



# BUREAU OF RECLAMATION

**Mission** — The Bureau of Reclamation’s mission is to manage, develop, and protect water and related resources in an environmentally and economically sound manner in the interest of the American public.

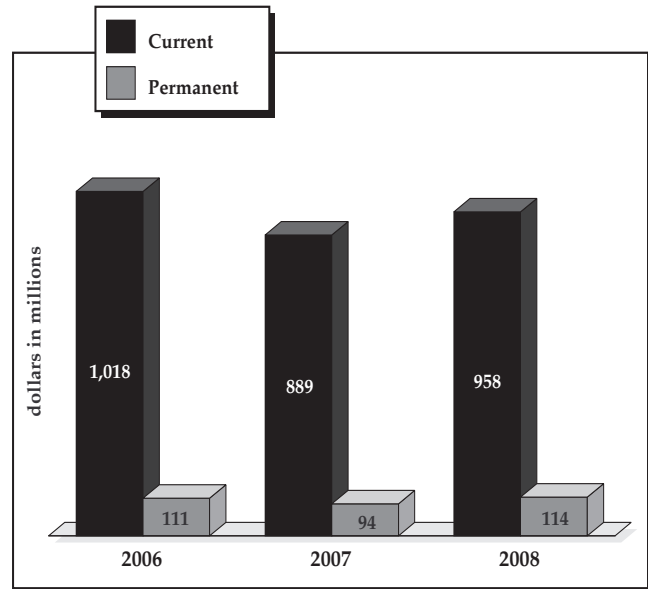
**Program Overview** — Reclamation is the largest supplier and manager of water in the 17 western States. It maintains 472 dams and 348 reservoirs with the capacity to store 245 million acre-feet of water. These facilities deliver water to one in every five western farmers for about ten million acres of irrigated land and provide water to over 31 million people for municipal, rural, and industrial uses. Reclamation is also the Nation’s second largest producer of hydroelectric power, generating 44 billion kilowatt hours of energy each year from 58 power plants. In addition, Reclamation’s facilities provide substantial flood control, as well as many recreation and fish and wildlife benefits.

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

Water is one of the scarcest resources in some of the fastest growing areas of the Nation; it is the lifeblood of the American West. In many areas existing water supplies as currently managed are, or may become, inadequate to meet the demands for water for people, cities, farms, and the environment. These supply and management challenges, coupled with the fact that the West has experienced severe drought conditions over the past several years, guarantee that water supply-related crises will become more frequent if action is not taken now.

Reclamation is committed to working with its customers, States, Tribes, and other stakeholders to find ways to balance and provide for the mix of water resource needs in 2008 and beyond. One of several ways that Reclamation is assisting the West in addressing its water supply

## Reclamation Funding



issues is Water 2025. Reclamation’s Water 2025 initiative addresses the challenges of preventing crises and conflict over water in the West.

Reclamation is currently developing a common set of evaluation criteria that will be used to allocate water conservation funding on a Reclamation-wide basis. These criteria will apply to Water 2025, the Water Conservation Field Services program, and other Reclamation water conservation programs in order to foster and maintain a unified, West-wide approach for Reclamation’s water conservation programs. By increasing the certainty, flexibility, diversity, and efficiency of water supplies and the transparency and uniformity of water conservation funding throughout the West, local governments and irrigation districts will be better prepared to meet the needs of people, cities, farms, and the environment that are currently in danger of going unmet, even in normal water years.

**Management Excellence** — Reclamation continues to strive for excellence in the President’s management agenda. Efforts toward advancing management ex-

---

cellence in the 2008 budget include improvements in performance-based budgeting; program evaluations utilizing the Program Assessment Rating Tool process; and managerial studies to improve organizational, management, and resource configurations.

The National Academy of Sciences, at Reclamation's request, completed and published its study in 2006 to assist Reclamation in determining the appropriate organizational, management, and resource configurations to meet its construction and related infrastructure management responsibilities associated with fulfilling its core mission of delivering water and power for the 21<sup>st</sup> century.

The Managing for Excellence action plan, developed in response to the Academy's report, outlines a process and timeframe for identifying and addressing the specific actions that can be taken to increase transparency, efficiency, and accountability within Reclamation. As of the end of January 2007, Reclamation will have completed approximately 50 percent of the 41 action items identified. Implementation of the action items will continue.

As part of the 2008 budget development process, Reclamation and OMB evaluated two programs using the PART - the Central Valley Project Improvement Act and CALFED programs. The Central Valley Project Improvement Act program was rated adequate and as a result of one of the recommendations, Reclamation will develop and implement a long-term action plan to achieve program performance goals. The CALFED program was also rated adequate. Recommendations include having an independent science board review the CALFED program performance measures to determine whether the program is achieving intended results. Improvement plans for both programs are being developed and will be implemented in 2007.

In 2006, the President signed the Reclamation Rural Water Supply Act that establishes a formal Reclamation rural water program, which addresses the key recommendations of the 2003 PART review on the program.

**Budget Overview** — The Bureau of Reclamation's 2008 President's budget request is \$958.4 million, which is \$69.6 million above 2007. The request includes a \$5.2 million program reduction to restore the priorities of the 2007 President's budget that are not included in the 2007 continuing resolution, including eliminating unrequested congressional earmarks and implementing program enhancement and reduction proposals included in the 2007 President's budget.

The 2008 request for current appropriations is \$958.4 million and is offset by discretionary receipts in the Central Valley Project Restoration Fund, estimated to be \$51.3

million, which results in a net discretionary request of \$907.1 million. The request for permanent appropriations in 2008 totals \$114.4 million.

**Water and Related Resources** — The 2008 request for Reclamation's principal operating account is \$816.2 million, an increase of \$60.3 million over the 2007 continuing resolution and \$70.8 million over the 2007 President's budget. This net increase includes restoration of the cancellation of \$88.0 million of unobligated balances associated with desert terminal lakes and project reductions of \$27.8 million. Consistent with the 2007 President's request, under-financing, an undistributed reduction in anticipation of delays in construction schedules and other planned activities, is not included in the 2008 budget request.

The budget proposal continues to emphasize assuring operation and maintenance of Bureau of Reclamation facilities in a safe, efficient, economic, and reliable manner; ensuring systems and safety measures are in place to protect the public and Reclamation facilities; working smarter to address the water needs of a growing population in an environmentally responsible and cost-efficient manner; and assisting States, Tribes, and local entities in solving contemporary water resource issues. Funding for each project or program within Reclamation's budget request is based upon Departmental and bureau priorities, compliance with the Department of the Interior strategic plan, and performance accomplishments.

The 2008 request includes a total of \$429.5 million for water and energy, land, and fish and wildlife resource management development activities. Funding in these activities provides for planning, construction, water conservation activities, management of Reclamation lands including recreation, and actions to address the impacts of Reclamation projects on fish and wildlife.

The 2008 budget request also provides a total of \$386.7 million for facility operations, maintenance, and rehabilitation activities. Providing adequate funding for these activities continues to be one of Reclamation's highest priorities. The Bureau continues to work closely with water users and other stakeholders to ensure that available funds are used effectively. These funds are used to allow the timely and effective delivery of project benefits; ensure the reliability and operational readiness of Reclamation's dams, reservoirs, power plants, and distribution systems; and identify, plan, and implement dam safety corrective actions and site security improvements.

**Water 2025, Preventing Crises and Conflicts** — The 2008 budget includes \$11.0 million for Water 2025. The Administration will submit legislation for the authorization necessary to accomplish the goals of this program.

---

The overarching goal of Water 2025 is to meet the challenge of preventing crises and conflicts over water in the West. Water 2025 will achieve this by increasing the certainty and flexibility of water supplies, diversifying water supplies, and preventing crises through cooperatively adding environmental benefits in many watersheds, rivers, and streams.

The 2008 Water 2025 request includes \$10.0 million for the 50:50 challenge grant program, which relies on local initiative and innovation to identify and formulate the most sensible improvements for local water systems. The request also includes \$1.0 million for system optimization reviews for Reclamation to work on a 50:50 cost-share basis with local entities to assess the potential for water management improvements.

**Loan Guarantee Program** — The 2008 request includes \$1.0 million to develop and administer the Loan Guarantee program, which is a critical component of Interior’s strategy to address aging water infrastructure challenges in the West. The Loan Guarantee program, which uses a business-like approach that recognizes the inability of many water districts to secure funds for expensive rehabilitative repairs without the capability to use Federal facilities as collateral to obtain bank financing, was authorized by the Reclamation Rural Water Supply Act of 2006.

**Project Requests** — The budget request includes \$58.0 million for the Animas La Plata project to continue implementation of the Colorado Ute Settlement Act. This funding will provide for continued construction of the Ridges Basin Dam and Durango Pumping Plant, and for continuation of construction of the Ridges Basin Inlet Conduit.

The request provides \$27.2 million for the Central Arizona project and \$124.8 million for operating, managing, and improving California’s Central Valley project. Within this amount, the CVP Replacements, Additions, and Extraordinary Maintenance program includes a total of \$19.4 million, an increase of \$1.1 million for such items as spillway regulating gates, repair and procurement of radial gate attachments at Nimbus Dam, and an overhaul of the fixed wheel gate at Trinity Dam. The CVP Sacramento River Division includes a total of \$8.0 million, of which \$5.5 million is for the fish passage program at Red Bluff Diversion Dam and other activities including fish-related studies, planning documents, and land acquisition.

The 2008 Reclamation budget request includes \$15.4 million for Lower Colorado River operations to maintain the role of the Secretary as water master for the lower Colorado River. The request provides funding for management and oversight of both the annual and long-range operating criteria for Colorado River reservoirs; water contract administration; and implementation of

the Lower Colorado River Multi-Species Conservation program. The Bureau of Reclamation remains committed to maximizing efficient ways to deliver water under its contracts and to conserve water for multiple uses, including endangered species protection.

Removal of the Savage Rapids Dam is funded at \$15.0 million, an increase of \$2.0 million from 2007. Removal of this irrigation diversion dam and the installation of pumping facilities will allow the local farming community to continue irrigated agriculture and remove a migration barrier for the threatened southern Oregon and northern California coho salmon. The Columbia Basin project is funded at \$12.0 million, an increase of \$1.8 million from 2007.

The budget requests \$16.8 million for Endangered Species Act recovery implementation programs. In late 2006, the Secretary and the Governors of Colorado, Nebraska, and Wyoming signed the Platte River Recovery Implementation program and the budget request includes a \$6.4 million increase in the Great Plains region to implement the program. The Columbia/Snake Salmon Recovery program is funded at \$15.0 million. Reclamation’s portion of the Nez Perce Water Rights Settlement Agreement, \$6.9 million, is funded in this program.

The Klamath project is funded at \$25.0 million and includes funds for Reclamation to collaborate with other Federal and State agencies, Tribes, and the public to develop a basin-wide recovery plan that addresses water supply, water quality, fish habitat, and fish populations. The Middle Rio Grande project is funded at \$23.2 million, which will continue funding of endangered species activities and Reclamation’s participation in the Middle Rio Grande Endangered Species Act Collaborative program as well as repair of priority river maintenance sites.

The 2008 Reclamation budget request funds Mni Wiconi, the rural water component of the Garrison Diversion Unit, and Lewis and Clark rural water systems at \$55.0 million, \$13.7 million below the 2007 level. Since the early 1980s, Congress has directed Reclamation to develop 13 independently authorized single-purpose water supply projects for rural communities throughout the West. Two performance assessments were conducted on Reclamation’s rural water activities in recent years which found shortcomings in Reclamation’s involvement in rural water projects, mainly due to the lack of a formal rural water program.

On December 22, 2006, the President signed the Reclamation Rural Water Supply Act of 2006. Title I of the statute requires the Secretary to establish a formal rural water supply program for rural water and major maintenance projects in the 17 western States. The Act requires the

---

establishment of programmatic and eligibility criteria for the rural water program along with other reporting requirements and criteria for appraisal and feasibility studies. Implementation of the Act will allow the Department, the Administration, and the Congress to set priorities and establish clear guidelines for project development to help meet the water supply needs of rural communities throughout the West.

A total of \$77.0 million is requested for Reclamation's Safety of Dams program, an increase of \$8.0 million, which is primarily directed to dam safety issues at Folsom Dam. Program funding includes \$57.1 million to initiate safety of dams corrective actions and \$18.5 million for safety evaluations of existing dams. Also included is \$1.4 million for the Department of the Interior Safety of Dams program.

A total of \$35.5 million is requested for site security to ensure the safety and security of the public, Reclamation's employees, and key facilities. This funding includes \$11.7 million for physical security upgrades and \$23.8 million to continue all aspects of Reclamation-wide security efforts, including law enforcement, risk and threat analysis, implementing security measures, security risk assessments and security-related studies, and guards and patrols. The 2008 budget assumes that the annual costs associated with guard and patrol activities will be treated as project operations and maintenance costs, subject to reimbursement based upon project cost allocations.

The request funds Title XVI water reclamation and reuse projects at \$10.1 million. This request level is similar to previous budget requests.

The budget proposes to reallocate repayment of capital costs of the Pick-Sloan Missouri Basin program. The Administration will submit legislation to Congress to reallocate repayment of construction and operations costs to power customers. Power customers would be responsible for repayment of all construction from which they benefit. This change would increase reimbursements from power customers by an estimated \$23 million in 2008 and in the out-years. This proposal is consistent with the Government Accountability Office and the Office of Inspector General recommendations regarding the project's cost allocation. The reallocation will likely result in modest increases to power rates for Pick-Sloan customers.

**Central Valley Project Restoration Fund** — The 2008 budget includes a request of \$51.6 million for the CVPRF. This budget request is offset by collections estimated at \$51.3 million from mitigation and restoration charges authorized by the Central Valley Project Improvement Act. The request includes a \$7.5 million reduction due

to the proposed legislation for the San Joaquin River Restoration Fund. Without the legislative proposal, the CVPRF request is \$59.1 million.

The 2008 program funds a variety of activities to restore fish and wildlife habitat and populations in the CVP service area of California, including: acquiring water for anadromous fish and other environmental purposes; providing for long-term water deliveries to wildlife refuges; continuing the anadromous fish restoration program with the goal of doubling the natural production of anadromous fish; monitoring the effectiveness of restoration actions; acquiring fee title or conservation easements to facilitate better management; restoring land to improve wildlife habitat, conserve water, and reduce drainage; and continuing funding for fish screens on diversions along the Sacramento River.

**San Joaquin River Restoration Fund Proposed Legislation** — The 2008 budget also reflects the settlement of *Natural Resources Defense Council v. Rodgers*. The Administration will submit authorizing legislation to establish the San Joaquin River Restoration Fund. Under the settlement, the legislation proposes to redirect \$7.5 million per year of payments from the CVP Friant Division and \$9.8 million from the Reclamation Fund into the San Joaquin Fund, which would be available without further appropriation to implement the provisions of the settlement.

**California Bay-Delta Restoration** — The budget requests \$31.8 million for CALFED, pursuant to the CALFED Bay-Delta Authorization Act that was signed into law in 2004. The legislation provides a six-year Federal authorization to implement the collaborative CALFED program. A consortium of Federal and State agencies fund and participate in the CALFED program, focusing on the health of the ecosystem and improving water management and supplies. In addition, CALFED addresses the issues of water supply reliability, aging levees, and threatened water quality.

Funding for California Bay-Delta Restoration is requested in the following program areas: \$7.0 million for the environmental water account; \$8.5 million for the storage program; \$5.0 million for water conveyance; \$1.5 million for ecosystem restoration; \$4.8 million for water quality; \$3.0 million for science; and \$2.0 million for Reclamation's oversight function to ensure program balance and integration.

**Reclamation's Working Capital Fund** — This Fund is operated for the purpose of managing financial activities such as acquisition and replacement of capital equipment; recovery of the cost of services provided to others; indirect cost recovery for the technical service center and management services and human resources

in regional and area offices; and information technology-related costs and services. The WCF operates on a self supporting basis through user charges deposited in the fund. The 2008 budget includes \$1.4 million for implementation of the Department-wide Financial and Business Management System, through the Department's Working Capital Fund.

**Other Accounts** — No funding is requested for the Loan program under the Small Reclamation Projects Act. The request for the Policy and Administration appropriation, the account that finances Reclamation's central management functions, is \$58.8 million. Permanent appropriations available in the Colorado River Dam Fund are estimated to be \$95.7 million in 2008.

## SUMMARY OF BUREAU APPROPRIATIONS (all dollar amounts in thousands)

### *Comparison of 2008 Request with 2007 Continuing Resolution:*

	2007 CR		2008 Request		Change from 2007	
	FTE	Amount	FTE	Amount	FTE	Amount
<b>Appropriations</b>						
Water and Related Resources .....	3,211	755,945	3,211	816,197	0	+60,252
Loan Program .....	1	0	1	0	0	0
Policy and Administration.....	289	57,248	289	58,811	0	+1,563
Central Valley Project Restoration Fund.....	17	41,478	17	59,122	0	+17,644
Legislative Proposal.....	0	0	0	-7,500	0	-7,500
<i>Subtotal, CVPRF (with leg proposal) .....</i>	<i>[17]</i>	<i>[41,478]</i>	<i>[17]</i>	<i>[51,622]</i>	<i>[0]</i>	<i>[+10,144]</i>
California Bay-Delta Restoration.....	15	34,110	15	31,750	0	-2,360
Working Capital Fund .....	1,700	0	1,700	0	0	0
<i>Subtotal, Appropriations (with leg proposal) .....</i>	<i>5,233</i>	<i>888,781</i>	<i>5,233</i>	<i>958,380</i>	<i>0</i>	<i>+69,599</i>
<i>Subtotal, Appropriations (without leg proposal) .....</i>	<i>5,233</i>	<i>888,781</i>	<i>5,233</i>	<i>965,880</i>	<i>0</i>	<i>+77,099</i>
Central Valley Project Restoration Fund Offset.....	0	-33,755	0	-51,321	0	-17,566
<i>Net Discretionary .....</i>	<i>5,233</i>	<i>855,026</i>	<i>5,233</i>	<i>907,059</i>	<i>0</i>	<i>+52,033</i>
<b>Permanents and Other</b>						
Colorado River Dam Fund,						
Boulder Canyon Project .....	201	83,309	201	95,669	0	+12,360
Basin Funds.....	210	0	210	0	0	0
Spectrum Relocation Activities .....	0	4,550	0	0	0	-4,550
Loan Program Subsidy Re-estimate/Modification	0	4,725	0	0	0	-4,725
Loan Program Liquidating Account .....	0	-2,606	0	-2,644	0	-38
Miscellaneous Permanents .....	0	280	0	280	0	0
Reclamation Trust Funds .....	5	3,000	5	3,000	0	0
San Gabriel Basin Restoration Fund.....	0	1,000	0	750	0	-250
San Joaquin River Restoration Fund .....	0	0	0	17,300	0	+17,300
<i>Subtotal, Permanents and Other.....</i>	<i>416</i>	<i>94,258</i>	<i>416</i>	<i>114,355</i>	<i>0</i>	<i>+20,097</i>
<b>TOTAL, RECLAMATION APPROPRIATIONS .....</b>	<b>5,649</b>	<b>983,039</b>	<b>5,649</b>	<b>1,072,735</b>	<b>0</b>	<b>+89,696</b>
<b>TOTAL, RECLAMATION, NET OF RECEIPTS .....</b>	<b>5,649</b>	<b>949,284</b>	<b>5,649</b>	<b>1,021,414</b>	<b>0</b>	<b>+72,130</b>

---

## HIGHLIGHTS OF BUDGET CHANGES

### By Appropriation Activity/Subactivity

#### APPROPRIATION: Water and Related Resources

	2006 Actual	2007 CR	2008 Request	Change from 2007
Animas La Plata Project .....	55,440	57,420	58,000	+580
Boise Area Projects .....	4,737	5,229	5,163	-66
Central Arizona Project .....	22,096	27,203	27,179	-24
Central Valley Project .....	128,100	120,187	124,775	+4,588
Colorado-Big Thompson.....	15,717	15,195	11,689	-3,506
Colorado River Basin Salinity Control.....	22,453	22,652	21,012	-1,640
Colorado River Storage Project.....	12,998	10,201	10,684	+483
Columbia Basin Project .....	11,050	10,154	11,957	+1,803
Columbia/Snake River				
Salmon Recovery.....	16,581	17,325	15,000	-2,325
Dam Safety Program.....	61,342	69,003	77,000	+7,997
Endangered Species				
Recovery Implementation.....	9,222	11,299	16,818	+5,519
Klamath Project .....	20,844	24,750	25,000	+250
Loan Guarantee Program.....	0	0	1,000	+1,000
Lower Colorado River				
Operations Program .....	16,954	17,028	15,418	-1,610
Middle Rio Grande Project .....	27,795	23,760	23,200	-560
Native American Affairs .....	8,044	6,307	6,179	-128
Pick-Sloan Missouri Basin Program .....	39,877	41,850	40,966	-884
Rural Water Projects				
Fort Peck Reservation Dry Prairie .....	15,840	5,000	0	-5,000
Garrison Diversion Unit.....	27,321	24,221	20,220	-4,001
Lewis and Clark Rural Water .....	17,325	21,000	15,000	-6,000
Mid-Dakota Rural Water.....	410	15	15	0
Mni Wiconi Project.....	29,261	32,170	29,000	-3,170
North Central MT Rural Water Supply	5,692	0	0	0
Perkins County Rural Water Systems..	947	0	0	0
Less Non-Rural Water Component ..	-13,694	-13,699	-9,235	+4,464
Subtotal, Rural Water Projects.....	83,102	68,707	55,000	-13,707
Savage Rapids Dam.....	1,485	13,000	15,000	+2,000
Science and Technology Program.....	16,130	8,539	9,003	+464
Site Security.....	39,600	39,600	35,500	-4,100
Title XVI Water Reclam. / Reuse Projects..	25,642	10,100	10,100	0
Water 2025 .....	4,950	14,500	11,000	-3,500
Water Conservation Field Services.....	9,943	7,221	6,232	-989
Yakima Project / Basin Water Enhance.....	15,920	20,641	16,414	-4,227
Yuma Area Project.....	21,799	22,732	22,909	+177
Other Project / Programs.....	182,858	148,821	143,999	-4,822
Transfer to Army Corps of Engineers .....	-1,980	0	0	0
Subtotal (without rescission) .....	872,699	833,424	816,197	-17,227
Desert Terminal Lakes Rescission.....	0	-88,000	0	+88,000
TOTAL APPROPRIATION (w/o CR or d. supp) ..	872,699	745,424	816,197	+70,773
Impact of the Continuing Resolution...		+10,521		-10,521
TOTAL APPROPRIATION (with CR).....	872,699	755,945	816,197	+60,252
Drought Supplemental.....	+9,000	0	0	0
TOTAL APPROPRIATION (with CR & d. supp)	881,699	755,945	816,197	+60,252

---

## *Program Changes*

The 2008 request includes funds for the following projects and programs.

### Animas La Plata Project

In December 2000, legislation was enacted to resolve the Colorado Ute Tribes' water rights claims and allow construction of a smaller Animas La Plata project to proceed. The reformulated project limits depletions to an average of 57,100 acre-feet per year and provides only municipal and industrial water for the Tribes and local non-Indian entities. Funding will provide for continued construction of the Ridges Basin Dam and Durango pumping plant, and the Ridges Basin inlet conduit.

### Boise Area Projects

The request provides for operations, maintenance, and rehabilitation of project facilities.

### Central Arizona Project

Funds are requested for continued construction of the Gila River Indian Community distribution system, San Xavier farm extension, and San Carlos Apache distribution system. Other work activities include recreation development; fulfilling native fish protection along the Gila and Santa Cruz Rivers; continue work on the New Mexico Unit; and work with Tucson area municipal entities on Tucson aqueduct reliability.

### Central Valley Project

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

### Colorado-Big Thompson

The Colorado-Big Thompson Project diverts approximately 260,000 acre-feet of water annually from the Colorado River headwaters on the western slope of the Rocky Mountains for distribution to eastern slope project lands. The reduction in 2008 reflects off-budget funding by local power customers. Funding is provided to continue coordination of activities associated with conservation, enhancement, development and restoration of fish and wildlife populations and their habitats.

### Colorado River Basin Salinity Control Program

The Yuma desalting plant will be maintained in ready reserve status, while Reclamation works to identify and evaluate the options for replacing or recovering bypass flows to Mexico. Funds are provided for operation, maintenance, and rehabilitation of completed projects in the Upper Colorado River basin and for a basin-wide program to identify and implement cost effective salinity control options based on proposals from non-Federal interests.

### Colorado River Storage Project

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

### Columbia Basin Project

Bonneville Power Administration, through memorandum of agreement, directly funds power operation and maintenance costs. In addition, BPA directly funds, through subagreements, major power replacements, additions, and improvements. Funds are requested to continue ongoing support for the planning and implementation of effective water conservation measures with water districts and other entities under the water conservation field services program. The project also continues the day-to-day operation of two storage dams and reservoirs; three Grand Coulee power plants; one pump and generating plant; associated switchyards and transmission lines; the feeder canal at Grand Coulee; and the distribution canal systems for the irrigation reserved works.

---

#### Columbia and Snake River Salmon Recovery

This program implements actions under Section 7(a)(2) of the Endangered Species Act and required by biological opinions issued in December 2000 by the FWS and November 2004 by the National Marine Fisheries Services. The 2004 biological opinion has been remanded to NOAA Fisheries and a new biological opinion is due in July 2007. During the remand, the 2004 biological opinion remains in place as Reclamation continues to implement actions identified in the 2004 updated proposed action. These requirements ensure that agency actions are not likely to jeopardize the continued existence of endangered or threatened species, or to adversely modify or destroy their designated critical habitats. These actions include modifications to dam and fish facility operations.

#### Dam Safety Program

Funds are requested for the Safety Evaluation of Existing Dams program, for corrective actions on individual dams, and for other dam safety activities. Funding continues dam safety management and risk reduction activities at Reclamation's 361 high and significant hazard dams. Corrective actions are planned to continue or start on Deer Flat Dam (ID), Hyrum Dam (UT), Lauro Dam (CA), Folsom Dam (CA), Stony Gorge Dam (CA), Stampede Dam (CA), Scofield Dam (UT), Morrow Point Dam (CO), Deer Creek Dam (UT). Funds are also provided for minor modifications at other facilities and for the Department of the Interior dam safety program.

#### Endangered Species Recovery Implementation

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

#### Klamath Project

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

#### Loan Guarantee Program

On December 22, 2006, the President signed the Reclamation Rural Water Supply Act of 2006. Title II of the Act, the Twenty-first Century Water Works Act, authorizes the Secretary to issue loan guarantees to help districts who are responsible for some or all major operation, maintenance, and replacement repairs to Reclamation facilities with the financing. The \$1.0 million requested by Reclamation in 2008 is estimated to cover administration costs and loans of about \$7 million.

#### Lower Colorado River Operations Program

This program funds work necessary to carry out the Secretary's responsibilities as water master of the lower Colorado River, including the development of the Shortage Guidelines and reservoir management strategies, during low reservoir conditions. It funds measures under the multi-species conservation program to provide long term Endangered Species Act compliance for lower Colorado River operations for both Federal and non-Federal purposes.

#### Middle Rio Grande Project

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

#### Native American Affairs Program

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

#### Pick-Sloan Missouri Basin Program

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



---

## Rural Water Projects

On December 22, 2006, the President signed P.L. 109-451, the Rural Water Supply Act of 2006. Title I of the statute requires the Secretary to establish a formal rural water supply program for rural water and major maintenance projects in the 17 western States. The Act requires the establishment of programmatic and eligibility criteria for the rural water program along with other reporting requirements, and criteria for appraisal and feasibility studies. Implementation of the Act will allow the Department, the Administration and Congress to set priorities and establish clear guidelines for project development to help meet the water supply needs of rural communities throughout the West.

### Fort Peck Reservation/Dry Prairie Rural Water

No funds are requested for this project.

### Garrison Diversion Unit

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

### Lewis and Clark Rural Water

This water system addresses concerns regarding the low quality, contamination vulnerability, and insufficient supply of existing drinking water sources in five counties in southeast South Dakota, two counties of southwest Minnesota, and five counties of northwest Iowa. Funds are requested for continued construction of several segments of treated waterline, acquisition of pipeline rights-of-way, and design of treated water pipelines and a water treatment plant.

### Mni Wiconi Project

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

### Savage Rapids Dam Removal

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

### Science and Technology Program

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

### Site Security

Funds are requested to continue Reclamation's on-going site security efforts that include physical security upgrades at key facilities, guards and patrols, anti-terrorism program activities, security risk assessments, and security-related studies.

### Title XVI Water Reclamation and Reuse Program

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

### Water 2025

Water 2025 is a multi-faceted program with components that embody the overarching goal of preventing crises and conflict over water in the West. Water 2025 will increase certainty and flexibility in water supplies, diversify water supplies, and prevent crises through cooperatively adding environmental benefits in many watersheds, rivers and streams. Implementation of Water 2025 in 2008 includes continuation of the competitive 50:50 challenge grant program to take on-the-ground actions to prevent water-related crisis and conflicts; and beginning in 2008, Reclamation will work on a 50:50 cost-share basis with local entities to conduct water system optimization reviews to assess the potential for water management improvements in a given basin or district.

---

Water Conservation Field Services Program

Funds are requested to support area and regional offices to provide technical assistance in development of effective water management and conservation plans; promote and support water management and conservation training; demonstrate conservation technologies; encourage and promote implementation of water efficiency measures; outreach; and a limited amount of cost shared assistance related to the implementation of water efficiency and conservation measures.

Yakima Project/Basin Water Enhancement

Work includes operation and maintenance of existing facilities and the implementation of water conservation; fish and wildlife improvements; and other measures authorized by the Yakima River Basin Water Enhancement Act. Funding is also included to begin implementation of the Yakama Nation's water conservation plans.

Yuma Area Projects

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

**APPROPRIATION: Policy and Administration**

	<b>2006 Actual</b>	<b>2007 CR</b>	<b>2008 Request</b>	<b>Change from 2007</b>
TOTAL APPROPRIATION <i>(without CR)</i> ....	57,338	58,069	58,811	+742
Impact of Continuing Resolution .....		-821		+821
TOTAL APPROPRIATION <i>(with CR)</i> .....	57,338	57,248	58,811	+1,563

***Program Changes***

Policy and Administration

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

**APPROPRIATION: Central Valley Project Restoration Fund**

	<b>2006 Actual</b>	<b>2007 CR</b>	<b>2008 Request</b>	<b>Change from 2007</b>
Fish and Wildlife Resources Habitat .....	47,136	36,578	44,090	+7,512
Fish and Wildlife Resources Mgt .....	5,000	4,900	7,532	+2,632
TOTAL APPROPRIATION <i>(without CR)</i> ....	52,136	41,478	51,622	+10,144
Impact of Continuing Resolution .....		0		0
TOTAL APPROPRIATION <i>(with CR)</i> .....	52,136	41,478	51,622	+10,144

***Program Changes***

Central Valley Project Restoration Fund

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

---

**APPROPRIATION: California Bay-Delta Restoration**

	<b>2006 Actual</b>	<b>2007 CR</b>	<b>2008 Request</b>	<b>Change from 2007</b>
TOTAL APPROPRIATION <i>(without CR)</i> ....	36,130	38,610	31,750	-6,860
Impact of Continuing Resolution .....		-4,500		+4,500
TOTAL APPROPRIATION <i>(with CR)</i> .....	36,130	34,110	31,750	-2,360

***Program Changes*****California Bay-Delta Restoration**

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