



BUDGET The United States Department of the Interior **JUSTIFICATIONS**

and Performance Information
Fiscal Year 2008

CENTRAL UTAH PROJECT COMPLETION ACT

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Central Utah Project Completion Act

FY 2008 Budget Justification

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CENTRAL UTAH PROJECT COMPLETION ACT

General Statement

The Central Utah Project (CUP) was originally authorized in 1956 as a participating project of the Colorado River Storage Project. The CUP was planned by the Bureau of Reclamation (Reclamation), and construction began on the project in 1966. For convenience, the CUP was originally divided into six units. The Bonneville Unit was the largest and last of the CUP units to be established. Reclamation continued the planning and construction of the CUP until October 30, 1992, when the Central Utah Project Completion Act (CUPCA), Public Law 102-575, was enacted.

The CUPCA provided for the orderly completion of the CUP by increasing the appropriations ceiling and authorizing features and measures for the delivery of water for municipal, industrial, and irrigation purposes; water conservation; wildlife mitigation; and in-stream flows. The CUPCA also provides for cost-sharing of project costs, establishes a water conservation program, allows local entities to construct project features, and requires compliance with environmental laws. The CUPCA established a partnership arrangement among the Department of the Interior (Interior), the Central Utah Water Conservancy District (CUWCD), the Utah Reclamation Mitigation and Conservation Commission (Mitigation Commission), and Ute Indian Tribe. The CUWCD was given the responsibility for completion of the water conveyance facilities, and the Mitigation Commission was tasked with completing the environmental mitigation. To implement CUPCA, the Department established a small office in Provo, Utah, (CUPCA Office) under the direction of the Assistant Secretary – Water and Science, to oversee the completion of the project and the activities of the CUWCD, the Mitigation Commission, and the Ute Indian Tribe.

The following information summarizes the Fiscal Year (FY) 2008 budget request that was developed based upon Interior's strategic plan and its goals, the Program Assessment Rating Tool (PART) process and evaluation, and program performance accomplishments. Detailed performance information for 2008, 2007, and 2006 also is included.

Central Utah Project Completion Account

The FY 2008 request is \$43.0 million, \$8.9 million more than FY 2007. Of this request, \$42.0 million will be expended from this account and \$976,000 will be transferred to the Utah Reclamation Mitigation and Conservation Account for use by the Mitigation Commission.

The FY 2008 request includes \$39.6 million for use by CUWCD to continue construction of the Uinta Basin Replacement Project; to continue construction of the Utah Lake System facilities; and to implement approved water conservation and water management improvement projects. The \$976,000 requested for transfer to the Mitigation Commission will be used in implementing the fish, wildlife, and recreation mitigation and conservation projects authorized in Title III (\$715,000); and in completing mitigation measures committed to in pre-1992 Bureau of

Reclamation planning documents (\$261,000). Title III activities in FY 2008 include acquisition of habitat, access, wetlands, water rights in key watersheds, and recreation and fish hatchery improvements.

The request also includes \$2.4 million for use by the Department to carry out the responsibilities of the Secretary and for other activities required by the Act.

Utah Reclamation Mitigation and Conservation Account

In FY 2008, funds deposited in or transferred to this account are estimated to total \$17.6 million. This consists of \$976,000 requested for use by the Mitigation Commission as mentioned above; an estimated \$9.5 million in interest earned (not currently available for program use) on the accumulated principal of this account; and \$7.1 million from the Western Area Power Administration (WAPA). The accumulated principal in the account, which is not available for program use, is estimated to total \$194.0 million at the end of FY 2008.

The Completion Act provided for \$5.0 million per year (indexed for inflation), to be appropriated through the WAPA, for use by the Mitigation Commission. Section 214 of P.L.108-137 amended the Act to provide that the annual contributions from WAPA shall expire in ten years (2013) and also authorized the Mitigation Commission to utilize the interest earned and accrued to this account in ten years (2014). The remaining WAPA contributions during the period from 2008 to 2013 are essential for the successful implementation of the authorized mitigation and conservation measures.

Summary by Account
FY 2006 - FY 2008 Budget Authority
(thousands of dollars)

	FY 2006	FY 2007	FY 2008
	<u>Actual</u>	<u>CR</u>	<u>Request</u>
<u>Current Authority</u>			
Central Utah Project Completion Account	\$33,070	\$33,173	\$42,024
Utah Reclamation Mitigation and Conservation Account	<u>937</u>	<u>965</u>	<u>976</u>
Total current authority	\$34,007	\$34,138	\$43,000
<u>Permanent Authority</u>			
Utah Reclamation Mitigation and Conservation Account 1/	<u>6,300</u>	<u>0</u>	<u>0</u>
Total Completion Act	\$40,307	\$34,138	\$43,000

Notes: 1/ In FY 2006, the Mitigation Commission used the contribution of \$6.3 million from the Western Area Power Administration for administrative expenses (\$1.4 million) and for other program purposes (\$4.9 million). The Commission will also allocate the WAPA contribution between these accounts in FY 2007 and FY 2008, but because the Commission does not determine that allocation until the middle of the Fiscal Year, the budget request does not include an estimate for the allocation between accounts.

CENTRAL UTAH PROJECT COMPLETION ACCOUNT

Location:	This project is located in Utah's Bonneville and Uinta Basins, in Uintah, Duchesne, Wasatch, Summit, Utah, Salt Lake, and Juab Counties.
Description:	The Central Utah Project Completion Act provides for completion of the Central Utah Project by the Central Utah Water Conservancy District. This includes construction of a system to deliver water to the Utah Lake drainage basin and the Uinta Basin Replacement Project. In addition, the Act authorizes funding for programs to improve water management and conservation and for fish, wildlife, and recreation mitigation and conservation; and establishes the Utah Reclamation Mitigation and Conservation Commission to coordinate the implementation of mitigation and conservation activities.
Authorization and Related Authorizations:	Titles II - VI of P.L. 102-575, October 30, 1992. P.L. 84-485, April 11, 1956; P.L. 90-537, September 30, 1968; P.L. 92-370, August 10, 1972; P.L. 94-423, September 28, 1976; P.L. 96-470, October 19, 1980; P.L. 100-563, October 31, 1988; P.L. 104-286, October 11, 1996; P.L. 106-140, December 7, 1999; P.L. 107-366, December 19, 2002; and Section 214 of P.L. 108-137, December 1, 2003.
Land Certification:	All land certifications for the authorized projects are complete.
Completion Data:	<p>As of September 2006, work authorized by the Completion Act is 60 percent complete, and the project is estimated to be entirely completed by 2021. The major projects presently under construction are:</p> <ul style="list-style-type: none">• The Section 207 Water Conservation Measures that are scheduled for completion by 2016;• The Uinta Basin Replacement Project that is scheduled for completion in 2010; and• The Utah Lake Basin Water Delivery System that is scheduled for completion in 2021.
Project Cost Allocation/ Benefit-Cost Ratios:	Project cost allocations and benefit/cost ratios have been calculated and are documented in the 2004 Final

Supplement to the 1988 Definite Plan Report for the Bonneville Unit.

Status of Repayment Contract:

Repayment of the reimbursable costs is required in existing contracts with CUWCD. Amendments, or supplemental contracts, will be negotiated as necessary.

Other Information:

Uinta Basin Replacement Project – Sec. 203(a) of the Central Utah Project Completion Act authorized funds for facilities to increase efficiency, enhance beneficial uses, and achieve greater water conservation in the Uinta Basin. After engineering and economic studies were conducted, the specific features identified in the legislation were reformulated to accomplish these objectives in a more feasible manner. Planning and NEPA documents for the reformulated project were completed in November 2001, and construction began on the reformulated project in 2002.

Utah Lake System – Planning and NEPA documents were completed in FY 2004. Activities include designs, specifications, land acquisition, and construction of facilities to deliver project water, conserve water, and meet environmental needs along the populated Wasatch Front. Construction began in 2007.

Appropriation Ceiling:

Appropriation ceilings remaining as of October 2006 are:

• Title II (Sec. 202 to 207)	\$465,473,375
• Title II (Sec. 201(a)(1)), Sec. 8	\$16,030,400
• Title II (Sec. 201(a)(1)), Sec. 5	\$0
• Title II (Sec. 201 (c))	\$0
• Title III	\$75,109,100
• P.L. 84-485, P.L. 92-370, and P.L. 100-563	<u>\$ 738,282</u>
Total	\$557,351,157

Note: In its response to an audit by the Office of Inspector General of the Construction Cost Ceiling for the Bonneville Unit, the Department agreed to inform the Congress that it intends to use the Bureau of Reclamation's cost ceiling calculations as a basis for requesting appropriations to complete the Central Utah Project. It further agreed to keep the Congress informed of the status of those ceilings in its annual budget justifications. In addition, these remaining appropriation ceilings reflect the changes enacted in P.L. 107-366, December 19, 2002.

Proposed Fiscal Year 2008 Program

Central Utah Water Conservancy District:

Utah Lake Drainage Basin Delivery System Activities include designs, specifications, land acquisition, and construction of facilities to deliver CUP water to the Utah Lake drainage basin.	\$23,597,000
Water Conservation Measures Activities include administration and implementation of approved water conservation measures and the review of proposed future conservation measures.	\$5,000,000
Uinta Basin Replacement Project Activities include continuation of construction on Big Sand Wash Reservoir Enlargement, Big Sand Wash-Roosevelt Pipeline, and Modification of the Moon Lake Dam Outlet Works.	\$9,518,000
Other Title II Programs Activities include implementation of ground water conjunctive use programs.	\$1,500,000
CUWCD Subtotal	\$39,615,000

Utah Reclamation Mitigation and Conservation Commission:

This request includes \$976,000 to be transferred to the Utah Reclamation Mitigation and Conservation Account for use by the Mitigation Commission. These funds will be used to implement the fish, wildlife, and recreation mitigation and conservation projects authorized in Title III; and in completing mitigation measures committed to in pre-1992 Bureau of Reclamation planning documents.

Title III - Fish, Wildlife, and Recreation Mitigation and Conservation

The Completion Act established 43 mitigation and conservation projects within Title III, which have been organized into several watershed-based programs:

- Provo River/Utah Lake Fish and Wildlife: \$150,000
Activities include acquisition and development of the Utah Lake Wetland Preserve and the warm water fishery in Utah Lake; acquisition of water rights and rehabilitation of riparian habitat along the lower Provo River; and enhancement of fishery and riparian habitat, wetlands, and public access along the middle Provo River. Activities along the Jordan River include rehabilitation of riparian habitat, protection of wetlands, and development of acquired lands and facilities.
- Duchesne/Strawberry Rivers Fish and Wildlife: \$30,000
Activities include restoration of the fisheries in the Strawberry River drainage and in tributaries of Strawberry Reservoir; and rehabilitation of wildlife and riparian habitat

along the Duchesne River and the Strawberry Aqueduct and Collection System.

- CRSP/Statewide Fish, Wildlife and Recreation: \$535,000
Statewide activities include improving fish hatchery production; acquisition and development of wetlands adjacent to the Great Salt Lake; restoring habitat and acquisition of public access in small watersheds; restoring native cutthroat trout populations; acquisition of rangelands; and conducting inventories of sensitive plant and wildlife species and ecosystems.

Section 201(a)(1) Mitigation Measures \$261,000
Mitigation measures include development of wetlands along the lower Duchesne River; stream and riparian restoration and recreation facilities along the Diamond Fork/Sixth Water Creek corridor; recovery actions for the endangered June sucker; and mitigation for big game impacts.

Mitigation Commission Subtotal \$ 976,000

Department of the Interior:

Fish and Wildlife Conservation Projects \$789,000
Sec. 313(c) provides that the cost of operating and maintaining new and improved hatchery facilities shall be borne by the Secretary (\$405,000) and funds (\$360,000) are required to pay the costs of delivering water acquired by the Secretary for in-stream flows.
Sec. 314(c) provides that three percent of funds allocated for Title III activities are to be used for mitigation and conservation projects outside the State of Utah (\$24,000).

Program Oversight & Administration \$1,620,000
Funds are requested for the Program Office located in Provo, Utah, to provide oversight, review, and liaison with CUWCD, the Mitigation Commission, and the Ute Indian Tribe, and to otherwise assist in carrying out the responsibilities of the Secretary.

Department Subtotal \$2,409,000

TOTAL REQUEST \$43,000,000

**CENTRAL UTAH PROJECT COMPLETION ACCOUNT
PROPOSED FY 2008 APPROPRIATIONS LANGUAGE**

For carrying out activities authorized by the Central Utah Project Completion Act, (\$38,552,000) *\$41,380,000* to remain available until expended, of which (\$965,000) *\$976,000* shall be deposited into the Utah Reclamation Mitigation and Conservation Account for use by the Utah Reclamation Mitigation and Conservation Commission.

In addition, for necessary expenses incurred in carrying out related responsibilities of the Secretary of the Interior, (\$1,603,000) *\$1,620,000* to remain available until expended.

Program Performance Summary

Fiscal Year 2008 Projected Program Performance

The FY 2008 budget request supports the key outcome goals to: (1) Deliver Water Consistent with Applicable State and Federal Law, in an Environmentally Responsible and Cost-Efficient Manner; (2) Improve Health of Watersheds and Landscapes; (3) Sustain Biological Communities, (4) Improve Access to Appropriate Recreation Opportunities on Interior Managed or Partnered Lands and Waters; (5) Ensure a Quality Experience and Enjoyment of Natural and Cultural Resources on DOI Managed or Partnered Lands and Waters; and (6) Advance quality communities for Tribes. The completion of the water storage and delivery facilities meets the requirements of “Resource Use” by providing water consistent with applicable State and Federal law in an environmentally responsible and cost efficient manner. Concurrent funding of the Mitigation Commission’s program also meets the requirements of “Resource Protection” by improving watersheds, landscapes, and marine resources, and by sustaining biological communities. These goals include both long-term and annual performance measures that are linked to the Department of the Interior’s Strategic Plan end outcome goals. The following table summarizes the actual and projected accomplishments for the five performance measures under the program.

Program Performance Summary

End Outcome Measure/ Intermediate or PART Measure/ Efficiency or Other Outcome Measure	PART	Type	2004 Actual	2005 Actual	2006 Actual	2007 President's Budget	2008 Request	Change from 2007 President's Budget to 2008	Long Term Target 2021	Comments
End Outcome Goal: Resource Use - Deliver water consistent with applicable State and Federal laws in an environmentally responsible manner.										
Annual total water supply made available annually for project purposes. (acre-feet)		C	241,218	252,250	244,287	248,200	249,122	922 0.4%	264,424	
Cumulative total cost to date, Actual/Planned/Projected. (\$000)			\$1,063,609	\$1,109,664	\$1,133,953	\$1,133,953	\$1,133,953	\$0 0.0%		
Actual/Projected cost per acre-foot of water delivered.			\$4,409	\$4,399	\$4,642	\$4,569	\$4,552	-\$17 -0.4%		
Cumulative total conveyance system constructed to deliver project water. (cfs-miles)		C	20,530	20,829	20,829	20,829	20,829	0 0.0%	24,609	Construction costs accumulate each year but cfs-miles are not reported until a feature is completed.
Cumulative total cost to date, Actual/Planned/Projected. (\$000)			\$128,500	\$151,233	\$171,764	\$206,816	\$230,627	\$23,812 11.5%		
Actual/Projected Cost per cfs-mile constructed.			\$6,259	\$7,261	\$8,247	\$9,929	\$11,073	\$1,143 11.5%		
Annual total water conserved through the Water Management Improvement Program. (acre-feet)		C	94,968	90,189	88,501	95,801	103,101	7,300 7.6%	214,001	
Cumulative total cost to date Actual/Planned/Projected. (\$000)			\$89,080	\$90,369	\$94,254	\$101,357	\$108,462	\$7,105 7.0%		
Actual/Projected Cost per acre-foot of conserved water.			\$938	\$1,002	\$1,065	\$1,058	\$1,052	-\$6 -0.6%		
End Outcome Goal: Resource Protection - Sustain biological communities on DOI management and influenced lands and waters in a manner consistent with obligations regarding the allocation and use of water.										
Annual water made available for stream fisheries. (acre-feet)		C	324,278	324,278	324,278	324,278	324,278	0 0.0%	335,315	Water made available for fisheries and the associated cost remain constant until new features are completed.
Cumulative total cost to date, Actual/Planned/Projected (\$000)			\$585,011	\$585,011	\$585,011	\$585,011	\$585,011	\$0 0.0%		
Actual/Projected Cost per acre-foot of available water.			\$1,804	\$1,804	\$1,804	\$1,804	\$1,804	\$0 0.0%		
Cumulative total land set aside for wetland and wildlife purposes. (acres)		C	14,193	14,825	17,915	18,525	18,845	320 1.7%	24,497	
Cumulative total cost Actual/Planned/Projected (\$000)			\$54,402	\$58,486	\$65,738	\$67,538	\$68,318	\$780 1.2%		
Actual/Projected Cost per acre.			\$3,833	\$3,945	\$3,669	\$3,646	\$3,625	-\$21 -0.6%		

Program Assessment Rating Tool (PART) – The CUPCA program was evaluated under PART in 2005 during development of the FY 2007 budget request. The program was rated as adequate, and the five performance measures shown in the above table, were established. The PART evaluation identified specific areas that needed improvements or corrections and, as a result, the following actions were initiated in FY 2006, and the status of each action is given below.

- The Mitigation Commission and the Department amended their agreement to clarify and improve the Mitigation Commission’s accountability on its projects.
- Beginning November 1, 2005, the Mitigation Commission provides monthly and quarterly reports to the CUPCA office. The Mitigation Commission and Department meet on a regular basis for the specific purpose of discussing program performance.
- The Mitigation Commission met with their project partners and developed a plan to expedite the implementation of all its pending projects.
- The Mitigation Commission amended their existing project contracts, where possible, to impose specific timelines and penalties. All future project contracts shall include specific timelines and penalties.
- The Mitigation Commission amended its Mitigation Plan to reallocate funding from delayed projects to other authorized projects.
- The Department’s budget requests for Section 8 funding authorized in Title II will be appropriated to the District and the Department.
- The Department will facilitate meetings as needed among the Mitigation Commission, OMB, the Department, and WAPA to reach consensus regarding WAPA’s annual contribution under Title IV of CUPCA.

Interior has formulated the 2008 budget to meet the estimated completion of the project by 2021. The 2008 budget was formulated to meet the targets established as a result of the PART efficiency and performance measures. The 2008 request also is consistent with Interior's strategic goal of resource use and developing water in a cost efficient manner; helps the United States to meet its contractual obligations to deliver water; and helps to meet the statutorily mandated water conservation goals. The CUPCA Office will continue to work closely with and monitor the activities of the CUWCD and the Mitigation Commission to meet these deadlines, to comply with the United States’ contractual commitments, and to meet the goals in Interior's Strategic Plan.

Fiscal Year 2007 Planned Program Performance

In FY 2007, the construction of the Uinta Basin Replacement Project continued, which assists Interior in meeting its strategic goal of “resource use” in delivering water and hydropower. An

additional end outcome and measure of accomplishment that will be achieved by completing this project, is the contractual commitment to deliver water before 2009. The other major construction project underway in FY 2007 is the Utah Lake Basin Water Delivery System which when complete, will provide 60,000 acre-feet of water to Salt Lake and Utah counties. Funds made available in FY 2007 for water conservation measures also assists Interior in meeting the same strategic goal by conserving an estimated 95,000 acre-feet water in 2007.

In FY 2007, the Mitigation Commission will expedite the construction and completion of the mitigation measures associated with the Uinta Basin Replacement Project; continue its plans for warm water and tribal hatcheries; acquire lands for the Great Salt Lake wetlands project; continue to implement the Provo River Restoration Project; plan for wetlands along the lower Duchesne River; work to recover the endangered June sucker; and acquire easements for fisherman access. The Mitigation Commission's activities are aligned with Interior's strategic plan in each category. Funds for these activities will assist Interior in meeting its resource protection strategic goals to improve the health of watersheds, landscapes, and marine resources and to sustain biological communities. In addition, the mitigation associated with the water delivery projects will be completed concurrently with the construction activities.

The CUPCA Office continues to strive for achievement in areas of the President's Management Agenda. In FY 2007, efforts toward advancing management objectives include: (1) improvements in performance based budgeting, and (2) implementing the actions noted above that are based on program evaluations using the PART process, which was conducted in 2005.

Performance Based Budgeting: The CUPCA continues to strengthen its performance based budget in 2007. The budget supports CUPCA's mission and key outcome goals to: (1) Deliver Water Consistent with Applicable State and Federal Law, in an Environmentally Responsible and Cost-Efficient Manner; (2) Improve Health of Watersheds and Landscapes; (3) Sustain Biological Communities; (4) Improve Access to Appropriate Recreation Opportunities on Interior Managed or Partnered Lands and Waters; (5) Ensure a Quality Experience and Enjoyment of Natural and Cultural Resources on DOI Managed or Partnered Lands and Waters; and (6) Advance quality communities for Tribes. These goals include both long-term and annual performance measures that link to the Department of the Interior's Strategic Plan end outcome goals.

Fiscal Year 2006 Program Performance Accomplishments

In FY 2006, there was significant progress on several projects that will assist Interior in meeting its strategic goal of "resource use" in delivering water and hydropower. Construction on the Big Sand Wash Reservoir enlargement was completed and construction on the Roosevelt pipeline was initiated. As a result, the CUCPA office expects to attain its outcome goal of meeting its contractual commitment to deliver water by 2009. Funds made available in FY 2006 for water

conservation measures also assists Interior in meeting the same strategic goal by conserving an estimated 88,000 acre-feet water in 2006.

In FY 2006, the Mitigation Commission continued its plans for hatcheries; acquired lands for the Great Salt Lake wetlands project; continued to implement the Provo River Restoration Project; planned for wetlands along the lower Duchesne River; worked to recover the endangered June sucker; and acquired easements for fisherman access. These activities are aligned with Interior's strategic plan in each category, and assisted Interior in meeting its strategic goal of "resource protection."