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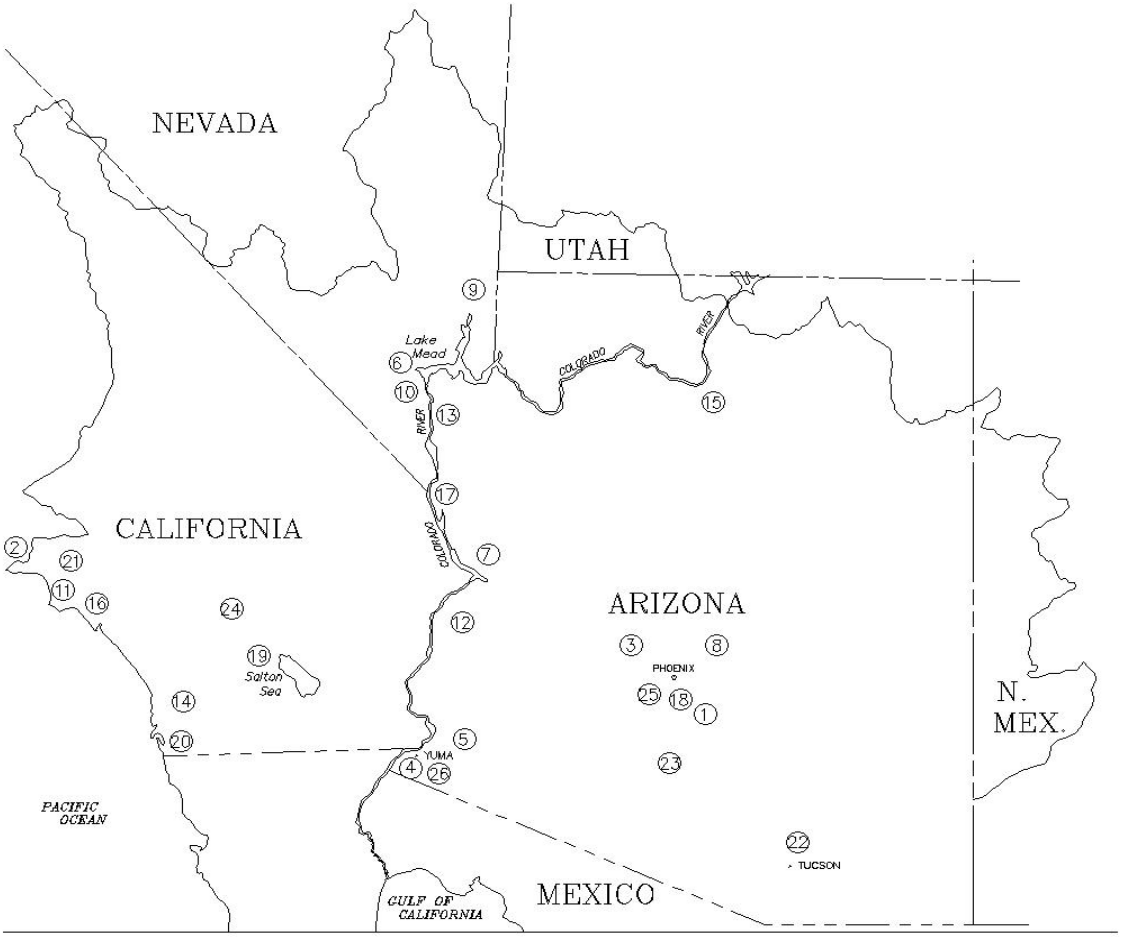
Lower Colorado Region



LEGEND

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SCALE OF MILES

KEY MAP

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

LOWER COLORADO REGION
FY 2005

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. Salton Sea Research Project
20. San Diego Area Water Reclamation Program
21. San Gabriel Basin Project
22. Southern Arizona Water Rights Settlement Act Program
23. South/Central Arizona Investigations Program
24. Southern California Investigations Program
25. Tres Rios Wetlands Project
26. Yuma Area Projects Consolidated

LC Programs Not Shown on Map:

Bureauwides Programs

FY 2005 Lower Colorado Region Budget Summary

($ in thousands)

	FY 2004		FY 2005							
Project	Enacted	Enacted w/ UF & ATB 1/	Water & Energy	Land Management	Fish & Wildlife	Facility Operations	Facility Maintenance	FY 2005 Request	Other Fed/ Non-Fed	Total Program
Ak Chin Indian Water Rights Settlement	5,743	5,592	0	0	0	6,893	0	6,893	0	6,893
Calleguas Municipal Water District Recycling Project	1,100	989	1,000	0	0	0	0	1,000	8,670	9,670
Colorado River Basin, Central Arizona Project	34,087	30,642	33,413	580	0	94	0	34,087	2,520	36,607
Colorado River Basin Salinity Control, Title I	11,250	10,897	781	0	0	1,780	8,208	10,769	100	10,869
Colorado River Front Work & Levee System	4,500	4,044	3,584	0	63	0	0	3,647	0	3,647
Colorado River Water Quality Improvement Program	150	135	150	0	0	0	0	150	0	150
Endangered Species Conservation/Recovery Program	1,673	1,503	0	0	1,298	0	0	1,298	668	1,966
Ft. McDowell Settlement Act Mitigation	1,000	899	712	0	0	0	0	712	0	712
Halfway Wash Project / Study	500	449	150	0	0	0	0	150	150	300
Hawaii Water Resources Study	100	89	0	0	0	0	0	0	0	0
Lake Mead/Las Vegas Wash Program	1,408	1,265	1,450	0	0	0	0	1,450	1,450	2,900
Long Beach Area Water Reclamation Project	1,800	1,617	1,000	0	0	0	0	1,000	625	1,625
Long Beach Desalination R&D Project	700	629	0	0	0	0	0	0	0	0
Lower Colorado River Investigations Program	525	472	564	0	0	0	0	564	564	1,128
Lower Colorado River Operations Program	13,822	12,422	6,295	0	9,027	0	0	15,322	7,428	22,750
North Las Vegas Water Reuse	1,000	899	0	0	0	0	0	0	0	0
North San Diego County Area Water Recycling	3,000	2,696	2,000	0	0	0	0	2,000	7,726	9,726
Northern Arizona Investigations Program	325	292	460	0	0	0	0	460	345	805
Orange County Regional Water Reclamation Project	3,500	3,145	2,000	0	0	0	0	2,000	111,842	113,842
Parker Davis Project	0	0	0	0	0	0	0	0	8,262	8,262
Pasadena Water Reclamation Project	250	225	0	0	0	0	0	0	0	0
Phoenix Metropolitan Water Reuse Project	250	225	0	0	0	0	0	0	0	0
Salt River Project	87	79	0	498	0	0	0	498	255	753
Salton Sea Research Project	4,000	3,595	1,000	0	0	0	0	1,000	0	1,000
San Diego Area Water Reclamation Program	4,300	3,865	3,500	0	0	0	0	3,500	39,223	42,723
San Gabriel Basin Project	1,300	1,168	500	0	0	0	0	500	14,871	15,371
San Gabriel Basin Restoration Project	10,000	9,941	0	0	0	0	0	0	0	0
Santa Margarita River Project	500	449	0	0	0	0	0	0	0	0
South/Central Arizona Investigations Program	775	697	770	0	100	0	0	870	870	1,740
Southern Arizona Water Rights Settlement Act Project	4,017	3,611	5,078	0	0	0	0	5,078	1,571	6,649
Southern California Investigations Program	1,835	1,649	740	0	0	0	0	740	740	1,480
Southern Nevada Water Recycling Project	3,000	2,696	0	0	0	0	0	0	0	0
Tres Rios Wetlands Demonstration Project	630	567	400	0	0	0	0	400	200	600
Yuma Area Projects	22,672	21,958	1,560	0	0	4,516	16,150	22,226	50	22,276
Subtotal, Enacted / Request	**139,799**	**129,401**	**67,107**	**1,078**	**10,488**	**13,283**	**24,358**	**116,314**	**208,130**	**324,444**
Underfinancing	(9,629)									
Rescission (H.R. 2673)	(769)									
Total - Water and Related Resources	**129,401**	**129,401**	**67,107**	**1,078**	**10,488**	**13,283**	**24,358**	**116,314**	**208,130**	**324,444**

1/ Reflects FY 2004 project funding after "Undistributed Reduction for Anticipated Delays" (Underfinancing) and Across-the-Board rescission of -0.59 % per H.R. 2673.

LOWER COLORADO REGION
FY 2005 OVERVIEW
($ in thousands)

FY 2004 Enacted	FY 2004 Enacted w/ UF & ATB [1/]	FY 2005 REQUEST FOR WATER AND RELATED RESOURCES					
		Water & Energy	Land Management	Fish & Wildlife	Facility Operations	Facility Maintenance	**Total Program**
$139,779	$129,401	$67,107	$1,078	$10,488	$13,283	$24,358	$116,314

[1/] Reflects FY 2004 project funding after "Undistributed Reduction for Anticipated Delays" (underfinancing), and Across-the-Board Rescission of -0.59% per H.R. 2673.

Reclamation's Water and Related Resources budget request for the Lower Colorado Region is $116,314,000. 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. 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. At the same time, the region is currently in its fourth year of drought. Water for urban uses is a major issue since the two 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 9.6 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 effectively fulfilling the Secretary of the Interior's role as water master on the lower Colorado River; maintaining Colorado River operations to fulfill our water delivery and power generation commitments while achieving compliance with the Endangered Species Act; continuing construction of the Central Arizona Project; and continuing water conservation and water reuse programs to improve water use without development of new water supplies.

Water and Energy Management and Development - The request of $67.1 million includes work on the Central Arizona Project to accomplish several objectives: continuing construction of the Indian Distribution Systems; continuing work to protect native fish in the Gila and Santa Cruz river basins; and continuing environmental impact statement mitigation commitments and endangered species work at New Waddell and Roosevelt Dams. Land acquisition for the Del Bac transmission facilities will be initiated. 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 with acquisition of rights-of-way expected to begin. Construction of Indian water 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 begins work to align the Colorado River and Gila River confluence. This level of funding will continue work on 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, reduce the resulting sediment load below Palo Verde Diversion Dam, and allow for work on the All-American Canal Reservoir. Work will be completed on bankline stabilization measures below the Palo Verde Diversion Dam.

The Fort McDowell Settlement Act work essentially completes in FY 2005 and includes mitigation work for cultural resource lands removed from the farming operations that is the responsibility of the Federal government.

The Lake Mead/Las Vegas Wash Program will continue work on hydraulic features in the wash that will reduce erosion, control sediment entering Lake Mead and allow the re-establishment of wetlands and other off-channel improvements.

The Lower Colorado River Operations Program 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. Issues such as water management, the California water use plan, and limiting water users to their legal entitlements are handled in this program.

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

The Title XVI water reclamation and reuse programs in the region will primarily help California reduce its use of Colorado River water. At the proposed funding level, construction will continue on six projects: the Calleguas Municipal Water District Recycling Project, Long Beach Area Water Reclamation Project, North San Diego County Area Water Recycling Project, Orange County Regional Water Reclamation Project - Phase I, San Diego Area Water Reclamation Project, and the San Gabriel Basin Project.

The four Investigation Programs contain funding for 21 studies. Two specific planning programs, Halfway Wash Project/Study and the Colorado River Water Quality Improvement Program, will continue in FY 2005. The Halfway Wash Project study continues the investigation of an off-stream water storage site on the Virgin River. The Colorado River Water Quality Improvement Program continues to monitor and investigate the salinity sources in the region, and is identifying sources of pollution entering the Colorado River from the Las Vegas Wash.

The Salton Sea Project 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. In January 2003, a Salton Sea Study Status Report was released. This status report contains the most up-to-date information available on various proposals for full or partial restoration of the Salton Sea. This request will continue studies and activities on various restoration alternatives.

Land Management and Development - The request of $1.1 million will continue development of trails and recreation facilities along the Central Arizona Project aqueduct and for land management for those project lands associated with portions of the project for which there are no any operating entities or facilities. The request also provides for a minimum level of Federal stewardship on the Salt River Project and continues development of recreation facilities on Salt River Project canals.

Fish and Wildlife Management and Development - The request of $10.5 million continues work under the Endangered Species Conservation and Recovery Project and the Lower Colorado River Operations Program. The environmental portion of the Lower Colorado River Operations Program has been increased to initiate the long-term multi-species conservation program in May 2005. This will provide a permanent means to avoid a jeopardy opinion on Reclamation's river operations. This conservation plan will provide to our users long term ESA compliance for their day-to-day activities. The plan also provides Endangered Species Act coverage for future actions that transfer water diversion points and water deliveries among users. This level of funding is required to continue the reasonable and prudent alternatives and measures contained in the Fish and Wildlife Service's biological opinion on Reclamation's lower Colorado River operations and to avoid a jeopardy opinion.

Facility Operations - This request of $13.3 million provides for the 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 is also included to continue the operation of drainage wells and bypass facilities for the Colorado River Basin Salinity Control Program - Title I, which assures that water delivered to Mexico continues to meet salinity requirements as defined by Minute 242 of the Mexican Treaty. Under Yuma Area Projects, work 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, and structures inventory.

Facility Maintenance and Rehabilitation - The request of $24.4 million provides funding for the Colorado River Basin Salinity Control Program, Title I, to keep the Yuma Desalting Plant in ready reserve status. This includes maintenance of the Bypass Drain, the Protective and Regulatory Pumping Unit, as well as the equipment and structures of the plant. Funding is also provided to explore alternatives to operating the plant. This primarily involves continuing short-term leases of agricultural water rights from willing parties and a long-term program to bank water to offset the need to recover bypassed water once the interim period ends. Funding under the Yuma Area Projects meets the ongoing infrastructure maintenance programs needs 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. It also continues Laguna reservoir dredging to regain reservoir capacity and improve flows through the Yuma and Limitrophe divisions. Water and power users will fund the Parker-Davis Project 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 permanent Central Arizona Project Cultural Resources Repository.

Accomplishments in FY 2003 include completion of the Los Angeles Area Water Reclamation and Reuse 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.

Lower Colorado Region - Performance Goals and Targets

RESOURCE USE

End Outcome Goal: Deliver Water Consistent with Applicable State and Federal Law, in an Environmentally Responsible and Cost-Efficient Manner

End Outcome Measures	2002 Actual	2003 Actual	2004 President's Budget	2004 Final Target	FY 2005 Plan	Change in Performance 2004 Final Target to 2005 Plan	Long-term Target (2008)
Water Delivery: Acre-feet of water delivered consistent with applicable substantive and procedural requirements of Federal and State water law	10.5 maf	9.87 maf	9.6 maf	9.6 maf	9 maf	600,000 af	9 maf
Reliability: Amount of acre-feet of restricted capacity	--	--	4,692	4,692	4,692	0	4,692
Percent of water facilities that do not receive Federal or State notices of violation under environmental requirements as defined by Federal and State law	--	--	100%	8.5/10 = 85%	8.5/10 = 85%	0%	8.5/10 = 85%
Intermediate Outcome Measures	**2002 Actual**	**2003 Actual**	**2004 President's Budget**	**2004 Final Target**	**FY 2005 Plan**	**Change in Performance 2004 Final Target to 2005 Plan**	**Long-term Target (2008)**

Strategy 1: Operate and Maintain Safe and Reliable Water Infrastructure **Facilities Reliability:** Water infrastructure are in fair to good condition as measured by the Facilities Reliability Rating	--	--	18/18 = 100%	18/18 = 100%	18/18 = 100%	0%	18/18 = 100%
Strategy 2: Effective Water Management to Optimize Supply **Supply Management:** Number of agreements, partnerships and management options exercised resulting in improved water supply	--	--	2	0	0	2	0
Strategy 3: Address Environmental/ Resource Stewardship Concerns **Requirements:** Percent of environmental audit findings and reviews addressed (results pertain to both water and hydropower facilities)	--	--	50%	80%	80%	0%	80%
Strategy 4: Complete construction projects to increase delivery infrastructure and water availability **Increased Supply:** Potential acre-feet made available through completion of projects	17,500 af	24,000 af	31,980 af	69,220 af	36,250 af	32,970 af	25,000 af
RESOURCE USE **End Outcome Goal:** Deliver Hydropower Consistent with Applicable State and Federal Law, in an Environmentally Responsible and Cost-Efficient Manner							

End Outcome Measures	2002 Actual	2003 Actual	2004 President's Budget	2004 Final Targets	FY 2005 Plan	Change in Performance 2004 Final Target to 2005 Plan	Long-term Target (2008)
Percent of power facilities that do not receive notices of violations under environmental requirements as defined by Federal and State law	--	--	100%	2.55/3 = 85%	2.55/3 = 85%	0%	2.55/3 = 85%
Intermediate Outcome Measures	**2002 Actual**	**2003 Actual**	**2004 President's Budget**	**2004 Final Targets**	**FY 2005 Plan**	**Change in Performance 2004 Final Target to 2005 Plan**	**Long-term Target (2008)**
Strategy 1: Operate and Maintain Reliable, Safe and Secure Power Facilities Facility reliability: Power Facilities are in fair or better condition as measured by the appropriate Facilities Reliability Rating	--	--	--	3/3 = 100%	3/3 = 100%	0%	3/3 = 100%
RECREATION **End Outcome Goal:** Provide for a Quality Recreation Experience, including Access and Enjoyment of Natural and Cultural Resources on DOI Managed and Partnered Lands and Waters							
Intermediate Outcome Measure	**2002 Actual**	**2003 Actual**	**2004 President's Budget**	**2004 Final Targets**	**FY 2005 Plan**	**Change in Performance 2004 Final Target to 2005 Plan**	**Long-term Target (2008)**

Strategy 1: Improve Capacities to Provide Access for Recreation **Universal Access:** Percent of universally accessible facilities in relation to the total number of recreation areas	--	--	3.57/17 = 21%	3.57/17 = 21%	3.74/17 = 22%	1%	4.25/17 = 25%
Strategy 3: Manage Recreation Activities Seamlessly **Enhance Partnerships:** Percent of recreation areas with community partnerships	--	--	--	17/19 = 89%	17/19 = 89%	0%	17/19 = 89%

RECREATION

End Outcome Goal: Fair Value in Recreation

Intermediate Outcome Measure	**2002 Actual**	**2003 Actual**	**2004 President's Budget**	**2004 Final Targets**	**FY 2005 Plan**	**Change in Performance 2004 Final Target to 2005 Plan**	**Long-term Target (2008)**
Strategy 1: Promote Quality Services for Recreation **Increase Competition:** Percent of concession activities with performance based contracts	--	--	--	0	0	0	0

RESOURCE PROTECTION

End Outcome Goal: Sustain Desired Biological Communities on DOI Managed and Influenced lands and Waters in a Manner Consistent with Obligations Regarding the Allocation and Use of Water

End Outcome Measure	**2002 Actual**	**2003 Actual**	**2004 President's Budget**	**2004 Final Targets**	**FY 2005 Plan**	**Change in Performance 2004 Final Target to 2005 Plan**	**Long-term Target (2008)**

Percent change from baseline in the number of acres infested with invasive plant species	--	--	30%	30%	30%	30%	30%
RESOURCE PROTECTION **End Outcome Goal:** Protect Cultural and Natural Heritage Resources							
End Outcome Measure	**2002 Actual**	**2003 Actual**	**2004 President's Budget**	**2004 Final Targets**	**FY 2005 Plan**	**Change in Performance 2004 Final Target to 2005 Plan**	**Long-term Target (2008)**
Percent of collections in DOI inventory in good condition ***Per agency guidance performance targets are set at "0" as baseline data is being developed.**	--	--	--	*0 (71% 5/7) repositories assessed	*0 (100% 7/7) repositories assessed	*0	100%

FY 2005 Projected Accomplishments

End Outcome Goal: Deliver Water Consistent with Applicable State and Federal Law, in an Environmentally Responsible and Cost-Efficient Manner

Water Delivery: Acre-feet of water delivered consistent with applicable substantive and procedural requirements of Federal and State water law:
The Lower Colorado Region's FY 2005 projected accomplishment includes the expected delivery of 9,000,000 acre-feet of water to contract holders (i.e. California, Arizona, Nevada, and Mexico).

Increase Water Available: Potential acre-feet made available through the completion of projects. Increase in acre-feet of water availability due to substantial completion of water supply and recycling/reuse projects or parts of projects:
In FY 2005, the Lower Colorado Region is projecting that an additional 36,250 acre-feet of water will be made available through the completion or partial completion of the San Elijo Water Reclamation Program (North San Diego County Area Water Recycling Project); the Mission Basin Project (Mission Basin Project); the Olivenhain Southeast Quadrant Recycled Water Project (North San Diego County

Area Water Recycling Project); the Encina Basin Project (North San Diego County Area Water Recycling Project); the Central Basin Treatment Facility (San Gabriel Restoration Project); the San Gabriel Valley Groundwater Remediation - Phase 2 Project (San Gabriel Restoration Project), the Gila River Indian Community (Central Arizona Project), and the San Xavier Cooperative Farm Rehabilitation Program (Central Arizona Project).

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

Assure Reliability of Reclamation Generation: ***Achieve the Industry Average or Lower Forced Outage Rate: Percent of time in forced outage equal to or better (lower) than the industry average:***
In FY 2005, the Lower Colorado Region expects to achieve a forced outage rate that is lower than the industry average for the Region's power facilities.

Facilities Reliability Rating – Power Facilities: ***Hydropower facilities are in fair to good condition as measured by the Facilities Reliability Rating. Percent of power facilities in fair to good condition:***
It is expected that the power facilities located within the Region will maintain a fair to good condition rating as measured by the Facilities Reliability Rating.

End Outcome Goal: Provide for a Quality Recreation Experience, including Access and Enjoyment of Natural and Cultural Resources on DOI Managed and Partnered Lands and Waters

Enhance Partnerships: ***Percent of recreation areas with community partnerships:***
The Lower Colorado Region expects to continue to maintain community partnerships on 89 percent of recreation areas in FY 2005.

FY 2003 Performance Highlights

End Outcome Goal: Deliver Water Consistent with Applicable Sate and Federal law, in an Environmentally Responsible and Cost-Efficient Manner

Deliver Water: In FY 2003, deliver or release water from Reclamation owned and operated facilities, dependent on precipitation and water availability.
In FY 2003, the Lower Colorado Region exceeded this performance measure by delivering 9,870,000 acre-feet of water to contract holders (i.e. California, Arizona, Nevada, and Mexico).

Increase Water Available: In FY 2003, increase water availability in acre-feet by completing water supply, energy, and recycling/reuse projects, or other activities that increase water availability:
There was an increase if 24,000 acre-feet of water made available in FY 2003 due to the completion of the Coneho Creek Diversion Project and the Terminal Island Project.

Assist Districts: ***In FY 2003, promote the efficient use of water supplies associated with Federal water projects by assisting entities in water conservation planning and management:***
In FY 2003, the Lower Colorado Region significantly exceeded this performance measure by assisting 77 entities in water conservation planning and management. The goal was exceeded due to the number of new entities seeking assistance in minimizing or mitigating the damagers of the current drought situation.

End Outcome Goal: Deliver Hydropower Consistent with Applicable State and Federal law, in an Environmentally Responsible and Cost-Efficient Manner

Cost of Power Production: ***In FY 2003, deliver power at a cost that is as low as, or lower than the cost of the 75th percentile for comparable hydropower facilities:***
The Lower Colorado Region exceeded this goal in FY 2003, by delivering power at a cost that was lower than the 75th percentile of comparable hydropower facilities. Parker and Davis powerplants were rated as top performers in the delivery of hydroelectric power for comparable hydropower facilities within the U.S. and Canada.

Cost and Performance Information

Performance and Budget Integration: Examples of the use of cost and performance information/data in management decisions, budget formulation, and execution.

The Lower Colorado Region takes a proactive approach with performance and program management. Annual works plans and annual performance targets are reviewed by senior management and form the bases of all budget requests. Program managers review and utilize historical costs and data, along with future work expectations to accomplish Regional and agency goals and priorities when developing annual work plans and budget requests. Program work plans/budget requests are entered into an automated database which link projected accomplishments to the Department's Strategic Plan and agency mission goals. The automated system also allows for the appropriate Activity Based Cost Management code. Financial data within the Region has been coded with the appropriate Activity Based Cost Management code. At least quarterly, program and performance shortfalls are identified and addressed with senior and program management and appropriate actions taken to address concerns.

In FY 2003, the Region conducted Facility Reliability Ratings (FRR) on 100 percent of the high and significant hazard dams; associated facilities; and power facilities within the Region. Data received on the FRRs conducted within the Region set future work priorities and future performance targets have been set to maintain or improve these program ratings. In addition, the program assessment of the Region's Accessibility Program allowed the opportunity for each office to review their current status and develop action plans for meeting agency goals and commitments.

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 2004	FY 2005
Facility Operations	$5,745,093	$6,893,000
Total Program	$5,745,093	$6,893,000
Prior Year Funds	(2,093)	0
Enacted/Request	$5,743,000	$6,893,000
Underfinancing	(118,000)	0
Rescission (H.R. 2673)	(33,000)	0
Total Reclamation Allotment	$5,592,000	$6,893,000

WORK PROPOSED FOR FY 2005:

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. **$6,893,000**

Reclamation Request **$6,893,000**

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, 2003, this project is 18 percent completed. The project is scheduled for completion in 2010.

SUMMARIZED FINANCIAL DATA

Program Financial Data

Activity	FY 2004	FY 2005
Water and Energy Management and Development	$9,947,907	$9,670,000
Total Program	$9,947,907	$9,670,000
Prior Year Funds	(12,907)	0
Non-Federal	(8,835,000)	(8,670,000)
Enacted/Request	$1,100,000	$1,000,000
Underfinancing	(105,000)	0
Rescission (H.R. 2673)	(6,000)	0
Total Reclamation Allotment	$989,000	$1,000,000

Total Construction Costs to be Allocated

	Total Estimated Cost	Total to 9/30/03	FY 2004	FY 2005	Balance to Complete
Reclamation	$20,000,000	$4,845,000	$989,000	$1,000,000	$13,166,000
Adjustments 1/	70,795,000	10,640,000	8,835,000	8,670,000	42,650,000
Total	$90,795,000	$15,485,000	$9,824,000	$9,670,000	$55,816,000

1/ Includes cost-sharing of $70,795,000 from Calleguas Municipal Water District.

Construction Cost Allocation and Methodology

Allocation	FY 2004	FY 2005
Municipal and Industrial Water	$91,157,000	$90,795,000
Total	$91,157,000	$90,795,000

METHODOLOGY: The methodology of cost allocation has not been modified from last year. The decrease of $362,000 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 2005:

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

	9,670,000	
Non-Federal - Calleguas Municipal Water District	(8,670,000)	
Subtotal, Water and Energy Management and Development		**$1,000,000**
Reclamation Request		**$1,000,000**

SEE APPENDIX FOR: Benefit Cost Ratios as of October 1, 2004
Project Repayment for FY 2005
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. 89-72, Federal Water Project Recreation Act of 1965, July 9, 1965, as amended by P.L. 102-575 - Title XXVIII, Reclamation Recreation Management Act, October 30, 1992; P.L. 90-537, Colorado River Basin Project Act, September 30, 1968; P.L. 97-293 -Title II, Southern Arizona Water Rights Settlement Act of 1982, 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; P.L. 107-66, Energy and Water Development Appropriation Act of 2002, November 12, 2001; and P.L. 108-137, Energy and Water Development Appropriation Act of 2004, December 1, 2003.

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 Settlement 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. 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, 2003, the Central Arizona Project is 85 percent complete, which is a decrease from that presented in the FY 2004 Justifications due to a new analysis of the construction work actually completed in fiscal years 2002 and 2003. 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 2004	FY 2005
Water and Energy Management and Development	$33,289,655	$35,432,000
Land Management and Development	2,548,153	1,041,000
Facility Operations	120,204	134,000
Total Program	$35,958,012	$36,607,000
Prior Year Funds	(4,012)	0
Non-Federal Cash Participation	(290,000)	(210,000)
Non-Federal Non-Cash Participation	(1,577,000)	(2,310,000)
Enacted/Request	$34,087,000	$34,087,000
Underfinancing	(3,263,000)	0
Rescission (H.R.2673)	(182,000)	0
Total Reclamation Allotment	$30,642,000	$34,087,000

Total Construction Costs to be Allocated

	Total Estimated Cost	Total to 9/30/03	FY 2004	FY 2005	Balance to Complete
Lower Colorado River Basin Development Fund 1/	$4,207,938,000	$3,261,305,052	$30,169,000	$33,794,000	$882,669,948
Non-Indian Distribution Systems 2/	240,951,222	240,951,222	0	0	0
Project Total	$4,448,889,222	$3,502,256,274	$30,169,000	$33,794,000	$882,669,948
Adjustments 3/	797,526,647	684,179,565	1,827,000	2,380,000	109,140,082
Total Costs	$5,246,415,869	$4,186,435,839	$31,996,000	$36,174,000	$991,810,030

1/ 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.

2/ 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.

3/ This amount includes $2,529,000 for Central Arizona Project and $-71,982 for the Non-Indian Distribution Systems for transfer of property; $227,645,000 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 $298,281,367 for municipal and industrial, and $135,193,941 for commercial power.

Construction Cost Allocation and Methodology

Allocation	FY 2004	FY 2005
Irrigation 1/	$1,434,074,828	$1,435,290,427
Power	660,737,815	659,316,076
Municipal and Industrial Water	1,408,409,670	1,401,826,694
Recreation	161,736,471	161,573,826
Environmental Enhancements 2/	288,000	288,000
Flood Control	122,959,665	122,787,807
Non-Indian Distribution Systems 3/	300,542,050	300,409,561
Indian Distribution Systems 4/	642,277,000	652,387,000
Other 5/	102,103,721	98,924,315
Unallocated Costs 6/	401,348,163	413,612,163
Total	$5,234,477,383	$5,246,415,869

1/ FY 2005 includes $993,519,350 for costs allocated to Indian irrigation which is eligible for deferral under the Leavitt Act and $441,771,077 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.

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, $295,885,388.

4/ Indian Distribution Systems 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 $39,672,687 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 $50,920,351 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 $356,956,000 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 $56,656,163 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 2004 Budget Justifications. The allocations for FY 2005 also incorporate changes in total costs. The following is a summary of impacts on individual allocations:

Irrigation increased $1,215,599 due to the increase of Indian Distribution Systems caused by indexing.
Power decreased $1,421,739 as a result of its allocable share of the $10,000,000 credit from the arbitrated settlement on the siphon repairs.
Municipal and Industrial water decreased $6,582,976 as a result of its allocable share of the $10,000,000 credit from the arbitrated settlement on the siphon repairs.
Recreation decreased $162,645 as a result of the siphon settlement credit's portion allocated to joint costs.
Environmental Enhancement did not change.
Flood Control decreased $171,858 due to its allocable share of the $10,000,000 credit from the arbitrated settlement on the siphon repairs.
Non-Indian Distribution Systems decreased $132,489 for funds received from Hohokam Irrigation and Drainage District, completing its contributed share of the project.
Indian Distribution Systems increased $10,110,000 due to indexing to October 2004 projected prices, particularly for the Gila River Indian Community's remaining works.
Other decreased $3,179,406 due to its allocable share of the $10,000,000 credit from the arbitrated settlement on the siphon repairs, which decreased the non-reimbursable federal obligation.
Unallocated Costs increased $12,264,000 due to indexing to October 2004 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 settlements, 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 a recommendation to the Secretary of the Interior on January 20, 2000, to 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, the contracts will be executed 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. The funding agreement was amended in October 1987, to reflect the deletion of Cliff Dam from Plan 6. Construction of all Plan 6 facilities, including Safety of Dams, is substantially complete. The funding agreement was amended again on December 21, 1993, to reassign the water rights and repayment obligation of the Hohokam Irrigation and Drainage District to the Plan 6 city participants to satisfy the 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 $1,204,000. 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. The settlement agreement, approved by the Interior Board of Appeals Judge on January 28, 2003, provides for payment to be made to the Bureau of Reclamation for $10,000,000. Once the settlement has been paid in full, Counsel will submit a joint stipulation and the Board will then issue an order dismissing the appeals with prejudice. Repairs have been substantially completed on the siphons. The total cost to repair all six siphons is estimated at $101.8 million, which includes $10 million reimbursement from the contractor. 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. On August 24, 1997, both lawsuits against the Secretary were consolidated.

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. 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.

On March 12, 2000, the Federal judge ruled on the Southwestern Center for Biological Diversity's motion for summary judgment. The court concluded that the U.S. Fish and Wildlife Service fully complied with the requirements under the Endangered Species Act. The court further 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 $4,070,502,000 (October 2004). The comparable Federal obligation is $4,206,604,000 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 $403,226,366 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 $240,951,222. The authorized ceiling at the time of substantial completions was $347,466,000 (October 1996).

WORK PROPOSED FOR FY 2005:

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

Hayden-Rhodes Deficiency Works - Continues tendon repairs to Centennial, Jackrabbit and Hassayampa siphons. $1,849,000

Non-Federal Non-cash Participation – Central Arizona Water Conservation District. (1,849,000)

Total Hayden-Rhodes Deficiency Works 0

Regulatory Storage Division – New Waddell Dam - Completes the final report and recommendations for the fish limnology follow-up study. 28,000

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, surveys and nest monitoring, habitat monitoring and the flycatcher banding program, annual funding of management and oversight of the San Pedro Preserve and program administration and financial support for ongoing activities including 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. 1,951,000

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. (170,000)

Total Regulatory Storage Division 1,809,000

Tucson Reliability Division - Begins land acquisition and right-of-way activities. Continues coordination and design elements for the reliability feature, which includes extensive water quality evaluations, public information and involvement activities, and development of an implementation plan with Tucson Water. Completes the design of Black Wash and Northwest Tucson Reliability Reservoirs. 959,000

Transmission Division Deficiency - Begins the land acquisition activities for the Del Bac transmission line facilities. 1,270,000

Indian Distribution Division - Continues ongoing activities being performed by the Gila River Indian Community, a Self Governance Tribe. The work 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 engineering and economic analysis of selected project plan for the San Carlos Apache distribution system, acquisition of right-of-way easements, cultural resource surveys and testing, design and construction of the Tribes irrigation system, and associated Reclamation oversight; rehabilitation of the San Xavier Existing Farm and Extension; resumes planning studies of the Sif Oidak (Chui Chu) system, and planning and design of Camp Verde Yavapai Apache distribution system. Work continues on tribal coordination, program oversight and administration of all of the tribal entities, and general Indian Distribution System program administration. The environmental compliance documents for the San Carlos system will be completed.
21,358,000

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, project lab assessment fees, and workers compensation associated with injuries incurred during the construction of CAP. 889,000

Curation Facilities – Continues training program and curation management and oversight of Huhugam Heritage Center repository. 436,000

Native Fish Protection – Begins construction of the Santa Cruz Fish Barrier. Continues working with the U.S. Fish and Wildlife Service to meet legal requirements under the Section 7 Biological Opinion for the Gila and Santa Cruz Rivers including non-native fish eradication, native fish conservation and public information and education program. Completes construction of the Blue River, Bonita Creek, Hot Springs, O'Donnel Creek, and Redrock Fish Barriers. 6,692,000
Total Other Project Costs 8,017,000

Subtotal, Water and Energy Management and Development **$33,413,000**

Land Management and Development - Land Management - Continues 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; as well as cultural resource administration and field reviews. Title XXVIII Recreation Management – Continues assistance efforts with the City of Phoenix and the City of Scottsdale for the improvement of public recreation facilities. Continues work on the Hayden Rhodes Regional Trail System. Continues work on the design and safety/health facilities for public recreational use in Phoenix, Arizona.

299,000
Non-Federal Non-Cash Participation - City of Phoenix (100,000)
199,000

Recreation Development – Of the recreational development originally authorized under the project, continues working with the City of Scottsdale on land for Westworld parking facilities; continues the design and resource plan for the park development at Reach 11 with the City of Phoenix and the Tucson recreation development with Pima County.

	742,000	
Non-Federal Non-Cash Participation - Cities of Scottsdale and Phoenix	(361,000)	
	381,000	
Subtotal, Land Management and Development		**580,000**

Facility Operations - Distribution Systems - Continues reviewing 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.

	134,000	
Non-Federal Cash Contributions: Various	(40,000)	
Subtotal, Facility Operations		**94,000**

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

SEE APPENDIX FOR: Benefit Cost Ratios as of October 1, 2004
Land Certification
Obligations by Function for Operating Projects
Project Repayment FY 2005
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, 2003, 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 2004	FY 2005
Water and Energy Management and Development	$760,023	$781,000
Facility Operations	1,741,978	1,780,000
Facility Maintenance and Rehabilitation	8,866,000	8,308,000
Total Program	$11,368,001	$10,869,000
Prior Year Funds	(18,001)	0
Non-Federal	(100,000)	(100,000)
Enacted/Request	$11,250,000	$10,769,000
Underfinancing	(288,000)	0
Rescission (H.R. 2673)	(65,000)	0
Total Reclamation Allotment	$10,897,000	$10,769,000

Total Construction Costs to be Allocated

	Total Estimated Cost	Total to 9/30/03	FY2004	FY 2005	Balance to Complete
Reclamation	$453,075,000	$412,462,497	$679,000	$781,000	$39,152,503
Adjustments	715,000	715,000	0	0	0
Total	$453,790,000	$413,177,497	$679,000	$781,000	$39,152,503

Construction Cost Allocation and Methodology

Allocation	FY 2004	FY 2005
Irrigation	$45,938,000	$45,938,000
Mexican Treaty	406,418,000	407,688,000
Other [1/]	164,000	164,000
Total	$452,520,000	$453,790,000

[1/] Nonreimbursable preauthorization investigations costs (P.L. 92-149).

METHODOLOGY: The methodology of cost allocation has not been revised. The Mexican Treaty allocation increased $1,270,000 primarily due to indexing of the regulatory pumping unit estimates ($530,000) and revised estimates for research activities ($740,000).

APPROPRIATION CEILING: Appropriations authorized are $547,290,000 (October 2003). The comparable estimated total Federal obligation is $453,790,000. This authorization is adequate to cover the project as currently proposed.

OTHER INFORMATION: The House of Representatives Report 4506 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 106-58 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.

Conference Report 108-357, accompanying the FY 2004 Energy and Water Development Appropriations Act contains language which directs "…the Bureau of Reclamation to expedite its modifications of the plant to accomplish state of the art operation, and accelerate the permitting and environmental compliance activities needed for operation of the plant. The Bureau of Reclamation is directed to report to the House and Senate Committees on Appropriations on the status of those activities within 180 days of enactment of this Act". A report addressing these two congressional requests is being prepared for submittal to the Committees.

WORK PROPOSED FOR FY 2005:

Water and Energy Management and Development - Continues Title I research technology to develop processes and methods to reduce operating costs at 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, improvement of membrane recovery rates and life spans, reduction of chemical use, and extending membrane storage life. Research advancements have already realized a cumulative savings of $10,000,000 in full plant operating expenses. Research continues with the goal to achieve additional savings. **$781,000**

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. **$1,780,000**

Facilities Maintenance and Rehabilitation - Begins Supervisory Control System for groundwater management. 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. 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.

	$5,771,000
Non-Federal: Water Users - Yuma Water Quality Improvement Center	(100,000)
	5,671,000

Continues a long-term program to explore alternatives to running the Yuma Desalting Plant. This program, to bank water and/or pursue short-term agricultural water rights leases, 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. Completes Yuma Desalting Plant permitting and environmental compliance process. $483,000

Begins replacement of High Pressure Reverse Osmosis Pumps to correct corrosion problems. Continues the program to improve plant readiness and correct design deficiencies to meet ready response requirements. Continues the Clearwell pH Control System modification. Completes the Control Block Isolation Valves and Actuators replacements. $2,054,000

Subtotal, Facilities Maintenance and Rehabilitation **$8,208,000**

Reclamation Request **$10,769,000**

SEE APPENDIX FOR: Benefit Cost Ratios as of October 1, 2004
Project Repayment for FY 2005
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 2004	FY 2005
Water and Energy Management and Development	$4,468,741	$3,584,000
Fish and Wildlife Management and Development	1,113,462	63,000
Total Program	$5,582,203	$3,647,000
Prior Year Funds	(26,741)	0
Non-Federal	(1,055,462)	0
Enacted/Request	$4,500,000	$3,647,000
Underfinancing	(432,000)	0
Rescission (H.R. 2673)	(24,000)	0
Total Reclamation Allotment	$4,044,000	$3,647,000

Total Construction Costs to be Allocated

	Total Estimated Cost	Total to 9/30/03	FY 2004	FY 2005	Balance to Complete
Reclamation [1/]	$207,523,000	$107,952,877	$4,044,000	$3,647,000	91,879,123
Adjustments [2/]	1,400,000	344,538	1,055,462	0	0
Total	$208,923,000	$108,297,415	$5,099,462	$3,647,000	91,879,123

[1/] The project increase of $31,947,000 is due to revised estimates for the All American Canal Reservoir(s).
[2/] Adjustments include contributions from the State of California for California channel riparian restoration.

APPROPRIATION CEILING: None.

WORK PROPOSED FOR FY 2005

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. $28,000

Begins work to construct a low flow channel and adjacent flow area at the center of the floodplain on the Gila River. Activities include armoring the bankline structures, constructing jetties and re-aligning the river channel to prevent the mainstream from reaching the levees along the Gila River. 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. Continues work on the All American Canal Regulating Reservoir. Completes work to repair the bankline on the Arizona side of the Colorado River bank, below Palo Verde Diversion Dam, to prevent severe erosion and reduce sediment transport in the river. Activities include environmental permitting and compliance, quarrying and stockpiling to repair the deterioration of the bankline. Completes 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. 3,556,000

Subtotal, Water and Energy Management and Development **$3,584,000**

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. **63,000**

Reclamation Request **$3,647,000**

Colorado River Water Quality Improvement Program

LOCATION: This project is located in the Colorado River Basin upstream of Imperial Dam in the States of Arizona, California, and Nevada in the Lower Colorado Region.

DESCRIPTION/JUSTIFICATION: The purpose of this program is to develop a comprehensive, cost-effective program for water quality improvement and salinity control in the Colorado River Basin in cooperation with the Basin States and other Federal agencies.

The Colorado River is the major source of water for the southwestern United States and the Republic of Mexico. Salinity and other contaminants cause about $750 million per year in damages to domestic, industrial, and agricultural users. The Federal government is involved in the program because of its vast ownership of saline lands in the Basin and their contribution to the salinity and other contaminants found in the River. Reclamation leads the program because most of the cost-effective opportunities to control salinity and other contaminants involve improvements in irrigation efficiency and water conservation. Prevention (which typically costs $50-$70 per ton) is much more cost-effective than treating water after the salt and related contaminants enter the river system (at a cost of about $400-$600 per ton). In addition, increased concentrations of residual pharmaceuticals, fertilizers, pesticides, and personal care products are impacting the quality of limited water supplies in the lower Colorado River. For this reason, Reclamation has initiated the evaluation of effects of municipal effluent to the lower Colorado River.

AUTHORIZATION: P.L. 93-320, Colorado River Basin Salinity Control Act, June 24, 1974; P.L. 98-569, Colorado River Basin Salinity Control Act Amendment, October 30, 1984; and P.L. 104-298, Water Desalination Act, August 1, 1996.

SUMMARIZED FINANCIAL DATA

Program Financial Data

Activity	FY 2004	FY 2005
Water and Energy Management and Development	$164,501	$150,000
Total Program	$164,501	$150,000
Prior year Funds	(14,501)	0
Non-Federal	0	0
Enacted/Request	$150,000	$150,000
Underfinancing	(14,000)	0
Rescission (H.R. 2673)	(1,000)	0
Total Reclamation Allotment	$135,000	$150,000

Investigation Costs: Initiation: FY 1972 Completion: Ongoing

	Total Estimated Cost	Total to 9/30/03	FY 2004	FY 2005	Balance to Complete
Reclamation	$9,465,000	$8,456,112	$135,000	$150,000	$723,888
Non-Federal	198,808	198,808	0	0	0
Total	$9,663,808	$8,654,920	$135,000	$150,000	$723,888

WORK PROPOSED FOR FY 2005:

Water and Energy Management and Development - Continues Las Vegas Wash, Palo Verde Irrigation and Drainage District and Colorado River monitoring of salinity levels and other contaminants for impacts on water quality in the Colorado River. Continues to evaluate the effects of urbanization on the lower Colorado River. Continues to conduct program verification, monitoring, evaluation, and coordination activities.

$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**, **southwestern willow flycatcher, and the Pima pineapple cactus**. 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 2004	FY 2005
Fish and Wildlife Management and Development	$2,186,620	$1,966,000
Total Program	$2,186,620	$1,966,000
Prior Year Funds	(10,620)	0
Non-Federal 1/	(503,000)	(668,000)
Enacted/Request	$1,673,000	$1,298,000
Underfinancing	(161,000)	0
Rescission (H.R. 2673)	(9,000)	0
Total Reclamation Allotment	$1,503,000	$1,298,000

Total Construction Costs to be Allocated

	Total Estimated Cost	Total to 9/30/03	FY 2004	FY 2005	Balance To Complete
Reclamation	N/A	$22,733,315	$1,503,000	$1,298,000	N/A
Non-Federal 1/	N/A	4,536,000	503,000	668,000	N/A
Total	N/A	$27,269,315	$2,006,000	$1,996,000	N/A

1/ **Cost-Sharing**: U.S. Bureau of Land Management, U.S. Fish and Wildlife Service, Nevada Department of Wildlife, U.S. National Park Service, U.S. 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.

APPROPRIATION CEILING: Not Applicable**.**

WORK PROPOSED FOR FY 2005:

Fish and Wildlife Management and Development -

Southwestern Willow Flycatcher Rangewide Database - Continues development of a database that contains demographic information collected during annual surveys and nest monitoring of the southwestern willow flycatcher. Data can be used in the development of biological assessments and in Section 7 consultations. $60,000

Lake Rearing Coves - Continues work on the construction and operation of rearing coves for native fishes on Lakes Mead, Mohave, and Havasu. Work includes repairing earthen berms, installing pond liners, installing wind and solar powered aerators, feeding fish, fertilizing ponds, and removing weeds. Native fish will be stocked in these areas, reared, and then released. 385,000
Non-Federal - Various (135,000)
250,000

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. 315,000

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 Region. Continues expansion of native plant nurseries to be used in restoration projects on the lower Colorado River. 75,000
Non-Federal - Various (50,000)
25,000

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. 200,000
Non-Federal - Fish and Wildlife Services, Arizona Game and Fish (100,000)
100,000

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. 96,000

Bald Eagle Activities - Continues annual winter and occupancy-reproductive assessment, helicopter surveys, and nestwatch activities. Data collected from these activities has been used in biological assessments and in Section 7 consultations. Reclamation's support is critical in efforts to de-list the Arizona bald eagle population and in post de-listing monitoring. 435,000
Non-Federal - Various (300,000)
135,000

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.

	181,000
Non-Federal – Various	(81,000)
	100,000

Pima Pineapple Cactus Research/Habitat Enhancement - Continues the study of the reproductive ecology of the Pima pineapple cactus, as well as investigating the effects of fire and grazing on the cactus. Additional research may include investigating the validity of taxonomic status, conduct surveys in Mexico, and investigate transplant techniques. 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

Flat Tailed Horned Lizard Study – Continues field data collection in accordance with the Flat-Tailed Horned Lizard Rangewide Management Study. Data serves to provide guidance for the conservation and management of sufficient habitat to maintain existing populations of flat tailed horned lizard habitat in five management areas. 50,000

Razorback Sucker Study – Continues field data collection associated with the razorback sucker's status and reproduction in the lower Colorado River Imperial Division. 50,000

Subtotal, Fish and Wildlife Management and Development	**$1,298,000**
Reclamation Request	**$1,298,000**

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 the 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 has acquired 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: Construction under the loan program was substantially completed in September 1997. The initial environmental clearances and mitigation were substantially completed in FY 1997. The revised environmental and cultural mitigation plans will be essentially complete in FY 2005.

SUMMARIZED FINANCIAL DATA

Program Financial Data

	FY 2004	FY 2005
Water and Energy Management and Development	$1,011,314	$712,000
Total Program	$1,011,314	$712,000
Prior Year Funds	(11,314)	0
Request	$1,000,000	$712,000
Underfinancing	(96,000)	0
Rescission (H.R.2673)	(5,000)	0
Total Reclamation Allotment	$899,000	$712,000

Total Construction Costs to be Allocated:

	Total Estimated Cost	Total to 9/30/03 1/	FY 2004	FY 2005	Balance to Complete
Reclamation 2/	$2,209,000	$497,000	$899,000	$712,000	$101,000
Total	$2,209,000	$497,000	$899,000	$712,000	$101,000

1/ 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 2003, an additional $1,393,670 for negotiation efforts with the Tribe on a suitable alternative, land classification, and environmental clearances for the new lands to be developed were funded under the Native American Affairs Program.

2/ The decrease in Total Estimated Cost of $1,491,000 as compared to the FY 2004 Justifications is a result of funds being made available prior to 2003 under the Native American Affairs Program to accelerate completion of the Settlement Act implementation.

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

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

WORK PROPOSED FOR FY 2005:

Water and Energy Management and Development - Continues an agreement which provides the Community with funds for agricultural development of lands in replacement of those set aside for mitigation. **$712,000**

Reclamation Request **$712,000**

Halfway Wash Project / Study

LOCATION: The project is located in Clark County, Nevada.

DESCRIPTION/JUSTIFICATION: The objective of this study is to evaluate the potential for diverting and treating water from the Lower Virgin River. The Virgin Valley Water District (District) is interested in investigating the potential for capturing and using Virgin River water. The District has already completed an Integrated Water Resource Plan, which is a report on future population, water demand growth, and diversion options from the silt-laden Virgin River. Water resources in the northeastern portion of Clark County, Nevada, are becoming very scarce. The Mesquite area, served by the Virgin Valley Water District, is among the fastest growing metropolitan areas in the United States.

Current plans are to capture river water through horizontal wells in the river aquifer. The Virgin River has poor water quality and its silt and sediment loads are high. The District and Reclamation will collaborate in FY 2004 to accomplish three tasks. The first is to conclude water testing, document water treatment options and determine the most cost-effective treatment method for the heavy silt and sediment content in the river. Second, monitoring wells will be installed in the confluence of Halfway Wash and the Virgin River. Once these wells are drilled, they will be monitored for drawdown of water utilizing a pump test and ground water modeling. This pump test will be conducted at the proposed site of the prototype Ranney Well. The third task is to begin installation of the prototype well in late FY 2004.

AUTHORIZATION: Reclamation Act of 1902, June 17, 1902; and P.L. 74-46, Soil and Moisture Conservation Act, April 27, 1935 (16 U.S.C. 590a-590i).

SUMMARIZED FINANCIAL DATA

Program Financial Data

Activity	FY 2004	FY 2005
Water and Energy Management and Development	$1,010,091	$300,000
Total Program	$1,010,091	$300,000
Prior year Funds	(10,091)	0
Non-Federal	(500,000)	(150,000)
Enacted/Request	$500,000	$150,000
Underfinancing	(48,000)	0
Rescission (H.R. 2673)	(3,000)	0
Total Reclamation Allotment	$449,000	$150,000

Investigation Costs: Initiation: FY 2002 Completion: 2007

COST-SHARING: Virgin Valley Water District and/or Southern Nevada Water Authority

	Total Estimated Cost	Total to 9/30/03	FY 2004	FY 2005	Balance to Complete
Reclamation	$1,500,000	$476,000	$449,000	$150,000	$425,000
Non-Federal	1,500,000	0	500,000	150,000	850,000
Total	$3,000,000	$476,000	$949,000	$300,000	$1,275,000

WORK PROPOSED FOR FY 2005:

Water and Energy Management and Development - Continues the completion of geophysical site characterization including data analysis, groundwater modeling, and integration with borehole and other geologic/hydrologic information. Continues to develop and test production potential of multiple horizontal (Ranney) wells. Continues coordination with research universities and private industry for studies and testing projects. Continues to prepare reports on testing results. $300,000

Non-Federal - Virgin Valley Water District and/or Southern Nevada Water Authority. (150,000)

Subtotal, Water and Energy Management and Development **$150,000**

Reclamation Request **$150,000**

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 natural treatment systems 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 natural treatment systems 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.

The purpose of this project is to develop and implement a management strategy for the Wash, to improve water quality, and reduce the salinity and sediment transport in the Wash, while providing environmental enhancement and recreational opportunities. As of December 2003, seven of 22 grade control structures have been built. Three were constructed by Reclamation. These, along with bank stabilization activities, have reduced the sediment transport. Reclamation continues to assist in construction, revegetation efforts, scientific studies, and research.

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: As of September 30, 2003, this project is 48 percent complete. The Lake Mead/Las Vegas Wash Program is scheduled to reach its appropriation ceiling in 2007.

SUMMARIZED FINANCIAL DATA

Program Financial Data

Activity	FY 2004	FY 2005
Water and Energy Management and Development	$2,691,961	$2,900,000
Total Program	$2,691,961	$2,900,000
Prior Year Funds	(18,961)	0
Non-Federal	(1,265,000)	(1,450,000)
Enacted/Request	$1,408,000	$1,450,000
Underfinancing	(135,000)	0
Rescission (H.R. 2673)	(8,000)	0
Total Reclamation Allotment	$1,265,000	$1,450,000

Total Construction Costs to be Allocated

	Total Estimated Costs	Total to 9/30/03	FY 2004	FY 2005	Balance to Complete
Reclamation	$10,000,000	$5,240,999	$1,265,000	$1,450,000	$2,044,001
Adjustments 1/	10,000,000	5,240,999	1,265,000	1,450,000	2,044,001
Total	$20,000,000	$10,481,998	$2,530,000	$2,900,000	$4,088,002

1/ Includes cost-sharing from 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.

APPROPRIATION CEILING: Appropriations authorized are $10,000,000. The comparable estimated total Federal obligation is $10,000,000. This authorization is adequate to cover the project as currently authorized. Local sponsors may seek additional authority to continue the program.

WORK PROPOSED FOR FY 2005:

Water and Energy Management and Development – Continues partnership with representatives of local, State, and Federal agencies, universities, and private entities, to control erosion in the Las Vegas Wash, which will restore native wetlands and provide habitat diversity. Continues construction of a coordinated series of erosion control and bank stabilization projects followed immediately by re-establishing natural treatment systems within the Las Vegas Wash channel and off-channel. Continues participating in a number of archeology, biological, research, and compliance-oriented activities. Continues natural resource assessments and water quality monitoring on ongoing demonstration projects.

	$2,900,000	
Non-Federal - Various	(1,450,000)	
Subtotal, Water and Energy Management and Development		**$1,450,000**
Reclamation Request		**$1,450,000**

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, 2003, the project is 36 percent complete. Alamitos Barrier Reclaimed Water Project is scheduled for completion in 2009. Project completion has been delayed one year from that shown in the FY 2004 Budget Justifications due to a revised schedule for Phase 2 from the Water Replenishment District of Southern California. City of Long Beach Recycled Water System Expansion Project is scheduled for completion in 2009.

SUMMARIZED FINANCIAL DATA

Program Financial Data

Activity	FY 2004	FY 2005
Water and Energy Management and Development	$5,987,652	$1,625,000
Total Program	$5,987,652	$1,625,000
Prior Year Funds	(8,652)	0
Non-Federal	(4,179,000)	(625,000)
Enacted/Request	$1,800,000	$1,000,000
Underfinancing	(173,000)	0
Rescission (H.R. 2673)	(10,000)	0
Total Reclamation Allotment	$1,617,000	$1,000,000

Total Construction Costs to be Allocated

	Total Estimated Cost	Total to 9/30/03	FY 2004	FY 2005	Balance to Complete
Reclamation	$18,736,000	$6,712,000	$1,617,000	$1,000,000	$9,407,000
Adjustments 1/	56,208,000	24,146,804	4,179,000	625,000	27,257,196
Total	$74,944,000	$30,858,804	$5,796,000	$1,625,000	$36,664,196

1/ Includes cost-sharing of $29,640,000 from the Water Replenishment District of Southern California for the Alamitos Barrier Reclaimed Water Project; and $26,568,000 from the city of Long Beach for the City of Long Beach Recycled Water System Expansion Project.

Construction Cost Allocation and Methodology

Allocation	FY 2004	FY 2005
Municipal and Industrial Water	$68,387,000	$74,944,000
Total	$68,387,000	$74,944,000

METHODOLOGY: The methodology of cost allocation has not been modified from last year. The increase of $6,557,000 is due to updated cost estimates from the Water Replenishment District of Southern California. The increase is applied to the Federal share (25 percent) and the 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 $18,736,000, which does not exceed the appropriation ceiling.

WORK PROPOSED FOR FY 2005:

Water and Energy Management and Development

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. 1,625,000
Non-Federal - City of Long Beach (625,000)
$1,000,000

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

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

SEE APPENDIX FOR: Benefit Cost Ratios as of October 1, 2004
Project Repayment for FY 2005
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 Coconiño, 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 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, maintenance and preservation of natural treatment systems, salinity management practices, 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 2004	FY 2005
Water and Energy Management and Development	$1,052,370	$1,128,000
Total Program	$1,052,370	$1,128,000
Prior year Funds	(2,370)	0
Non-Federal	(525,000)	(564,000)
Enacted/Request	$525,000	$564,000
Underfinancing	(50,000)	0
Rescission (H.R. 2673)	(3,000)	0
Total Reclamation Allotment	$472,000	$564,000

COST-SHARING: Potential partners for the Brine Management Implementation Strategy include the Metropolitan Water District of Southern California, Santa Ana Watershed Project Authority, City of San Diego, San Diego County Water Authority, City of Los Angeles, California Department of Water Resources, South Orange County Wastewater Agency, Orange County Sanitation District, Sanitation Districts of Los Angeles County, Big Bear Area Regional Wastewater Agency, West Basin and Central Basin Municipal Water Districts, Arizona Department of Water Resources, City of Phoenix, City of Tucson, Southern Nevada Water Authority, Las Vegas Valley Water District, and the City of Las Vegas. Potential partners for the Lower Basin Salinity Management Study include 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, Southern Nevada Water Authority, and Las Vegas Valley Water District. Potential Partners for the Colorado River Comprehensive Watershed Study include Bullhead City, Lake Havasu City, Needles, Blythe, Parker, Mohave County, and La Paz County. Potential partners for Power Evaluations include California Department of Water Resources, Pacific Gas and Electric, San Diego Gas and Electric, Southern California Edison, other private utility companies, the California Public Utilities Commission, Nevada Power, and the Electric Power Research Institute.

WORK PROPOSED FOR FY 2005:

Water and Energy Management and Development-

Brine Management Implementation Strategy - Begins studies to initiate investigations of specific brine management issues and identify approaches to resolving regional issues associated with brine disposal. Begins to evaluate options for cost-effective and environmentally-acceptable methods of brine management. (FY 2005 - FY 2009) $300,000

Non-Federal - Various (150,000)

150,000

Lower Basin Salinity Management Study (formerly known as Colorado River Watershed Economic Study) - Continues to research and identify the physical and economic viability of salinity best management practices. Continues to examine, quantify, and prioritize potential opportunities to reduce or manage salinity in a cost-effective manner for end users of lower Colorado River water.

(FY 2004 - FY 2007) $400,000

Non-Federal - Various (200,000)

200,000

Colorado River Comprehensive Watershed Study - Begins engineering and environmental studies to develop alternatives for the institutional structure that will facilitate project implementation to ensure protection of waters. Proposed work will include initiation of updating and federalizing engineering studies done to date by the Colorado River Regional Sewer Coalition, which represents communities on both sides of the lower Colorado River in Arizona, Nevada, and California below Hoover Dam. The growth in the area, coupled with a majority of River residents utilizing inadequate water treatment and disposal systems, has contributed to water quality problems for both the surface water and groundwater supplies. Wastewater master planning and implementation efforts will be essential to ensuring a sustainable water supply for the future. (FY 2004 - FY 2008) $200,000
Non-Federal - Various (100,000)
100,000

Power Evaluations Study - Continues collecting data on new power generation technologies and combining new sources with current generation facilities. Continues dialogue with Federal, State, and private partners, and power marketing entities to explore alternatives to optimize power generation and distribution. Continues to determine environmental requirements for development of viable alternatives for optimizing power generation and distribution. (FY 2003 - FY 2007) $228,000
Non-Federal - Various (114,000)
114,000

Subtotal, Water and Energy Management and Development **$564,000**

Reclamation Request **$564,000**

Lower Colorado River Operations Program

LOCATION: All areas within the Lower Colorado Region boundaries.

DESCRIPTION/JUSTIFICATION: The Secretary of the Interior, acting through the Bureau of Reclamation, has the unique role of *"water master"* for the lower Colorado River. This role is based primarily on 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 25 state and Federal special status species along the lower Colorado River from Lake Mead to Mexico through implementation of a conservation plan. This long-term plan will provide the basis for Section 7 compliance for river operations for Federal and non-Federal purposes. If the MSCP is not complete and ready for implementation by May 2005, Reclamation would be required to reinitiate Section 7 consultation to assure continuous river operations and would require the continuation of mitigation activities similar to those currently underway.

AUTHORIZATION: Colorado River Front Work and Levee System and amendments, March 3, 1925; the Boulder Canyon Project 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.

COMPLETION DATA: This is an ongoing program.

SUMMARIZED FINANCIAL DATA

Program Financial Data

Activity	FY 2004	FY 2005
Water and Energy Management and Development	$6,102,230	$6,389,000
Fish and Wildlife Management and Development	12,813,382	16,361,000
Total Program	$18,915,612	$22,750,000
Prior Year Funds	(58,612)	0
Non-Federal	(5,035,000)	(7,428,000)
Enacted/Request	$13,822,000	$15,322,000
Underfinancing	(1,326,000)	0
Rescission (H.R. 2673)	(74,000)	0
Total Reclamation Allotment	$12,422,000	$15,322,000

WORK PROPOSED FOR FY 2005:

Water and Energy Management and Development -

Administration of Colorado River – Continues the management and oversight of operating criteria, performs studies of the river's operation and potential impacts on Central Arizona Project operations, and reviews on a continuing basis the need to modify existing or develop new procedures or criteria to fulfill the Secretary's responsibilities as water master. Continues the evaluation of water supply issues and drought conditions and how those conditions may impact operations. 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 analyses of external activities by electric utilities and their potential impact on the Region's generation facilities. Also continues operational compliance with requirements promulgated by biological opinions or NEPA compliance documents.

$2,018,000

Water Contract Administration - Continues implementation of the California Water Use Plan to ensure that California stays within its annual allotment of Colorado River water. Continues administration, execution, negotiation, consultation, development and research of water service, repayment, and operation and maintenance contracts for water users located within the lower Colorado River basin under Section 5 of the Boulder Canyon Project Act. Continues review of the existing legal framework and contracts, and develops and recommends proposed regulations or policy, as necessary, to ensure all Colorado River water use is in accordance with valid water entitlements. Continues development and administration of geographic information systems database management activities for the land and waters within the lower basin. 1,100,000

Decree Accounting - Continues preparation of the annual Decree Accounting Report. Continues base level of funding for the lower Colorado River Accounting System activities. Continues to conduct a well inventory along the lower Colorado River to identify non-contract users of Colorado River water. Continues the development and use of techniques 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. 3,271,000
Non-Federal: Various (94,000)
3,177,000

Subtotal - Water and Energy Management and Development **$6,295,000**

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 - Begins implementation of the Multi-Species Conservation Program, which will supplement and replace interim conservation measures and the reasonable and prudent alternatives provided by the various interim biological opinions associated with Colorado River operations and maintenance. Implementation of the Multi-Species Conservation Program will provide long-term endangered species compliance for both current and future water diversions and power production by both the United States and its water users. The draft EIS/EIR will be available for public review in the spring of 2004.

12,468,000
Non-Federal: Various (6,234,000) *
6,234,000

* Cost share percentages for program implementation have not been finalized.

Flycatcher and Yuma clapper rail Protection - Continues agreements with land management agencies along the lower Colorado River for leasing of lands to maintain the acreage protection requirements of the biological opinion. Continues field surveys in the Virgin River and Havasu National Wildlife Refuge areas with studies to determine reproductive success and causes of nest failures, and impacts from closure of levee roads. Continues the Opinion program requirements for protection of occupied habitat, regardless of plant species composition, and unoccupied, but potential habitat, including stands of willow, cottonwood willow, and mixtures of saltcedar and cottonwood willow under lands managed by Reclamation. Continues sedimentation, vegetation, and avian studies and documentation to meet Opinion requirements. 1,184,000
Non-Federal: Various (20,000)
1,164,000

Razorback and Bonytail Chub Protection - Continues the reintroduction and augmentation efforts of the bonytail chub into lakes Mead, Mohave, Havasu, and reaches below Parker Dam combined with studies to determine spawning substrate at various lake levels. Continues efforts to minimize takes of the bonytail chub 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 ongoing 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. The increase in funding requested in FY 2005 over that of FY 2004 is due to implementation activities required by the biological opinion related to the interim surplus guidelines for the Colorado River. 1,199,000
Non-Federal: Various (280,000)
919,000

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 relationships, and determining ecological conditions of the flycatcher that will promote habitat on the lower Colorado River. Continues work with a bi-national group to collect baseline information for conditions on the lower Colorado River delta in Mexico in response to concerns raised by various Federal and non-Federal agencies on the lack of water flows reaching the Sea of Cortez.

410,000

Environmental Compliance (NEPA) - Continues environmental compliance support activities on new lower Colorado River operational initiatives and contract actions. This includes initial project development and negotiations prior to the development of cost reimbursable accounts, like individual Storage and Interstate Release Agreements, and other necessary compliance activities.

150,000

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 additional activities associated with this agreement in the areas of 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. 150,000

Subtotal - Fish and Wildlife Management and Development	**9,027,000**
Reclamation Request	**$15,322,000**

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 2004	FY 2005
Water and Energy Management and Development	$607,082	$805,000
Total Program	$607,082	$805,000
Prior year Funds	(1,229)	0
Non-Federal	(280,853)	(345,000)
Enacted/Request	$325,000	$460,000
Underfinancing	(31,000)	0
Rescission (H.R. 2673)	(2,000)	0
Total Reclamation Allotment	$292,000	$460,000

COST-SHARING: Hopi Tribe for the Hopi Water Management Study; Little Colorado River Watershed Group for the Little Colorado River Watershed Groundwater Desalination Study; Navajo Nation for the Navajo Nation Rural Water Supply Study; and the Arizona Department of Water Resources, cities of Flagstaff and Williams, Coconino County, Navajo Nation and the Hopi Tribe for the North Central Arizona Water Supply Study.

WORK PROPOSED FOR FY 2005:

Water and Energy Management and Development -

Hopi Water Management Study - Begins development of an additional three water management plans for range grazing units. Continues development of a socioeconomic study and continues identification of potential sites for C aquifer exploration in support of augmentation of water supplies for domestic, industrial, livestock, and agricultural uses.

(FY 2001 - FY 2007)	$85,000
Non-Federal - Hopi Tribe	(10,000)
	75,000

Little Colorado River Watershed Groundwater Desalination Study – Begins to prepare a Plan of Study with Lower Colorado River Multi-Objective Management (LCR MOM) Group. Establish an intergovernmental technical team. Groundwater in the south-central portion of the Little Colorado River Watershed is currently non-usable due to the high salinity levels. This area of the watershed has experienced major losses of the alluvial groundwater supplies during drought. This study will evaluate treatment alternatives to potentially develop this groundwater supply for municipal, industrial, and livestock supplies.

(FY 2005 - FY 2008)	$200,000
Non-Federal - Various	(100,000)
	100,000

Navajo Nation Rural Water Study – Continues with the selection 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 working with the local governments to define problems, objectives and issues. Continues to conduct 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 maximize water supplies and traditional economics.

(FY 2003 - FY 2008)	$100,000
Non-Federal - Navajo Nation	(10,000)
	90,000

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.

(FY 2002 - FY 2008)	$420,000
Non-Federal - Various	(225,000)
	195,000

Subtotal, Water and Energy Management and Development	**$460,000**
Reclamation Request	**$460,000**

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 Wastewater 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, 2003, the project is 51 percent complete. The project is scheduled for completion in 2007, a delay of one year from that shown in the FY 2004 Budget Justifications. The delay is the result of revised funding schedules.

SUMMARIZED FINANCIAL DATA

Program Financial Data

Activity	FY 2004	FY 2005
Water and Energy Management and Development	$22,853,708	$9,726,000
Total Program	$22,853,708	$9,726,000
Prior Year Funds	(7,708)	0
Non-Federal	(19,846,000)	(7,726,000)
Enacted/Request	$3,000,000	$2,000,000
Underfinancing	(288,000)	0
Rescission (H.R. 2673)	(16,000)	0
Total Reclamation Allotment	$2,696,000	$2,000,000

Total Construction Costs to be Allocated

	Total Estimated Cost	Total to 9/30/03	FY 2004	FY 2005	Balance to Complete
Reclamation	$20,000,000	$10,295,000	$2,696,000	$2,000,000	$5,009,000
Adjustments 1/	60,215,000	32,643,000	19,846,000	7,726,000	0
Total	$80,215,000	$42,938,000	$22,542,000	$9,726,000	$5,009,000

1/ Includes cost-sharing of $12,941,250 by the San Elijo Joint Powers Authority; $27,735,000 by the Carlsbad Municipal Water District, $8,769,000 by the Leucadia Wastewater District; and $10,769,750 by the Olivenhain Municipal Water District for the four components.

Construction Cost Allocation and Methodology

Allocation	FY 2004	FY 2005
Municipal and Industrial	$80,645,000	$80,215,000
Total	$80,645,000	$80,215,000

METHODOLOGY: The methodology of cost allocation has not been modified from last year. The decrease of $430,000 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 2005:

Water and Energy Management and Development -

Encina Basin Water Reclamation Project - Continues work on construction of a water recycling project in the Encina Basin. $9,726,000

Non-Federal: Various (7,726,000)

2,000,000

Subtotal, Water and Energy Management and Development **$2,000,000**

Reclamation Request **$2,000,000**

SEE APPENDIX FOR: Benefit Cost Ratios as of October 1, 2004
Project Repayment for FY 2005
Status of NEPA Compliance

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, 2003, the project is 41 percent complete. The project is scheduled for completion in 2007.

SUMMARIZED FINANCIAL DATA

Program Financial Data

Activity	FY 2004	FY 2005
Water and Energy Management and Development	$87,505,526	$113,842,000
Total Program	$87,505,526	$113,842,000
Prior Year Funds	(5,526)	0
Non-Federal	(84,000,000)	(111,842,000)
Enacted/Request	$3,500,000	$2,000,000
Underfinancing	(336,000)	0
Rescission (H.R. 2673)	(19,000)	0
Total Reclamation Allotment	$3,145,000	$2,000,000

Total Construction Costs to be Allocated

	Total Estimated Cost	Total to 9/30/03	FY 2004	FY 2005	Balance to Complete
Reclamation	$20,000,000	$8,150,999	$3,145,000	$2,000,000	$6,704,001
Adjustments 1/	412,600,000	53,563,000	84,000,000	111,842,000	163,195,000
Total	$432,600,000	$61,713,999	$87,145,000	$113,842,000	$169,899,001

1/ Includes cost-sharing of $412,600,000 from the Orange County Water District and/or the Orange County Sanitation District.

Construction Cost Allocation and Methodology

Allocation	FY 2004	FY 2005
Municipal and Industrial	$432,480,000	$432,600,000
Total	$432,480,000	$432,600,000

METHODOLOGY: The methodology of cost allocation has not been modified from last year. The increase of $120,000 is due to updated cost estimates for Reclamation participation, 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.

	$113,842,000	
Non-Federal - Orange County Water District/Sanitation District	(111,842,000)	
Subtotal, Water and Energy Management and Development		**$2,000,000**
Reclamation Request		**$2,000,000**

SEE APPENDIX FOR: Benefit Cost Ratios as of October 1, 2004
Project Repayment for FY 2005
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 2004	FY 2005
Facility Operations	$5,634,000	$5,804,000
Facility Maintenance and Rehabilitation	4,591,000	2,458,000
Total Program	$10,225,000	$8,262,000
Non-Federal	(10,225,000)	(8,262,000)
Enacted/Request	$0	$0
Total Reclamation Allotment	$0	$0

WORK PROPOSED FOR FY 2005:

Facility Operations - Continues day-to-day hydroelectric power and water deliveries. **$5,804,000**

Facility Maintenance and Rehabilitation - Begins sealcoating of the maintenance yard at Parker Dam. Continues maintenance of the facilities, including the rehabilitation of Parker Powerplant and replacing the 480V switchgear and rehabilitation of the fixed-wheel gates at Davis Dam. New items starting at Davis Dam include transformer life extension study and reconditioning the unit governors. **2,458,000**

Non-Federal - Metropolitan Water District and power customers **(8,262,000)**

Reclamation Request **$0**

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. Title XXVIII of the Reclamation Projects Authorization and Adjustments Act permits Reclamation to cost-share with non-Federal management entities on the development, rehabilitation, and expansion of recreation and fish and wildlife areas and facilities on Reclamation projects. The partnerships are critical to continue the efficient management of Reclamation lands for the benefit of the public. Reclamation is contacted by local supporters for recreation partnerships, such as the public trail system currently being partnered by three cities (Phoenix, Tempe, and Scottsdale), and the SRP.

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; P.L. 89-72, Federal Water Project Recreation Act of 1965, July 9, 1965 as amended by Reclamation Recreation Management Act, Title XXVIII of P.L. 102-575, October 30, 1992.

SUMMARIZED FINANCIAL DATA

Program Financial Data

Activity	FY 2004	FY 2005
Land Management and Development	$189,239	$753,000
Total Program	$189,239	$753,000
Prior Year Funds	(2,239)	0
Non-Federal	(100,000)	(115,000)
Non-Federal Non-Cash	0	(140,000)
Enacted/Request	$87,000	$498,000
Underfinancing	(8,000)	0
Rescission (H.R. 2673)	0	0
Total Reclamation Allotment	$79,000	$498,000

WORK PROPOSED FOR FY 2005:

Land Management and Development - Begins recreation work previously funded from the Reclamation-wide Recreation Management Act. Work includes continuing trail design, landscape, and public health facilities construction. Continues responding to right-of-way and easement issues, administering contracts, leases and permits, and conducting land field reviews.

	$280,000
Non-Federal – Non Cash -Cities of Phoenix, Scottsdale, and Tempe	(140,000)
	140,000

Continues implementing public education program, compliance activities and land resource management associated with administering project lands. The work is done to provide a minimum level of stewardship of Federal interests in this project. The acres of land which still require cultural resource surveys and associated reports for this project are greater than previously estimated. 473,000

Non-Federal - Individual developers and municipalities	(115,000)
	358,000

Subtotal, Land Management and Development	**$498,000**
Reclamation Request	**$498,000**

SEE APPENDIX FOR: Obligations by Function for Operating Projects

Salton Sea Research Project

LOCATION: Imperial and Riverside Counties, California.

DESCRIPTION/JUSTIFICATION: The Salton Sea (Sea), located in southeastern California, is California's largest inland lake. It is a highly saline and eutrophic lake, but provides for a productive fishery and important resource for migrating birds along the Pacific Flyway. Over 400 different species of birds have been observed using the Salton Sea and surrounding habitat. A combination of fluctuating water surface elevation, decreased water quality, and reduced future tributary inflows will result in eventual collapse of the existing fishery and associated ecosystem. A change in the existing ecosystem would impact present recreational and economic values of the Sea. In order to assess the viability of solving the complex problems of the Sea, a continuing program of engineering, physical and biological planning, research, and evaluation is needed.

The objectives of this program are to identify reasonable, financially feasible and efficient alternatives to: improve water quality conditions; reduce potential impacts to air quality; maintain quality habitat for migratory birds and endangered species; enhance the sport fishery; and protect human recreation values in and around the Salton Sea. Efforts continue to determine reasonable solutions to the complex problems existing at the Sea through engineering and biological research and evaluation. A Salton Sea Study Status Report was released in January 2003 which contained the most up-to-date information available on various proposals for full and partial restoration concepts for the Sea. This Status Report builds on the information developed and transmitted to Congress in January 2000.

AUTHORIZATION: Reclamation Act of 1902, June 17, 1902; 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, as amended by P.L. 108-7, Section 213, February 20, 2003.

COMPLETION DATA: All reporting requirements of the Salton Sea Reclamation Act of 1998 (P.L. 105-372) were met on January 27, 2000, when the Secretary forwarded to Congress a draft Environmental Impact Statement/Environmental Impact Report, a Strategic Science Plan, a Draft Alternatives Appraisal Report and an Overview and Summary Report. Since the transmission of information in January 2000, Reclamation has, and will, continue to coordinate with the Salton Sea Authority, the California Department of Water Resources (DWR), and other federal agencies in refining and analyzing alternatives with a particular emphasis on engineering feasibility and cost estimates.

SUMMARIZED FINANCIAL DATA

Program Financial Data

Activity	FY 2004	FY 2005
Water and Energy Management and Development	$4,031,260	$1,000,000
Total Program	$4,031,260	$1,000,000
Prior year Funds	(31,260)	0
Non-Federal	0	0
Enacted/Request	$4,000,000	$1,000,000
Underfinancing	(384,000)	0
Rescission (H.R. 2673)	(21,000)	0
Total Reclamation Allotment	$3,595,000	$1,000,000

Total Construction Costs to be Allocated

	Total Estimated Costs	Total to 9/30/03	FY 2004	FY 2005	Balance to Complete
Reclamation 1/ 2/	$40,000,000	$13,609,992	$3,595,000	$1,000,000	$21,795,008
Adjustments 3/	10,000,000	2,168,584	0	0	7,831,416
Total	$50,000,000	$15,778,576	$3,595,000	$1,000,000	$29,626,424

1/ Includes investigation and demonstration project costs.
2/ Reclamation costs have increased due to the additional work on the feasibility report and the river reclamation and other irrigation drainage water treatment work.
3/ 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 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 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 and recommendation for future actions. In January 2003, Reclamation transmitted to Congress a Salton Sea Study Status Report

which contained the most up-to-date information available on various new and "past" proposals for full or partial restoration of the Sea.

In the summer of 2003, a water transfer agreement between Imperial Irrigation District and the San Diego County Water Authority was executed which initiated the beginning of a larger Quantification Settlement Agreement. This action resulted in several California State laws being passed which, in part, require the California Department of Water Resources (DWR) to complete a Salton Sea Restoration Feasibility Study. Also required by the newly passed state laws is a recommended preferred action for restoring the Salton Sea. The Feasibility Study, with preferred recommendation, is required to be provided to the California State Legislature by December 31, 2006. While Reclamation continues to work with the Salton Sea Authority, additional coordination with and technical assistance to DWR will also be provided by Reclamation. Close coordination between Reclamation, the Authority, and DWR is necessary to ensure consistency in technical information and to prevent duplication of effort.

Restoration of the Salton Sea is a complex challenge that will require both immediate action, and 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. Briefs have been filed with the court by both parties. The judge has determined that a decision will be made based on the briefs rather than verbal argument. A ruling is expected after the spring of 2004.

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, (Title I), have no ceiling connected to the work authorized for feasibility. The comparable Federal obligation is $20,000,000 relating to the feasibility work. P.L. 105-372, (Title II), as amended by P.L. 108-7, provides a ceiling associated with work for river reclamation and other irrigation drainage water treatment actions (New and Alamo Rivers) in the amount of $10,000,000. The comparable Federal obligation is $10,000,000 for this work. This authorization is adequate to cover the river reclamation and other irrigation drainage water treatment actions as currently proposed.

WORK PROPOSED FOR FY 2005:

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, and potentially new, pilot and demonstration projects. Such projects may include wetland, water quality and contamination studies, potential desalination pilot or related projects (VTE and reverse osmosis), geotechnical studies, underground aquifer studies, air quality studies, biological studies, and others. **$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, 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, 2003, this project is 40 percent complete.

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

Escondido Water Reclamation Project will be complete in 2010, a delay of two years from that shown in the FY 2004 Budget Justifications, due to a revised construction and funding schedule.

Padre Dam Municipal Water District Reclamation Project is scheduled for completion in 2010, a delay of four years from that shown in the FY 2004 Budget Justifications, due to a revised construction schedule for Phase 2.

SUMMARIZED FINANCIAL DATA

Program Financial Data

Activity	FY 2004	FY 2005
Water and Energy Management and Development	$42,480,640	$42,723,000
Total Program	$42,480,640	$42,723,000
Prior year Funds	(3,640)	0
Non-Federal	(38,177,000)	(39,223,000)
Enacted/Request	$4,300,000	$3,500,000
Underfinancing	(412,000)	0
Rescission (H.R. 2673)	(23,000)	0
Total Reclamation Allotment	$3,865,000	$3,500,000

Total Construction Costs to be Allocated

	Total Estimated Costs	Total to 9/30/03	FY 2004	FY 2005	Balance to Complete
Reclamation	$172,590,000	$69,873,997	$3,865,000	$3,500,000	$95,351,003
Adjustments [1/]	517,770,000	219,790,040	38,177,000	39,223,000	220,579,960
Total	$690,360,000	$289,664,037	$42,042,000	$42,723,000	$315,930,963

[1/] Includes cost-sharing of $360,236,714 from the cities of San Diego and Poway, Sweetwater Authority, Otay Water District, and/or Tia Juana Valley County Water District for the San Diego Water Reclamation Project; $122,732,507 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 $31,153,952 from Padre Dam Municipal Water District for the Padre Dam Municipal Water District Reclamation Project.

Construction Cost Allocation and Methodology

Allocation	FY 2004	FY 2005
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.

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 2005:

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. $42,723,000

Non-Federal - Various (39,223,000)

3,500,000

Subtotal, Water and Energy Management and Development **$3,500,000**

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

SEE APPENDIX FOR: Benefit Cost Ratios as of October 1, 2004
Project Repayment for FY 2005
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, 2003, this project is 50 percent complete. The San Gabriel Basin Demonstration Project is scheduled for completion in 2009, a delay of three years from that shown in the FY 2004 Budget Justifications, due to a revised construction and funding schedule. The Rio Hondo Water Recycling Program is scheduled for completion in 2006. The San Gabriel Valley Water Reclamation Program is scheduled for completion in 2006, a delay of three years from that shown in the FY 2004 Budget Justifications, due to problems encountered in obtaining permits, causing a revised construction and funding schedule.

SUMMARIZED FINANCIAL DATA

Program Financial Data

Activity	FY 2004	FY 2005
Water and Energy Management and Development	$14,591,091	$15,371,000
Total Program	$14,591,091	$15,371,000
Prior year Funds	(5,761)	0
Non-Federal	(13,285,330)	(14,871,000)
Enacted/Request	$1,300,000	$500,000
Underfinancing	(125,000)	0
Rescission (H.R. 2673)	(7,000)	0
Total Reclamation Allotment	$1,168,000	$500,000

Total Construction Costs to be Allocated

	Total Estimated Costs	Total to 9/30/03	FY 2004	FY 2005	Balance to Complete
Reclamation	$38,090,000	$28,852,000	$1,168,000	$500,000	$7,570,000
Adjustments [1/]	114,270,000	63,588,647	13,285,330	14,871,000	22,525,023
Total	$152,360,000	$92,440,647	$14,453,330	$15,371,000	$30,095,023

[1/] Includes cost-sharing of $61,199,319 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; $36,310,500 from the Central Basin Municipal Water District for the Rio Hondo Water Recycling Program; and $16,760,181 from the Upper San Gabriel Valley Municipal Water District for the San Gabriel Valley Water Reclamation Program.

Construction Cost Allocation and Methodology

Allocation	FY 2004	FY 2005
Municipal and Industrial Water	$152,360,000	$152,360,000
Total	$152,360,000	$152,360,000

METHODOLOGY: The methodology of cost allocation has not been modified from last year.

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 2005:

Water and Energy Management and Development –

San Gabriel Basin Demonstration Project - Continues work on construction of wells, conveyance and pumping systems, and treatment plants.	$5,843,000	
Non-Federal - Various	(5,571,000)	
	272,000	
Rio Hondo Water Recycling Program - Continues work for construction of pipelines to deliver recycled water to various communities.	5,020,000	
Non-Federal - Central Basin Municipal Water District	(4,800,000)	
	220,000	
San Gabriel Valley Water Reclamation Program - Continues work for construction of pumps and pipelines to deliver recycled water.	4,508,000	
Non-Federal – San Gabriel Basin Water Quality Authority	(4,500,000)	
	8,000	
Subtotal, Water and Energy Management and Development		**$500,000**
Reclamation Request		**$500,000**

SEE APPENDIX FOR: Benefit Cost Ratios as of October 1, 2004
Project Repayment for FY 2005
Status of NEPA Compliance

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 efforts within the State of Arizona are fragmented, and many State and local government agencies lack the necessary resources to address water resource management issues without Federal assistance. 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 2004	FY 2005
Water and Energy Management and Development	$1,323,465	$1,540,000
Fish and Wildlife Management and Development	303,661	200,000
Total Program	$1,627,126	$1,740,000
Prior year Funds	(77,126)	0
Non-Federal	(775,000)	(870,000)
Enacted/Request	$775,000	$870,000
Underfinancing	(74,000)	0
Rescission (H.R. 2673)	(4,000)	0
Total Reclamation Allotment	$697,000	$870,000

COST-SHARING: Cities of Phoenix, Tempe, Glendale, Mesa, Scottsdale, Chandler, Goodyear, Peoria, Surprise and Tucson, Towns of Buckeye and Gilbert, Arizona-American Water Company, and Queen Creek Water Company for the Central Arizona Salinity Study; the Cities of Apache Junction, Tempe, Mesa, Chandler, Towns of Gilbert and Queen Creek, the Roosevelt Water Conservation District, Gila River Indian Community, Central Arizona Groundwater Replenishment District, Arizona Water Banking Authority, Salt River Project, New Magma Irrigation and Drainage District, Chandler Heights Irrigation District, Diversified Water, Arizona Water Company, San Tan Irrigation District for the East Valley Water Forum; Maricopa County Flood Control District for the El Rio River Restoration Study; Maricopa County Flood Control

District for the Floodplain Watershed Management Study; Gila County, Town of Payson 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; and Graham County and New Mexico Environment Department for the Upper Gila River Watershed Restoration Study.

WORK PROPOSED FOR FY 2005:

Water and Energy Management and Development -

Central Arizona Salinity Study - Continues Phase II to develop and assess solutions to the salinity problems identified in Phase I. The study is a coalition of water and wastewater agencies evaluating salinity issues in central Arizona to develop a Central Arizona Salinity Master Plan.

(FY 2002 - FY 2007)	$480,000
Non-Federal - Various	(240,000)
	240,000

East Valley Water Forum - Begins work on water resource analysis and technical expertise with local communities and other interests to address water development and management issues in Eastern Maricopa County. The study will provide water quantity, quality, reuse, groundwater aquifer, and other data and analysis to develop appropriate use and storage plans for one of the fastest-growing areas in Maricopa County. Efforts will examine water supply, conservation, water reclamation and re-use for the northeastern portion of Maricopa County and future uses of appropriate Central Arizona Project resources. Population growth, water needs, groundwater depletion, desalination and other factors will be addressed. (FY 2005 - FY 2010)180,000

Non-Federal - Various	(90,000)
	90,000

El Rio River Restoration Study - Begins the assessment of pilot project investigations on the Gila River corridor. The investigations are centered specifically on how best to educate the public on Gila river issues, water quantity issues in general, and environmental issues as they relate to water quantity and quality improvements in the river corridor. (FY 2004 - FY 2008) 200,000

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

Floodplain/Watershed Management Study - Continues consultations with 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) 200,000

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

Mogollon Rim Water Resource Management Study - Continues data gathering and compilation of technical analysis for study effort. Continues working on cost estimates. Initiate final report preparation and address specific problems identified in data analysis. Study completion has been delayed by two years due to work scheduling. (FY 2003 - FY 2009) 240,000

Non-Federal - Various	(120,000)
	120,000

Nogales Area Water Storage Study - Continues technical data gathering, analysis and compilation for ongoing study effort and program. Continues development of appropriate alternatives and cost estimates. Initiates final report preparation and addresses specific problems and opportunities identified through data analysis and the study effort. Study completion has been delayed by one year due to work scheduling. (FY 2003 - FY 2007) $240,000
Non-Federal - Various (120,000)
120,000

Subtotal, Water and Energy Management and Development **$770,000**

Fish and Wildlife Management and Development:
Upper Gila River Watershed Restoration Program - Begins close-out activities for the fluvial geomorphology work and distribution of final geomorphology data as appropriate. Continues work on analysis of potential biological constraints on river actions, and remaining demonstration project proposals and implementation strategy issues with Graham County, the Gila Watershed Partnership, and other stakeholders. Continues coordinating study efforts with other Federal, State, and local government agencies and stakeholders in both Arizona and New Mexico, to assist in water resource management issues and options on the Upper Gila River Watershed.
(FY 2000 - FY 2007) 200,000
Non-Federal - Graham County (100,000)
100,000

Subtotal, Fish and Wildlife Management and Development **100,000**

Reclamation Request **$870,000**

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, 2003, the entire project is 48 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 2003 to September 2004 at the tribe's request for additional time. The completion date of the San Xavier Existing Farm Rehabilitation has been rescheduled from FY 2005 to FY 2007, and from FY 2007 to FY 2008 for the San Xavier Farm Extension. These revisions are a result of delays in right-of-way acquisition and NEPA compliance actions. 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 2004	FY 2005
Water and Energy Management and Development	$4,018,803	$5,078,000
Facilities Operations	776,000	1,571,000
Total Program	$4,794,803	$6,649,000
Prior Year Funds	(1,803)	$0
Other Federal	(776,000)	(1,571,000)
Enacted/Request	$4,017,000	$5,078,000
Underfinancing	(385,000)	0
Rescission (H.R. 2673)	(21,000)	0
Total Reclamation Allotment	$3,611,000	$5,078,000

Total Construction Costs to be Allocated

	Total Estimated Cost	Total to 9/30/03 [1/]	FY 2004	FY 2005	Balance to Complete
Reclamation	$68,331,000	$29,331,000	$3,611,000	$5,078,000	$30,311,000
Total	$68,331,000	$28,331,000	$3,611,000	$5,078,000	$30,311,000

[1/] 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: The increase of $3,348,000 in the total estimated cost from the FY 2004 Budget Justifications is due to indexing.

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 2005:

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 and construction of the Extension portion of the Existing Farm. Continues remaining design work on the Extension portion of the Existing Farm, construction on the rehabilitation of the Existing Farm, cultural resource mitigation, and activities associated with general settlement act including the effluent utilization plan, water management plan and program oversight. $5,078,000

Subtotal, Water and Energy Management and Development **$5,078,000**

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. $1,571,000

Other Federal – Bureau of Indian Affairs (1,571,000)

Subtotal, Facility Operations **0**

Reclamation Request **$5,078,000**

SEE APPENDIX FOR: Land Certification
Obligations by Function for Operating Projects
Summary of Irrigation Investment
Status of NEPA Compliance
Status of Water Service and Repayment Contracts

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, preservation and maintenance of natural treatment systems, 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 2004	FY 2005
Water and Energy Management and Development	$3,165,272	$1,480,000
Total Program	$3,165,272	$1,480,000
Prior year Funds	(1,656)	0
Non-Federal	(1,328,616)	(740,000)
Enacted/Request	$1,835,000	$740,000
Underfinancing	(176,000)	0
Rescission (H.R. 2673)	(10,000)	0
Total Reclamation Allotment	$1,649,000	$740,000

COST-SHARING: San Diego County Water Authority, for the Border of the Californias Recycled Water Study; 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; Santa Ana Watershed Project 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, Murrieta County Water 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; and 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, City of Yucaipa, and California Department of Water Resources for the Southern California Water Recycling Projects Initiative.

WORK PROPOSED FOR FY 2005:

Water and Energy Management and Development-

Border of the Californias Recycled Water Study - Begins development of institutional arrangements for allocating new water supplies. Continues to examine and perform an economic analysis of the cost and feasibility of developing and implementing various alternatives to supplement local water supplies. Study completion has been delayed by one year due to work scheduling.

(FY 2002 - FY 2008)	$200,000
Non-Federal - Various	(100,000)
	100,000

Los Angeles Basin County Watershed Study - Continues the analytical work including the monitoring of demonstration sites to address the important impacts to groundwater from storm water recharge. Continues to identify locations and alternative projects to recharge water throughout the basin and develop analytical tools to aid in determining where, when, and how to recharge urban runoff as well as develop a cost-benefit model for evaluating alternative strategies. Continues to determine a baseline understanding of the flow, water quality and the varied habitats in and along the Los Angeles River. Continues to evaluate long-term alternatives for capturing and using significant volumes of stormwater run-off, dry weather run-off and recycled water and its affect on the Los Angeles Basin Watershed. Study completion has been delayed by one year due to work scheduling.

(FY 2003 - FY 2008)	$200,000
Non-Federal - Various	(100,000)
	100,000

San Jacinto Watershed Water Quality, Supply, and Environmental Enhancement Study - Continues evaluation of water management options. Study completion has been delayed a year due to work scheduling. (FY 2000 - FY 2007)

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

Santa Margarita Watershed Management Study - Continues to develop the preliminary model to address the water quality issues and evaluate the effectiveness of the tool for determining the assimilative capacity of the Santa Margarita River and its ability to resolve long-term issues of effluent discharge to the river. Continues to identify alternative recharge opportunities within the watershed, to identify additional seasonal beneficial uses, identification of environmental enhancement opportunities within the watershed, particularly with respect to endangered and threatened species, and identification of alternative water management strategies for improving water quality within the watershed. Study completion has been delayed by one year due to work scheduling. (FY 2002 - FY 2007)

	$400,000
Non-Federal - Various	(200,000)
	200,000

Shallow Passive Seawater Barrier Study - Begins to prepare the concluding report. Completes the test barrier monitoring. (FY 2002 - FY 2007)	$500,000	
Non-Federal - Various	(250,000)	
	250,000	
Southern California Water Recycling Projects Initiative - Completes the final engineering, economic, and programmatic environmental impact evaluations on water recycling projects and regional analyses as recommended by the Phase 1 and earlier Phase 2 Initiative work.		
(FY 2000 - FY 2005)	$30,000	
Non-Federal - Various	(15,000)	
	15,000	
Subtotal, Water and Energy Management and Development		**$740,000**
Reclamation Request		**$740,000**

Tres Rios Wetlands Demonstration

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

DESCRIPTION/JUSTIFICATION: The constructed wetlands will treat effluent from an advanced secondary wastewater treatment facility and improve the quality of discharges 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 2004	FY 2005
Water and Energy Management and Development	$943,073	$600,000
Total Program	$943,073	$600,000
Prior Year Funds	(13,073)	0
Non-Federal	(300,000)	(200,000)
Enacted/Request	$630,000	$400,000
Underfinancing	(60,000)	0
Rescission (H.R.2673)	(3,000)	0
Total Reclamation Allotment	$567,000	$400,000

Total Construction Costs to be Allocated

	Total Estimated Cost	Total to 9/30/03	FY 2004	FY 2005	Balance to Complete
Reclamation	$8,868,000	$5,963,000	$567,000	$400,000	$1,938,000
Adjustments [1/]	9,048,000	8,037,274	300,000	200,000	510,726
Total	$17,916,000	$14,000,274	$867,000	$600,000	$2,448,726

[1/] Includes $8,958,000 cost sharing from City of Phoenix and $90,000 from the Environmental Protection Agency.

APPROPRIATION CEILING: None.

WORK PROPOSED IN FY 2005:

Water and Energy Management and Development - Begins water quality monitoring for fifth research plan. Continues the natural and infrared color photography of the site. Continues vegetation sustainability research and wildlife monitoring. Completes any remaining status report work necessary for work conducted in previous years. $600,000

Non-Federal - City of Phoenix (200,000)

Subtotal, Water and Energy Management and Development **$400,000**

Reclamation Request **$400,000**

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 2004	FY 2005
Water and Energy Management and Development	$1,564,169	$1,560,000
Facility Operations	5,153,544	4,516,000
Facility Maintenance and Rehabilitation	16,044,000	16,200,000
Total Program	$22,761,713	$22,276,000
Prior Year Funds	(39,713)	0
Non-Federal	(50,000)	(50,000)
Enacted/Request	$22,672,000	$22,226,000
Underfinancing	(584,000)	0
Rescission (H.R.2673)	(130,000)	0
Total Reclamation Allotment	$21,958,000	$22,226,000

WORK PROPOSED FOR FY 2005:

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 soil classification activities. $1,560,000

Subtotal, Water and Energy Management and Development **$1,560,000**

Facility Operations - Continues water and power facility 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. 3,240,000

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 land exchanges, disposals, acquisitions, rights-of-way, utility crossing contracts, land resource inventories, out-grant administration, trespass resolution, and hazardous materials surveys. 952,000

Continues fish and wildlife facility operations along the lower Colorado River, including environmental awareness 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. 324,000

Subtotal, Facility Operations **4,516,000**

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. Continues repair of the Lower Cibola Bridge, which has been restricted to one-way traffic and no longer supports heavy loads, hindering Reclamation's ability to deliver and place riprap along the Colorado River. Continues review of environmental design and rehabilitation work associated with the irrigation system in the Indian and Bard Units. Review will ensure work is performed in compliance with Reclamation standards and water delivery contract terms. 4,536,000

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. Begins Imperial Dam dredging to improve quality and quantity of water received at the Gila Gravity Canal Headworks and to restore sediment trap efficiency and reduce buildup on the face of the dam. 5,581,000

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. 6,083,000

Non-Federal: Yuma Cogeneration Association	(50,000)
	6,033,000

Subtotal, Facility Maintenance and Rehabilitation	**16,150,000**
Reclamation Request	**$22,226,000**

SEE APPENDIX FOR: Obligations by Function for Operating Projects

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