

Department of the Interior  
Conference Action  
on the  
Fiscal Year (FY) 2006 Energy and Water Development Appropriations Bill

Conferees met and approved the 2006 Energy and Water Development bill on November 7, 2005. The House of Representatives passed the Conference Report on November 9, 2005 by a vote of 399 to 17. The Senate passed the Conference Report on November 14, 2005 by a vote of 84 to 4. The bill (H.R. 2419) and report (H. Rept 109-275) are available on [www.thomas.loc.gov](http://www.thomas.loc.gov).

Overall, the Conference bill provides \$30.5 billion in budget authority, which is \$749 million or 2 percent above the 2005 enacted level for the U.S. Army Corps of Engineers – Civil (Corps); the Department of Interior (Interior) including the Bureau of Reclamation (Reclamation) and the Central Utah Project Completion Act (CUPCA); the Department of Energy; and several Independent Agencies. The Energy and Water Development Conference bill does not contain an across-the-board decrease as in the Interior, Environment, and Related Agencies Appropriations Bill.

The Conference bill provides \$1.07 billion for Department of the Interior programs, (Reclamation and CUPCA) \$52.5 million above the 2005 enacted level and \$83.9 million above the 2006 President's budget.

**Bureau of Reclamation**

The Conference bill provides \$1.03 billion for Reclamation accounts, \$65.7 million above the 2005 enacted level and \$83.9 million above the 2006 President's budget. See attached funding summary.

*Water & Related Resources Account:* Funds provided for Water and Related Resources (W&RR), Reclamation's primary operating account, total \$883.5 million, \$30.9 million above the 2005 enacted level and \$81.9 million above the President's 2006 budget request.

The Conference bill does not accept the Administration's proposal to directly fund Reclamation hydropower operations and maintenance through power revenues. In both the 2005 and 2006 requests, the Administration sought to reclassify receipts from mandatory to discretionary to offset current appropriations.

The bill funds underfinancing at \$0. The 2005 enacted level for underfinancing was -\$64.0 and the 2006 President's budget request for underfinancing was -\$30.2 million. The rationale for the historic levels of underfinancing is to allow funding to be transferred between projects to compensate for slippages in project construction. However, in 2005 report language required underfinancing to be prorated across all projects, leaving no discretion to Reclamation and essentially making it an across-the-board reduction. In 2006, the Conferees completely eliminate underfinancing.

The Conference bill funds Water 2025 at \$5.0 million, \$14.5 million below the 2005 enacted level and \$25 million below the President's budget request of \$30.0 million. The bill does provide 1-year authority for Reclamation to enter into grants and cooperative agreements to implement Water 2025.

All of the \$5.0 million for Water 2025 is earmarked: \$2.0 million for the Desert Research Institute; \$1.0 million for the Middle Rio Grande Conservancy District; \$1.0 million for work related to water efficiency and supply supplementation in the Pecos River, consistent with the partnership between the Carlsbad Irrigation District and the New Mexico Interstate Stream Commission; and \$1.0 million for the alliance with the International Center for Water Resources Management at Central State University in Ohio.

The Conference funds Science and Technology at \$9.3 million, a decrease of \$1.2 million from 2005 enacted and \$416,000 below the 2006 request. The Conference bill funds desalination research at \$7.0 million; all earmarked for completion of construction of the Tularosa Basin Desalination Facility, New Mexico, and its initial operation.

The Conference bill funds rural water projects at \$84.0 million, which is \$26.5 million over the President's budget request and \$3.9 million below 2005 enacted levels. The 2006 President's request funded only Reclamation's on-going rural water projects: Mni Wiconi, Garrison, and Lewis & Clark. The Conference bill funds the ongoing projects and adds funding for Fort Peck (\$16.0 million), North Central Montana (\$5.8 million), Perkins County (\$957,000) and Jicarilla Apache (\$250,000).

The Conference bill funds the Middle Rio Grande project at \$28.1 million, which is \$9.1 million above the President's budget and \$1.1 million below the 2005 enacted level. Of the amount provided, the Conferees have provided \$12.9 million for the Endangered Species Act Collaborative Program (Collaborative Program), which includes \$5.0 million for water acquisition and administrative support within Reclamation; \$7.5 million for transfer to the Corps for meeting the Reasonable and Prudent alternatives (RPA) of the 2003 Biological Opinion (BiOp); and \$400,00 for transfer to the US Fish and Wildlife Service (FWS) for program management support.

The above funding arrangements support the reorganization of the Collaborative program. Reclamation retains responsibility to meet the RPA regarding water acquisition and management and development of a long-term plan to meet the flow requirements of the 2003 BiOp. The Corps, in collaboration with the FWS, take responsibility to provide the administrative support for the Collaborative program and the Corps takes responsibility to meet the RPA of the 2003 BiOp, with the exception of the above mentioned water acquisition and management functions. The Corps assumes responsibility for providing a detailed spending plan for FY 2006 funds to the House and Senate Appropriations Committees; completing the baseline long-term plan; and completing the programmatic Environmental Impact Statement before the end of FY 2006.

The Conferees fund Animas LaPlata at \$56.0 million, which is \$4.0 million above both the 2006 President's request and 2005 enacted levels of \$52.0 million. Section 207 of the Conference bill extends the completion date for the project to 2012.

The Conference bill funds the Safety of Dams program at \$62.0 million, which is \$4.0 million above 2005 enacted and \$2.7 million below the President's request.

The Conferees fund Site Security at \$40.0 million, which is \$3.2 million below the 2005 enacted level and \$10.0 million below the request level. Report language states that site security costs are considered O&M costs and therefore are reimbursable. The funding level for Site Security is reduced by the amount Reclamation would receive in reimbursements (\$10.0 million). No later than 60 days after enactment of bill, Reclamation is directed to provide a report on planned reimbursable security costs by project.

The House and Senate funded the following projects at the President's request level. However, when the Conferees eliminated underfinancing, almost all projects received a share of the reduction, including all but the first project on this list:

- Central Arizona Project: \$22.3 million (\$96,000 above the request level)
- CO River Salinity Control – includes Yuma Desalting Plant: \$23.1 million (\$1.0 million below the request level)
- Colorado River Storage Project: \$13.1 million (\$590,000 below the request level)
- Columbia Basin: \$11.2 million: (\$501,000 below the request level)
- Columbia/Snake Salmon Recovery: \$16.7 million: (\$752,000 below the request level)
- ESA Recovery: \$9.3 million: (\$419,000 below the request level)
- Klamath: \$21.1 million: (\$946,000 below the request level)
- Lower Colorado River Operation: \$17.1 million: (\$769,000 below the request level)
- Pick Sloan Missouri Basin: \$40.3 million: (\$1.8 million below the request level)

The Conference bill funds the Central Valley Project (CVP) at \$129.4 million overall, which is \$1.4 million above the President's 2006 request. Funding of \$1.0 million is earmarked for a special report to update the analysis of costs and associated benefits of the Auburn-Folsom South Unit of the CVP (Auburn Dam).

The Conferees authorize flood damage reduction work at Folsom Dam and encourage the joint efforts by the Corps, Reclamation, the State of California, and the Sacramento Flood Control Agency to address both flood damage reduction and dam safety needs at Folsom Dam, California. The Corps and Reclamation must work cooperatively to implement the work in a timely manner and must coordinate technical reviews, joint planning, and preliminary design work for flood damage reduction improvements and dam safety needs at Folsom Dam and Reservoir. See the section at end of the summary for additional information regarding Folsom Dam and Reservoir.

The Conferees fund the Yakima River Basin projects (Yakima Project, Yakima Basin Enhancement, and Yakima Basin Water Storage) at \$17.6 million, which is \$2.2 million below 2005 enacted and \$1.2 million above the 2006 request level.

The Conference bill funds research efforts at the Salton Sea at \$4.8 million; which is \$2.6 million above the 2005 enacted level and \$3.8 million above the 2006 request level.

Included within this amount is \$1.5 million for restoration efforts at the Alamo and New Rivers.

Title XVI – Water Reclamation & Reuse projects are funded in the Conference bill at \$26.9 million, which is \$16.7 million above the President’s 2006 request and \$1.0 million above 2005 enacted. The Conferees provide \$10.0 million for the San Gabriel Restoration Project, a project for which no funding was requested in the 2006 President’s budget and was funded at \$4.5 million in 2005. The bill includes \$7.2 million for the Colorado Front Work and Levee System in Arizona, \$3.9 million above the 2005 enacted level and \$4.7 million above the 2006 request. Included within this amount is \$4.8 million to continue planning and design of regulating reservoirs near the All American Canal.

**CALFED:** The Conference bill funds the California Bay-Delta Restoration Program (CALFED) at \$37.0 million, which is \$2.0 million above the 2006 request and \$37.0 million above 2005 enacted (within 2005 enacted, \$7.5 million was provided within the CVP to support the goals of CALFED).

The Conferees reallocated funding among several of the various CALFED programs/projects (see table below). Within the Environmental Water Account, \$500,000 is to be transferred to the Corps to complete a report describing the Federal levee stability reconstruction projects and priorities that will be carried out through 2010.

In addition, the Conferees earmarked \$1.0 million for Science – an Interagency Ecological Program to identify the causes of and propose remedies for the decline in Delta smelt populations and \$2.0 million for Water Quality – the Contra Costa Water District alternative intake structure.

Activity ((\$000's))	2006 Request	2006 Conference
Environmental Water Account	10,000	8,800
Water Use Efficiency	4,000	5,900
Water Quality	0	2,000
Storage	10,000	11,500
Conveyance	3,000	4,800
Ecosystem Restoration	4,000	2,500
Science	0	1,000
Planning & Mgmt	4,000	500
<b>Totals</b>	<b>35,000</b>	<b>37,000</b>

**Other Accounts:** The Conference bill funds the CVP Restoration Fund at the 2006 request level of \$52.2 million and, consistent with the President’s request, provides no funding for the Loan Program. The Policy and Administration account is funded at the President’s request of \$57.9 million.

## **Central Utah Project Completion Act**

The Conference bill provides \$34.4 million for the Central Utah Project Completion Act (CUPCA), which is equal to the President's budget request and \$13.3 million below the 2005 enacted level.

Within the Department of Energy's Western Area Power Administration's (WAPA) appropriated funding, \$6.7 million is provided for the annual transfer to the Utah Reclamation Mitigation and Conservation Commission within CUPCA. The Conference does not accept the Administration's proposal to make this annual payment to the Mitigation and Conservation Commission reimbursable from WAPA project customers.

### **Bill/Report Language – Bureau of Reclamation**

In addition to that already described, the Conference bill includes the following.

***Yuma Desalting Plant:*** The Conference report acknowledges that weather modification is only one way to augment and maximize flows in the river and directs the Interior and Reclamation to begin processes to produce augmentation strategies. The report also states "the conferees believe that it is prudent to reiterate the direction from previous Acts that sufficient resources be dedicated to the Yuma Desalting Plant so that one-third operational capacity may be achieved by the end of calendar year 2006."

**Section 206.** Authorization for the Water Desalination Act was extended 1-year.

**Section 208.** The Conference bill earmarks \$95.0 million in carryover from prior year appropriations for Desert Terminal Lakes to restore Walker Lake. They include:

- \$70 million to the University of Nevada – Reno, to "acquire from willing sellers land, water appurtenant to the land, and related interests in the Walker River Basin, Nevada;" and "to establish and administer an agricultural and natural resources center" for research, restoration, and educational activities in the Walker River Basin;
- \$10.0 million for a water lease and purchase program for the Walker River Paiute Tribe;
- \$10.0 million for Walker River tamarisk eradication, riparian restoration and channel restoration; and
- \$5.0 million to the FWS, the Walker River Paiute Tribe, and the Nevada Division of Wildlife for a fishery initiative, with emphasis on the Walker River Basin.

The Conference bill includes a \$100,000 per day penalty effective June 30, 2006, if Reclamation fails to comply with above bill language.

As part of the 2006 supplemental budget request for Hurricanes Katrina and Rita, the Administration proposed to rescind \$183 million of carryover designated for Desert Terminal Lakes.

## Army Corps of Engineers – issues affecting the Department of the Interior

**Modified Water Delivery for the Everglades National Park (Mod Water):** The Conferees include \$35.0 million for Mod Water, which is equal to the request level. This is in addition to the \$24.9 million appropriated to the National Park Service in the Interior, Environment, and Related Agencies Appropriations Bill.

**Fern Ridge Dam:** The Conference agreement includes funds to operate and maintain Fern Ridge Dam, Oregon. The Conference reports states that the “Conferees are aware that no additional funds are required for emergency repairs at the dam as such expenses have been fully covered in fiscal year 2005.”

**Section 128, Folsom Dam and Reservoir:** The Conferees direct the Secretaries of the Army and Interior to collaborate to maximize flood damage reduction improvements and address dam safety needs at Folsom Dam and Reservoir, California and expedite technical reviews for flood damage reduction and dam safety improvements. The Secretaries are to consider reasonable modifications to existing authorized activities, including a potential auxiliary spillway and are authorized to expend funds for coordinated technical reviews and joint planning, and preliminary design activities.

The Conferees expect the Corps and Reclamation to proceed with expedited construction of the bridge and associated roadways, and the Corps is to make efforts to implement and project in a manner that is compatible with future improvements for flood control. The Conference report states that the Conferees understand that related efforts are underway to address potential structural changes to Folsom Dam to address flood control and dam safety concerns; however, these related efforts should not needlessly delay timely construction of the bridge/roadway project. If modifications to the completed bridge/roadway project are deemed necessary to accomplish flood control and dam safety objectives, the report states that Congress will authorize modifications to the project that may be necessary. The Conferees direct both the Corps and Reclamation to work expeditiously to complete reviews, approvals, and other administrative actions that may be necessary to expedite this work, including providing necessary easements and rights-of-way.