located near the city of Phoenix, Maricopa County, Arizona.

**DESCRIPTION/JUSTIFICATION:** The completed project will treat production water from an advanced secondary wastewater treatment facility and improve the quality of wastewater treatment plant flows to the Salt and Gila River systems. The purpose of this program is to conduct research and development activities which will enhance Reclamation's expertise in evaluating the use of constructed wetlands as one strategy for dealing with comprehensive water resource management issues.

**AUTHORIZATION:** P.L. 101-233, The North American Wetlands Conservation Act, December 13, 1989; P.L. 102-575 - Title XVI, Reclamation Wastewater and Groundwater Study and Facilities Act, October 30, 1992.

**COMPLETION DATA:** The demonstration preconstruction phase was completed in FY 1998. The wetland operations, technical studies, and research completion is scheduled for December 2007.

### SUMMARIZED FINANCIAL DATA

**Program Financial Data**

Activity	FY 2003 <sup>1/</sup>	FY 2004
Water and Energy Management and Development	\$410,688	\$930,000
Total Program	\$410,688	\$930,000
Prior Year Funds	(10,688)	0
Non-Federal	(200,000)	(300,000)
Request	\$200,000	\$630,000
Underfinancing	TBD	0
Total Reclamation Allotment	\$200,000	\$630,000

<sup>1/</sup> The FY 2003 column reflects the President's budget request level.

**Total Construction Costs to be Allocated**

	Total Estimated Cost	Total to 9/30/02	FY 2003	FY 2004	Balance to Complete
Reclamation <sup>2/</sup>	\$9,168,000	\$5,538,000	\$200,000	\$630,000	\$2,800,000
Adjustments <sup>3/</sup>	9,348,000	8,037,274	200,000	300,000	810,726
Total	\$18,516,000	\$13,575,274	\$400,000	\$930,000	\$3,610,726

<sup>2/</sup> Increase in costs of \$2,558,000 over that shown in the FY 2003 Justifications is due to the addition of areas of research that will address problems encountered during the operation of the demonstration project. Additional research is required for periodic aquatic plant die-off, impacts of wildlife to the wetlands, a safer access road, and reports on the additional studies.

<sup>3/</sup> Includes \$9,258,000 cost sharing from City of Phoenix and \$90,000 from the Environmental Protection Agency.

**APPROPRIATION CEILING:** None.

**WORK PROPOSED IN FY 2004**

**Water and Energy Management and Development** – Continues monitoring under the fourth research plan. Continues research, including new studies on beaver populations within the wet environment and surrounding geography. Continues research on vegetation sustainability, mosquito suppression techniques, habitat wildlife survey, and recreation. In addition, reports associated with these additional studies will be compiled. Completes any remaining status report work necessary for work conducted in previous years.

	\$930,000	
Non-Federal - City of Phoenix	<u>(300,000)</u>	
Subtotal, Water and Energy Management and Development		<b><u>\$630,000</u></b>
<b>Reclamation Request</b>		<b>\$630,000</b>



## Yuma Area Projects

**LOCATION:** These projects are located in western Arizona, southeastern California, and southern Nevada.

**DESCRIPTION/JUSTIFICATION:** The projects provide for operation and maintenance of Reclamation facilities from **Davis Dam** to the **Southerly International Boundary** with Mexico (approximately 276 river miles). Benefits provided by this project include irrigation, municipal and industrial water, flood and sediment control, recreation, and fish and wildlife. These facilities were constructed under the **Colorado River Front Work and Levee System** and Delivery of Water to Mexico Project. Delivery of Water to Mexico Project includes all activities necessary to meet the requirements of the 1944 Treaty with Mexico. The Yuma Area Projects also operate and maintain the river to deliver water to over 1 million acres of irrigable land in the United States and Mexico and to over 1,700,000 urban users in the United States and Mexico.

Program activities include operation and maintenance of the Colorado River channel and settling basins, river banklines, jetties, training structures, access roads, operating bridges, levees, flood ways, drainage and/or groundwater recovery wells and related carriage facilities, transmission lines and switchyard/substations, and operation and maintenance of fish and wildlife facilities. Also provided in the program are environmental investigations and studies to satisfy National Environmental Policy Act compliance and ensure the integrity of mitigation work. The program also provides for the operation and maintenance of reservoir facilities which include Imperial Dam, Laguna Dam, Senator Wash Dam, and Senator Wash Pumping/Generating Plant.

Water for the project is diverted from the All-American Canal to the forebay of the Siphon Drop Power Plant on the Yuma Main Canal, which then is distributed over the Valley Division and a portion of the Reservation Division. Some Reservation Division lands are served directly from turnouts on the All-American Canal above and below Siphon Drop. The Yuma Main Canal crosses underneath the Colorado River near Yuma in an inverted siphon to supply the West Main, Central, and East Main Canals of the Valley Division, which flow south and irrigate land to the Mexican border.

**AUTHORIZATION:** Reclamation Act of 1902, June 17, 1902 (Yuma Project approved by the Secretary of the Interior on May 10, 1904); P.L. 293, Yuma Auxiliary Project, January 25, 1917, as amended; P.L. 292, Second Deficiency Appropriation Act for 1924, Section 4 (The Fact Finders Act), December 5, 1924 (Gila Project approved by the President on June 21, 1937); P.L. 585, Colorado River Front Work and Levee System, March 3, 1925; P.L. 642, Boulder Canyon Project, December 21, 1928; P.L. 247, Interior Department Appropriation Act of 1948, July 30, 1947; and P.L. 88-25, Delivery of Water to Mexico, May 17, 1963; P.L. 106-221, Wellton Mohawk Transfer Act, June 21, 2000; P.L. 106-566, Conveyance to Yuma Port Authority, December 23, 2000. The projects were administratively consolidated into the Yuma Projects - with the approval of the appropriations committees in 1957.

**SUMMARIZED FINANCIAL DATA**

**Program Financial Data**

Activity	FY 2003 <sup>1/</sup>	FY 2004
Water and Energy Management and Development	\$1,658,297	\$1,552,000
Facility Operations	5,429,000	5,126,000
Facility Maintenance and Rehabilitation	13,801,757	16,044,000
Total Program	\$20,889,054	\$22,722,000
Prior Year Funds	(74,054)	0
Non-Federal	(50,000)	(50,000)
Request	\$20,765,000	\$22,672,000
Underfinancing	TBD	0
Total Reclamation Allotment	\$20,765,000	\$22,672,000

<sup>1/</sup> The FY 2003 column reflects the President's budget request level.

**WORK PROPOSED FOR FY 2004:**

**Water and Energy Management and Development** - Continues Regional and area office activities in water and power contract administration and compliance. Continues assistance to water districts in application of water conservation plans and measures. Continues research to improve water flow measurements at existing facilities. Continues radiation safety and soil classification activities. Continues science and technology development activities to stretch water supplies by controlling invasive aquatic and riparian plants. Completes Wellton Mohawk title transfer. **\$1,552,000**

**Facility Operations** - Continues water operations along the lower Colorado River. Continues scheduling water releases from Parker Dam for delivery of water to Mexican and American water users. Continues groundwater activities including operation of drainage wells for groundwater control. Continues collection of sediment samples. Continues well inventory program to identify Colorado River water users. Continues water accounting program to measure and account for water deliveries, water use, and return flows. **\$3,372,000**

Begins a Resource Management Plan (RMP) for the Coachella Canal area. Continues land and recreation facility operations along the lower Colorado River. Continues Geographic Information Systems administrative oversight, technical support, and maintenance of developmental and analytical projects. Continues river data base development to collect vital information required for operation of the Colorado River and drainage wells. Continues land exchanges, disposals, acquisitions, rights-of-way, utility crossing contracts, land resource inventories, out-grant administration, trespass resolution, and hazardous materials surveys. **1,122,000**

Continues activities associated with the planned use and protection of habitat for endangered and threatened species of concern. Continues fish and wildlife facility operations along the lower Colorado River, including environmental awareness, public education, and habitat oversight. Continues development of an environmental management system policy to identify activities, products and/or services of the Yuma Area Office functions, their impact on the environment, and actions related to compliance with the Endangered Species Act. Continues support of water quality law and assessment of danger of contaminants to fish and wildlife habitat. Continues efforts toward containment of *Salvinia Molesta* within the river and canal systems. **632,000**

Subtotal, Facility Operations **5,126,000**

**Facility Maintenance and Rehabilitation** - Continues ongoing infrastructure maintenance of the lower Colorado River system, including recreation, fish and wildlife facilities, 300 miles of banklines, jetties, levees, and access bridges and roads. Completes the Palo Verde bankline stabilization project above the Palo Verde Dam to protect banklines and increase water delivery and navigability downstream.

7,514,000

Continues sediment control along the river and within settling basins to ensure efficient water delivery to the United States and to Mexico. This activity includes surveying sediment distribution to develop specific scope of work, engineering design, disposal site determination and permitting, dredging, quality control inspections, and all necessary environmental work. Continues Laguna Dam Restoration to regain reservoir capacity and improve river flows through the Yuma and Limitrophe divisions.

2,222,000

Continues well-field facilities maintenance. Continues groundwater aquifer observation to maintain and project future groundwater levels. Continues maintenance of area and field offices. Continues inspections of dams and other structures to monitor and preserve facility reliability. Continues universal accessibility alterations at the Yuma Area Office to meet American Disabilities Act requirements.

6,308,000

Non-Federal: Yuma Cogeneration Association

(50,000)

6,258,000

Subtotal, Facility Maintenance and Rehabilitation **15,994,000**

**Reclamation Request** **\$22,672,000**

**SEE APPENDIX FOR:** Obligations by Function for Operating Projects

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