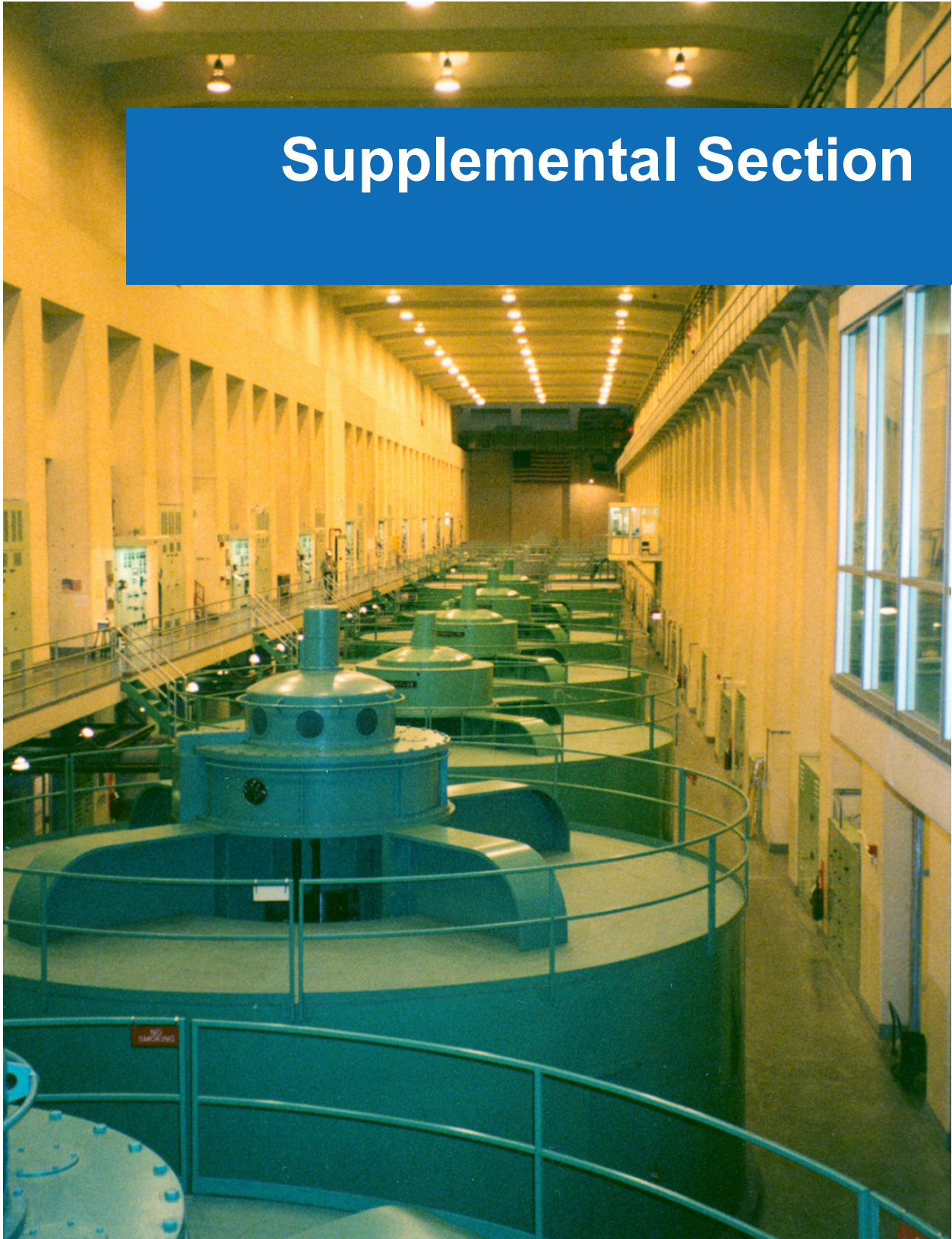
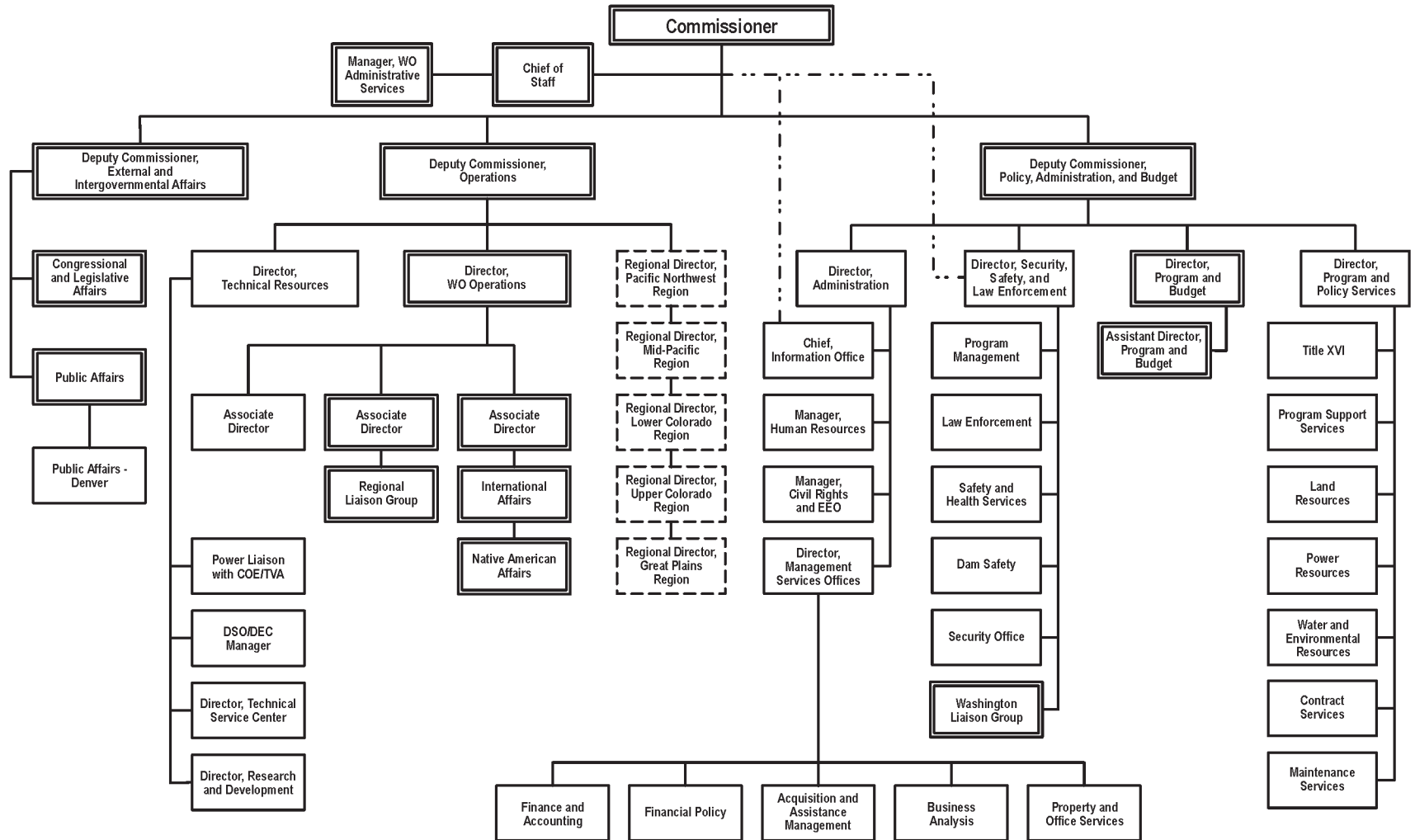


# Supplemental Section



# Bureau of Reclamation Proposed Reorganization September 15, 2005



Note: Border denotes office location  
 ===== Washington, D.C.  
 \_\_\_\_\_ Denver, CO  
 - - - - - Regions



**Bureau of Reclamation  
Regional Boundaries and Offices**

# Required Supplementary Information

## Financial Resources

Funding for the Bureau of Reclamation's major program activities is provided from appropriations, revolving fund revenues, transfers from other Federal agencies, and contributions from non-Federal entities. A summary of Reclamation's major sources of fiscal year (FY) 2005 and 2004 new budget authority is provided.

**Budget Authority  
For the Years Ended June 30, 2005, and 2004  
(in Millions)**

	<b>2005</b>	<b>2004</b>
Water and Related Resources	\$ 781.3	\$ 766.2
Lower Colorado River Basin Development Fund	27.0	27.5
Upper Colorado River Basin Fund	54.3	52.8
Colorado River Dam Fund	69.4	67.8
Central Valley Project Restoration Fund	54.7	39.6
Reclamation Trust Funds	12.9	5.5
Policy and Administration	58.2	55.5
Other Budget Accounts	25.0	10.3
<b>Total</b>	<b>\$ 1,082.8</b>	<b>\$ 1,025.2</b>

The Combining Statement of Budgetary Resources, which is included as a principal financial statement, presents information about Reclamation's total budgetary resources, including carry forward of unused, prior year funding, and spending authority created by reimbursements from other Federal agencies and non-Federal entities. The Combining Statement of Budgetary Resources presents this information by major budget account.

Reclamation's largest budget account is Water and Related Resources, which supports the development and management of water and related resources in the 17 Western States. This account funds the operation and maintenance of Reclamation facilities to deliver water and power, preservation of natural resources, and continued efforts towards water conservation and technology development.

The Working Capital Fund (WCF), the Lower Colorado River Basin Development Fund (LCRBDF), and the Upper Colorado River Basin Fund (UCRBF) are revolving funds that operate on a cost recovery basis. The WCF provides support services

and equipment for Reclamation programs and activities, as well as for other Federal entities. The LCRBDF and the UCRBF are revolving funds that operate on a cost recovery basis.

The Colorado River Dam Fund is an available receipt fund into which various operating revenues of the Hoover Dam are collected, primarily from the sale of power generated at the dam. These revenues are used to fund the operation and maintenance of the dam.

The Central Valley Project Restoration Fund provides funding for fish and wildlife habitat restoration, improvement, and acquisition activities. Revenues come from project beneficiaries and donations.

Reclamation Trust Funds collect amounts that are earmarked for specific purposes and are expended accordingly, primarily to finance activities such as fish and wildlife habitat restoration and other mitigation efforts.

The Policy and Administration budget account is used to finance all of Reclamation's centralized management functions that are not chargeable directly to a specific project or program. These functions include management of personnel, safety and health, and information resources. Also included are budgetary policy formulation and execution, procurement and general services, and public affairs activities.

The California Bay-Delta Restoration account provides funds that are distributed based on a program recommended by the State of California and Federal Agencies (CALFED) group and approved by the Secretary of the Interior. The CALFED Bay-Delta Program was established in May 1995 to develop a comprehensive, long-term solution to the complex and interrelated problems in California's San Francisco Bay/Sacramento-San Joaquin Delta (Bay-Delta). The Bay-Delta system provides habitat for 120 fish and wildlife species, some listed as threatened or endangered. CALFED is comprised of a consortium of Federal and State agencies. Federal agencies include Reclamation, the U.S. Fish and Wildlife Service, the Environmental Protection Agency, and the National Marine Fisheries Service, with possible participation by other agencies in the future. State agency involvement includes oversight by the California Resources Agency and the participation of the State Department of Water Resources, the Department of Fish and Game, and the California Environmental Protection Agency.

The Other Budget Accounts balance includes several smaller activities within Reclamation, including the San Gabriel Restoration Fund and loan programs. The increase in Other Budgetary Resources in FY 2005 was due to credit reform loan upward subsidy re-estimates in the amount of approximately \$20.7 million.

**U.S. Department of the Interior**  
**Bureau of Reclamation**  
**Combining Statement of Budgetary Resources**  
**For the Year Ended September 30, 2005**

(In Thousands)	Water and Related Resources	Working Capital Fund	Lower Colorado River Basin Development Fund	Upper Colorado River Basin Development Fund
<b>BUDGETARY RESOURCES:</b>				
Budget Authority:				
Appropriations Received	\$ 864,637	\$ -	\$ -	\$ -
Borrowing Authority	-	-	-	-
Net Transfers, Current Year Authority	(83,323)	-	27,052	54,280
Unobligated Balance:				
Beginning of Fiscal Year	268,836	28,231	210,729	22,102
Net Transfers, Unobligated Balance, Actual	(157)	-	-	157
Spending Authority From Offsetting Collections:				
Earned				
Collected	195,253	345,124	154,440	86,161
Receivable From Federal Sources	(1,945)	(64)	2,105	(92)
Change in Unfilled Customer Orders				
Advance Received	7,578	(140)	855	159,608
Without Advance From Federal Sources	6,279	-	-	-
Subtotal: Spending Authority From Offsetting Collections	207,165	344,920	157,400	245,677
Recoveries of Prior Year Obligations	22,558	1,616	1,001	1,244
Temporarily Not Available Pursuant to Public Law	(5,534)	-	-	-
Permanently Not Available	(1,342)	-	(1,033)	(173,925)
<b>Total Budgetary Resources</b>	<b>\$ 1,272,840</b>	<b>\$ 374,767</b>	<b>\$ 395,149</b>	<b>\$ 149,535</b>
<b>STATUS OF BUDGETARY RESOURCES:</b>				
Obligations Incurred:				
Direct	\$ 797,128	\$ -	\$ -	\$ -
Reimbursable	199,559	346,885	128,197	131,268
Total Obligations Incurred	996,687	346,885	128,197	131,268
Unobligated Balance:				
Apportioned	276,110	27,882	266,952	18,267
Exempt From Apportionment	43	-	-	-
<b>Total Status of Budgetary Resources</b>	<b>\$ 1,272,840</b>	<b>\$ 374,767</b>	<b>\$ 395,149</b>	<b>\$ 149,535</b>
<b>RELATIONSHIP OF OBLIGATIONS TO OUTLAYS:</b>				
Obligations Incurred	\$ 996,687	\$ 346,885	\$ 128,197	\$ 131,268
Obligated Balance, Net, Beginning of Fiscal Year	366,255	21,226	22,052	136,805
Obligated Balance, Net, End of Fiscal Year:				
Accounts Receivable	17,732	9,946	9,493	163
Unfilled Customer Orders From Federal Sources	36,138	-	-	-
Undelivered Orders	(342,203)	(5,269)	(10,865)	(39,690)
Accounts Payable	(99,768)	(26,770)	(17,389)	(97,539)
Total Obligated Balance, Net, End of Fiscal Year	(388,101)	(22,093)	(18,761)	(137,066)
Less: Spending Authority Adjustments	(26,892)	(1,552)	(3,106)	(1,152)
Outlays:				
Disbursements	947,949	344,466	128,382	129,855
Collections	(202,831)	(344,984)	(155,295)	(245,769)
Net Outlays Before Offsetting Receipts	745,118	(518)	(26,913)	(115,914)
Less: Offsetting Receipts	(354)	-	-	-
<b>Net Outlays (Receipts)</b>	<b>\$ 744,764</b>	<b>\$ (518)</b>	<b>\$ (26,913)</b>	<b>\$ (115,914)</b>

Colorado River Dam Fund	Central Valley Project Restoration Fund	Reclamation Trust Fund	Policy and Administration	California Bay-Delta Ecosystem Restoration Fund	Other Budgetary Accounts	Total Budgetary Accounts
\$ 69,380	\$ 54,695	\$ 12,913	\$ 58,153	\$ -	\$ 20,977	\$ 1,080,755
-	-	-	-	-	-	-
-	-	-	-	-	3,991	2,000
11,479	456	39,444	1,135	18,784	1,045	602,241
-	-	-	-	-	-	-
-	-	-	-	-	-	780,978
-	-	-	-	-	-	4
-	-	-	-	-	-	167,901
-	-	-	-	-	-	6,279
-	-	-	-	-	-	955,162
280	3,726	197	296	3,063	-	33,981
-	(67)	-	(465)	-	-	(6,066)
(1,498)	-	-	-	-	-	(177,798)
<u>\$ 79,641</u>	<u>\$ 58,810</u>	<u>\$ 52,554</u>	<u>\$ 59,119</u>	<u>\$ 21,847</u>	<u>\$ 26,013</u>	<u>\$ 2,490,275</u>
\$ 64,247	\$ 58,700	\$ 10,109	\$ 57,067	\$ 6,058	\$ 25,049	\$ 1,018,358
-	-	-	-	-	-	805,909
64,247	58,700	10,109	57,067	6,058	25,049	1,824,267
12,938	110	-	2,052	15,789	964	621,064
2,456	-	42,445	-	-	-	44,944
<u>\$ 79,641</u>	<u>\$ 58,810</u>	<u>\$ 52,554</u>	<u>\$ 59,119</u>	<u>\$ 21,847</u>	<u>\$ 26,013</u>	<u>\$ 2,490,275</u>
\$ 64,247	\$ 58,700	\$ 10,109	\$ 57,067	\$ 6,058	\$ 25,049	\$ 1,824,267
4,029	49,093	3,982	8,960	31,759	30,782	674,943
-	-	-	-	-	-	37,334
-	-	-	-	-	-	36,138
(1,547)	(54,748)	(5,602)	(6,726)	(23,326)	(23,272)	(513,248)
(4,331)	(8,891)	(328)	(2,914)	(2,226)	(7,369)	(267,525)
(5,878)	(63,639)	(5,930)	(9,640)	(25,552)	(30,641)	(707,301)
(280)	(3,726)	(197)	(296)	(3,063)	-	(40,264)
62,118	40,428	7,964	56,091	9,202	25,190	1,751,645
-	-	-	-	-	-	(948,879)
62,118	40,428	7,964	56,091	9,202	25,190	802,766
(69,380)	(57,575)	(12,913)	-	-	(1,647,215)	(1,787,437)
<u>\$ (7,262)</u>	<u>\$ (17,147)</u>	<u>\$ (4,949)</u>	<u>\$ 56,091</u>	<u>\$ 9,202</u>	<u>\$ (1,622,025)</u>	<u>\$ (984,671)</u>

**U.S. Department of the Interior**  
**Bureau of Reclamation**  
**Combining Statement of Budgetary Resources**  
**For the Year Ended September 30, 2004**

(In Thousands)	Water and Related Resources	Working Capital Fund	Lower Colorado River Basin Development Fund	Upper Colorado River Basin Development Fund
<b>BUDGETARY RESOURCES:</b>				
Budget Authority:				
Appropriations Received	\$ 851,803	\$ -	\$ -	\$ -
Borrowing Authority	-	-	-	-
Net Transfers, Current Year Authority	(85,601)	-	27,529	52,795
Other	-	-	-	-
Unobligated Balance:				
Beginning of Fiscal Year	266,627	24,970	161,974	22,403
Net Transfers, Unobligated Balance, Actual	1,346	-	(41)	41
Anticipated Transfers of Unobligated Balance	-	-	-	-
Spending Authority From Offsetting Collections:				
Earned				
Collected	215,667	337,708	168,794	73,549
Receivable From Federal Sources	9,757	5,086	(234)	186
Change in Unfilled Customer Orders				
Advance Received	4,934	(285)	(5)	(790)
Without Advance From Federal Sources	1,493	-	-	-
Anticipated for Rest of Year, Without Advances	-	-	-	-
Previously Unavailable	-	-	-	-
Transfers From Trust Funds	-	-	-	-
Subtotal: Spending Authority From Offsetting Collections	231,851	342,509	168,555	72,945
Recoveries of Prior Year Obligations	25,901	1,523	72	9,348
Temporarily Not Available Pursuant to Public Law	-	-	-	-
Permanently Not Available	(5,059)	(4,525)	(1,032)	(4,227)
<b>TOTAL BUDGETARY RESOURCES</b>	<b>\$ 1,286,868</b>	<b>\$ 364,477</b>	<b>\$ 357,057</b>	<b>\$ 153,305</b>
<b>STATUS OF BUDGETARY RESOURCES:</b>				
Obligations Incurred:				
Direct	\$ 798,907	\$ -	\$ -	\$ -
Reimbursable	219,125	336,246	146,328	131,203
Total Obligations Incurred	1,018,032	336,246	146,328	131,203
Unobligated Balance:				
Apportioned	268,836	28,231	210,729	22,102
Exempt From Apportionment	-	-	-	-
Unobligated Balance not Available	-	-	-	-
<b>TOTAL STATUS OF BUDGETARY RESOURCES</b>	<b>\$ 1,286,868</b>	<b>\$ 364,477</b>	<b>\$ 357,057</b>	<b>\$ 153,305</b>
<b>RELATIONSHIP OF OBLIGATIONS TO OUTLAYS:</b>				
Obligations Incurred	\$ 1,018,032	\$ 336,246	\$ 146,328	\$ 131,203
Obligated Balance, Net, Beginning of Fiscal Year	339,184	18,176	6,930	129,109
Obligated Balance Transferred, Net	-	-	-	-
Obligated Balance, Net, End of Fiscal Year:				
Accounts Receivable	19,677	10,011	7,388	254
Unfilled Customer Orders From Federal Sources	29,859	-	-	-
Undelivered Orders	(308,706)	(5,063)	(15,823)	(44,562)
Accounts Payable	(107,085)	(26,174)	(13,617)	(92,497)
Total Obligated Balance, Net, End of Fiscal Year	(366,255)	(21,226)	(22,052)	(136,805)
Less: Spending Authority Adjustments	(37,150)	(6,610)	162	(9,534)
Outlays:				
Disbursements	953,811	326,586	131,368	113,973
Collections	(220,601)	(337,423)	(168,788)	(72,760)
Net Outlays Before Offsetting Receipts	733,210	(10,837)	(37,420)	41,213
Less: Offsetting Receipts	(120)	-	-	-
<b>NET OUTLAYS (RECEIPTS)</b>	<b>\$ 733,090</b>	<b>\$ (10,837)</b>	<b>\$ (37,420)</b>	<b>\$ 41,213</b>



Colorado River Dam Fund	Central Valley Project Restoration Fund	Reclamation Trust Fund	Policy and Administration	California Bay-Delta Ecosystem Restoration Fund	Other Budgetary Accounts	Total Budgetary Accounts
\$ 67,771	\$ 39,600	\$ 5,542	\$ 55,525	\$ -	\$ 361	\$ 1,020,602
-	-	-	-	-	-	-
-	-	-	-	-	9,941	4,664
-	-	-	-	-	-	-
8,755	820	41,349	1,167	29,682	996	558,743
-	-	-	-	-	-	1,346
-	-	-	-	-	-	-
-	-	-	-	-	-	795,718
-	-	-	-	-	-	14,795
-	-	-	-	-	-	3,854
-	-	-	-	-	-	1,493
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	815,860
312	2,743	322	626	629	2	41,478
-	-	-	-	-	-	-
(1,435)	(52)	-	(328)	-	(1)	(16,659)
<u>\$ 75,403</u>	<u>\$ 43,111</u>	<u>\$ 47,213</u>	<u>\$ 56,990</u>	<u>\$ 30,311</u>	<u>\$ 11,299</u>	<u>\$ 2,426,034</u>
\$ 63,924	\$ 42,655	\$ 7,769	\$ 55,855	\$ 11,527	\$ 10,254	\$ 990,891
-	-	-	-	-	-	832,902
63,924	42,655	7,769	55,855	11,527	10,254	1,823,793
11,479	456	-	1,135	18,784	1,045	562,797
-	-	39,444	-	-	-	39,444
-	-	-	-	-	-	-
<u>\$ 75,403</u>	<u>\$ 43,111</u>	<u>\$ 47,213</u>	<u>\$ 56,990</u>	<u>\$ 30,311</u>	<u>\$ 11,299</u>	<u>\$ 2,426,034</u>
\$ 63,924	\$ 42,655	\$ 7,769	\$ 55,855	\$ 11,527	\$ 10,254	\$ 1,823,793
2,959	50,456	6,516	7,768	32,008	34,280	627,386
-	-	-	-	-	-	-
-	-	-	-	-	-	37,330
-	-	-	-	-	-	29,859
(1,019)	(43,375)	(3,327)	(6,597)	(29,210)	(30,519)	(488,201)
(3,010)	(5,718)	(655)	(2,363)	(2,549)	(263)	(253,931)
(4,029)	(49,093)	(3,982)	(8,960)	(31,759)	(30,782)	(674,943)
(312)	(2,743)	(322)	(626)	(629)	(2)	(57,766)
62,542	41,275	9,981	54,037	11,147	13,750	1,718,470
-	-	-	-	-	-	(799,572)
62,542	41,275	9,981	54,037	11,147	13,750	918,898
(67,771)	(38,282)	(5,542)	-	-	(1,348,473)	(1,460,188)
<u>\$ (5,229)</u>	<u>\$ 2,993</u>	<u>\$ 4,439</u>	<u>\$ 54,037</u>	<u>\$ 11,147</u>	<u>\$ (1,334,723)</u>	<u>\$ (541,290)</u>

## Working Capital Fund

Reclamation operates a Working Capital Fund to efficiently finance support services and equipment for Reclamation programs and other Federal and non-Federal agencies. Balance sheet information on the financial position of the WCF as of September 30, 2005, and 2004 is presented on the following page.

Although the WCF is operated as a single entity, it is divided into 23 activities and numerous subactivities to facilitate management of the fund. Among the largest of the activities is the Technical Service Center (TSC), which provides engineering and technical services to WCF customers.

The WCF is an intragovernmental revolving fund and recovers the full cost of doing business. The types of services provided by the WCF fall into three broad categories: (1) Engineering and Technical Services, (2) Administrative Services, and (3) Information Technology (IT) Services. The WCF Statement of Net Cost for the years ended September 30, 2005, and 2004 is presented on page 132. The presentation by major category of services is intended to provide information on the relative composition of the WCF.

The most significant activities in the Engineering and Technical Services category are technical services related to water resources management support provided by the TSC. Also included in this category are vehicles and aircraft used for engineering support.

Administrative services include accounting and finance support, overhead allocation distribution, and leave cost distribution. The Information Technology Services category includes software development and operations and maintenance on Reclamation information technology resources.

## Deferred Maintenance

Reclamation owns a water resources management infrastructure which consists of diversion and storage dams; hydroelectric powerplants; water conveyance facilities (canals, pipelines, siphons, tunnels, and pumps); recreational facilities; and associated buildings, bridges, and roads, as well as an inventory of related construction, maintenance, laboratory, and scientific equipment. The operation and maintenance of some of these assets is performed by Reclamation using annual or permanent appropriations or other available funding sources. The operation and maintenance of the remaining assets is performed by Reclamation's water and power customers or by contractors at their expense pursuant to contracts with Reclamation.

**U.S. Department of the Interior  
Bureau of Reclamation  
Working Capital Fund Balance Sheet  
As of September 30, 2005, and 2004**

(In Thousands)	2005	2004
<b>ASSETS</b>		
<b>Intragovernmental Assets:</b>		
Fund Balance with Treasury	\$ 49,974	\$ 49,459
Accounts Receivable	9,919	9,992
Loans and Interest Receivable	1,900	3,100
Other:		
Advances and Prepayments	126	401
<b>Total Intragovernmental Assets</b>	<b>61,919</b>	<b>62,952</b>
Accounts and Interest Receivable, Net	91	70
General Property, Plant and Equipment, Net	34,823	36,193
Other:		
Advances and Prepayments	217	225
<b>Total Assets</b>	<b>\$ 97,050</b>	<b>\$ 99,440</b>
<b>LIABILITIES</b>		
<b>Intragovernmental Liabilities:</b>		
Accounts Payable	\$ 4,712	\$ 7,961
Debt	1,900	3,100
Other:		
Accrued Employee Benefits	7,185	6,939
Advances, Deferred Revenue, and Deposit Funds	1,709	1,735
Total Other Liabilities	8,894	8,674
<b>Total Intragovernmental Liabilities</b>	<b>15,506</b>	<b>19,735</b>
Accounts Payable	5,312	4,185
Other:		
Accrued Payroll and Benefits	17,707	15,231
Advances, Deferred Revenue, and Deposit Funds	667	782
Total Other Liabilities	18,374	16,013
<b>Total Liabilities</b>	<b>39,192</b>	<b>39,933</b>
<b>NET POSITION</b>		
Cumulative Results of Operations	57,858	59,507
<b>Total Net Position</b>	<b>57,858</b>	<b>59,507</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 97,050</b>	<b>\$ 99,440</b>

**Supplemental Statement of Net Cost  
Working Capital Fund  
For the Year Ended September 30, 2005**

(In Thousands)	Engineering and Technical Services	Administrative Services	Information Technology Services	Total
Costs	\$ 103,179	\$ 223,945	\$ 18,232	\$ 345,356
Earned Revenues	(103,936)	(223,888)	(16,036)	(343,860)
<b>Net Cost</b>	<b>\$ (757)</b>	<b>\$ 57</b>	<b>\$ 2,196</b>	<b>\$ 1,496</b>

**Supplemental Statement of Net Cost  
Working Capital Fund  
For the Year Ended September 30, 2004**

(In Thousands)	Engineering and Technical Services	Administrative Services	Information Technology Services	Total
Costs	\$ 98,213	\$ 220,218	\$ 15,974	\$ 334,405
Earned Revenues	(101,547)	(226,405)	(13,532)	(341,484)
<b>Net Cost</b>	<b>\$ (3,334)</b>	<b>\$ (6,187)</b>	<b>\$ 2,442</b>	<b>\$ (7,079)</b>

Reclamation employs a commercial, off-the-shelf maintenance management system on many of its larger, more complex facilities and performs condition assessment (site reviews) and other field inspections to estimate the condition of, and determine the need for, any maintenance related to its assets. Under these various review programs, most of Reclamation's major assets, whether operated and maintained by Reclamation or its contractors, are assessed triennially. The monitoring and tracking of maintenance-related deficiencies and/or recommendations of water and power-related infrastructure are generally conducted on an annual basis and are reported in the dam safety or power resources information system.

Many factors influence whether maintenance is performed as scheduled or deferred. These factors may include limitations on access to facilities (e.g., due to water levels); intervening technological innovations or developments; seasonal or climatological considerations; reassessment of priorities; delays in the contract-award process; availability of or delays caused by the contractor; and changes in funding priorities resulting from, in some cases, emergencies or unforeseen critical maintenance requirements. It is Reclamation's policy to give critical maintenance—that which addresses a threat to life, property, and safety—the highest priority in attention and resources.

The table below identifies Reclamation's estimate of deferred maintenance as of September 30, 2005, on those facilities (reserved works) operated and maintained by it. The reserved works facilities currently in operation and maintenance status include general and stewardship (multi-use heritage assets) that are components of Reclamation projects.<sup>1</sup> The precision attributable to these estimates for the assets involved is based on current, available data.

Reclamation continues to refine its estimates by improving the documentation procedures and systems for tracking condition assessments and for reporting the scheduling and deferral of maintenance work. Reclamation uses budget estimates, the Dam Safety/Power Resources Information System, Accessibility and Data Management System, and Maintenance Management System (MAXIMO) as sources for potential deferred maintenance. Variations in the reporting of deferred maintenance are expected from year to year because of the types of maintenance work on Reclamation facilities.

**FY 2005 Reclamation Deferred Maintenance Estimates**  
(in thousands)

	Item(s) Covered Note (1)	Condition Category Note (2)	Estimated Range of Deferred Maintenance for 2005					
			General PP&E		Stewardship PP&E		Total	
			Low	High	Low	High	Low	High
Roads Bridges and Trails	D	G,F,P	\$ 15	\$ 2,834	-	\$ 139	\$ 15	\$ 2,973
Irrigation, Dams, and Other Water Structures Other Structures (e.g., Recreation Sites, Hatcheries, etc.)	D	G,F,P	\$ 232	\$ 26,552	\$ 835	\$ 8,222	\$ 1,067	\$ 34,774
	D	G,F,P	\$ 129	\$ 2,429	\$ 2	\$ 1,127	\$ 131	\$ 3,556
<b>Total</b>			<b>\$ 376</b>	<b>\$ 31,815</b>	<b>\$ 837</b>	<b>\$ 9,488</b>	<b>\$ 1,213</b>	<b>\$ 41,303</b>

Note (1) Category

- A - Critical Health and Safety Deferred Maintenance: A facility deferred maintenance need that poses a serious threat to public or employee safety.
- B - Critical Resource Protection Deferred Maintenance: A facility deferred maintenance need that poses a serious threat to natural or cultural resources.
- C - Critical Mission Deferred Maintenance: A facility deferred maintenance need that poses a serious threat to a bureau's ability to carry out its assigned mission.
- D - Compliance and Other Deferred Maintenance: A facility deferred maintenance need that will improve public or employee safety, health, or accessibility; compliance with codes, standards, laws, complete unmet programmatic needs and mandated programs; protection of natural or cultural resources to a bureau's ability to carry out its assigned mission.

Note (2) Condition Assessment:

Good (G) - Facility/equipment condition meets established maintenance standards, operates efficiently, and has a normal life expectancy.

Scheduled maintenance should be sufficient to maintain the current condition.

Fair (F) - Facility/equipment condition meets minimum standards but requires additional maintenance or repair to prevent further deterioration, increase operating efficiency, and to achieve normal life expectancy.

Poor (P) - Facility/equipment does not meet most maintenance standards and requires frequent repairs to prevent accelerated deterioration and provide a minimal level of operating function. In some cases that includes condemned or failed facilities.

Based on periodic condition assessments, an indicator of condition is the percent of facilities and items of equipment in each of the good, fair, or poor categories.

<sup>1</sup> The deferred maintenance of multi-use heritage assets that are part of active project features is reported under this section, not under the "Heritage Assets" section of "Stewardship Assets." Heritage assets that may have been a part of an active project, but no longer serve that purpose, are reported under the "Heritage Assets" section of "Stewardship Assets."

# Required Supplemental Stewardship Information

## Federal Stewardship Assets

### Stewardship Lands

Federal stewardship land is defined as land owned by the Federal Government that was not acquired for or in connection with other property, plant, and equipment. Reclamation has basically two types of lands. There are lands that were acquired at a cost to Reclamation projects and those that were withdrawn from the public domain lands, previously managed by the Bureau of Land Management (BLM) and the U.S. Department of Agriculture (USDA) Forest Service, at no cost to the projects. Both types of land support Reclamation's authorized project purposes of providing water for agricultural, municipal and industrial uses; maintaining flood control; and generating power. Under Federal accounting standards, Reclamation withdrawn lands represent this agency's Stewardship Lands.

Reclamation has just completed the fifth year of a 5-year land reconciliation effort, focusing on the reconciliation of the initial acquisition costs of acquired lands with those same costs contained in the Federal Financial System. Although the focus of the reconciliation was on acquired project lands, adjustments were also made to withdrawn lands when discrepancies were identified during the reconciliation effort. Adjustments to withdrawn lands also were made when a revocation of project withdrawn lands was implemented by the BLM. As a result of this reconciliation and the withdrawal revocation, Reclamation ended the FY 2005 with approximately 8,200,000 acres of acquired and withdrawn project lands of which 5,479,485 acres are withdrawn lands (see the Stewardship Lands table on the following page).

Reclamation safeguards its withdrawn lands to protect them against waste, loss, and misuse. Reclamation certifies that the condition of this agency's withdrawn stewardship lands meets the U.S. Department of the Interior's (Department's) criteria of "acceptable condition." This means that the lands are managed and protected in a manner sufficient to support the mission of the agency consistent with the statutory purposes for which the lands were withdrawn or otherwise acquired. There are methods, procedures, and internal controls utilized by Reclamation to assess the condition of these stewardship lands and to take action should the condition deteriorate.

## Stewardship Lands as of September 30, 2005

Category by Type	Federal Acres				Total Non-Federal Acres	Combined Total Acres	Condition - Acceptable or Needs Intervention <sup>2</sup>	Number of Units <sup>3</sup>
	2005 Beginning Balance	Additions <sup>1</sup>	Withdrawals <sup>1</sup>	2005 Ending Balance				
Reclamation and Irrigation Acres	5,724,998	1,799	-247,312	5,479,485	0	5,479,485	Acceptable	146
<b>Total</b>	<b>5,724,998</b>	<b>1,799</b>	<b>-247,312</b>	<b>5,479,485</b>	<b>0</b>	<b>5,479,485</b>	<b>Acceptable</b>	<b>146</b>

<sup>1</sup> The difference between the beginning and ending stewardship land acres is a net decrease of 245,513 acres. The net change is a result of three major actions: (a) the completion of the fifth year of a 5-year land reconciliation effort in which changes to withdrawn lands were identified during the research, correction, and reconciliation of Reclamation's project acquired lands and land rights with the agency's project financial records; (b) successful revocation by the BLM of a portion of the Owyhee Project lands identified as no longer needed for project purposes; and (c) a reduction in withdrawn acres due to prior year BLM revocations which were not previously captured in the real property inventory system.

<sup>2</sup> The condition of Reclamation stewardship lands (withdrawn project lands) are categorized as "acceptable," and they adequately meet the operating needs of this agency's programs. There are methods, procedures, and internal controls utilized by Reclamation to assess the condition of these stewardship lands and to take action should the condition deteriorate. Additional details may be found in Reclamation's memorandum dated July 11, 2005, from Commissioner Keys through Acting Assistant Secretary - Water and Science Weimer to Associate Director Fletcher, Office of Financial Management, Subject: Condition Assessment of the Bureau of Reclamation Stewardship Lands.

<sup>3</sup> From Reclamation's perspective, the "Number of Units" means number of water and related projects. This number represents Reclamation's major projects, and many of those projects are comprised of numerous related divisions, units, features, or facilities. The 180 projects reported in the 3<sup>rd</sup> quarter FY 2005 report decreased to 146 projects in the 4<sup>th</sup> quarter report is due to a miscalculation.

## Non-Collectible Cultural Heritage Assets

The types of non-collectible cultural heritage assets reported in the Non-Collectible Heritage Assets table on the following page include buildings, structures, archaeological and historic sites, traditional cultural properties, monuments, and districts. Definitions of these various property types are derived from the National Park Service. The table identifies the total number of Reclamation non-collectible cultural heritage assets that are National Historic Landmarks (NHL), listed in the *National Register of Historic Places* (NRHP), or have been determined eligible for listing in the NRHP, either individually or as a district, in consultation with the State Historic Preservation Office (SHPO).

For the first time, numbers of contributing properties to districts are being tracked separately and are not included in the totals presented to avoid double counting. Non-collectible cultural heritage assets that fall into the category of "eligible" are represented in the "Archaeological and Historic Sites" row. Recorded but unevaluated cultural resources, and those that have been determined NRHP ineligible, are not included in the Non-Collectible Heritage Assets table because they do not meet the Federal Accounting Standard Advisory Board (FASAB) definition of "heritage assets."

Information on non-collectible heritage assets continues to improve as regional databases are implemented and updated. This is an ongoing activity and, once again, a number of offices hired summer interns through the National Council of Preservation Education program to create and update databases for tracking non-collectible heritage assets. Archaeological sites continue to make up the largest percentage of Reclamation non-collectible cultural heritage assets, representing over 75 percent of the total reported. The second highest percentage consists of structures, which represent about 10 percent of the total.

**Non-Collectible Heritage Assets as of September 30, 2005**

Category by Type	2005 Beginning Balance (units)	Additions (units)	Withdrawals (units)	2005 Ending Balance (units)	Condition (%) <sup>1</sup>				
					Good	Fair	Poor	Unknown	Total
Archeological and Historic Sites <sup>2</sup>	1,687	41	132	<sup>3</sup> 1,596	9	1	8	82	100
National Historic Landmarks	5	0	0	<sup>4</sup> 5	60	0	20	20	100
<i>National Register of Historic Places</i>	58	1	0	<sup>5</sup> 59	15	10	5	70	100
Paleontological Sites	175	1	0	176	0	1	0	99	100
<b>Total</b>	<b>1,925</b>	<b>43</b>	<b>132</b>	<b>1,836</b>	-	-	-	-	-

<sup>1</sup> "Good" condition means a site shows no clear evidence of negative disturbance or deterioration by natural forces or human activities. "Fair" means that a site shows clear evidence of negative disturbances or deterioration by natural forces and/or human activities. "Poor" means that a site shows clear evidence of human activities, and no corrective actions have been taken to protect and preserve the integrity of the site. "Unknown" may mean that, due to the nature of the site, such as sites underwater, the condition cannot be determined or that, due to financial constraints, the condition of a site cannot be determined.

<sup>2</sup> Since heritage assets are defined by FASAB as having "significance," this category includes only properties that have been officially determined eligible for listing in the *National Register of Historic Places*.

<sup>3</sup> This number includes 51 districts, 1,544 individual properties, and 1 traditional cultural property.

<sup>4</sup> This number includes two districts and three individual properties.

<sup>5</sup> This number includes 16 districts, 42 individual properties, and 1 traditional cultural property.

The withdrawals reported for Archaeological and Historic Sites represent eligibility determinations made without formal consultation with a SHPO, or contributing properties that are no longer included in the count. The additions shown on the table are due to ongoing identification and evaluation of cultural resources. Although not called for on the Non-Collectible Heritage Asset table, contributing properties to NHL, NRHP, and NRHP eligible districts represent an additional 563 non-collectible cultural heritage assets owned by Reclamation. This number will probably change as information on contributing properties continues to improve.

Condition information on non-collectible cultural heritage assets varies depending on the type of asset. Reclamation has long-established policies and procedures for conducting comprehensive and rigorous condition assessments of all of its high and significant hazard dams, powerplants, and associated facilities at intervals of no more than 6 years. This includes multi-use heritage assets such as Hoover Dam, which is a NHL.

Reclamation's reserved buildings are now also subject to scheduled condition assessments. In FY 2004, Reclamation completed a preliminary condition assessment of all its reserved buildings that have a current replacement value of greater than \$50,000. Over the next 5 years, comprehensive condition assessments of those properties will be scheduled and completed. Deferred maintenance needs will be identified and reported. Included among these properties are heritage assets.

The vast majority of properties for which condition is unknown are archaeological. The Federal Government has not issued any standards or guidance for assessing their



condition. It is documented at the time of original site recordation, and, in general, changes are noted only if a site is revisited during a subsequent Federal undertaking. The development of resource management plans in some regions has provided the opportunity to review the condition of heritage assets, including archaeological sites.

Some non-collectible cultural heritage assets are used by Reclamation to carry out its mission. These meet the FASAB definition of multiuse heritage assets (“heritage assets whose predominant use is general government operations”). Of the 64 non-collectible cultural heritage assets listed as NHLs and in the NRHP, 24 are multiuse heritage assets. These include dams, water distribution systems, a bridge, and office buildings.

## Non-Collectible Natural Heritage Assets

Non-collectible natural heritage assets also are reported in the Non-Collectible Heritage Assets table and consist of paleontological resources. Reclamation has identified 176 paleontological resources on its lands, an increase of 1 since the end of FY 2004. Since the Federal Government has no laws, regulations, or guidance in place for evaluating the significance or condition of paleontological resources, their condition remains largely undocumented.

## Collectible Heritage Assets

Collectible heritage assets are reported on the following page in the Collectible Heritage Assets table. Reclamation generally refers to its collectible heritage assets as museum property and endeavors to manage these assets to the standards set in the *Departmental Manual 411, Policy and Responsibilities for Managing Museum Property*, and other Federal authorities. During this reporting cycle, Reclamation issued an updated bureau level Scope of Collection Statement. In addition, Reclamation has a policy statement and directives and standards pertaining to museum property management under review as well as a revised Museum Property Management Plan. Reclamation also assembled a Museum Property Working Subgroup with members from each of its five regions. The subgroup’s purpose is to advise and assist the Office of Program and Policy Services on issues related to museum property.

Reclamation is in the final stages of acquiring an automated system for collection management. Currently, Reclamation reports museum property information to the Department through the Government Performance and Results Act; Activity Based Costing; *Federal Archaeology Program Report to Congress*; and its *Museum Property Summary Report*.

## Collectible Heritage Assets as of September 30, 2005

Interior Museum Collections	Beginning Collections	Additions <sup>2</sup>	Withdrawals <sup>3</sup>	Ending Collections	Condition of Facility Housing Collection <sup>1</sup>			
					Good	Fair	Poor	Not Yet Assessed
Reclamation Facility	20	0	1	19	6	2	2	9
Non-Reclamation Facility	81	5	4	82	32	5	7	38
<b>Total</b>	<b>101</b>	<b>5</b>	<b>5</b>	<b>101</b>	<b>38</b>	<b>7</b>	<b>9</b>	<b>47</b>

<sup>1</sup> "Good" condition means meeting more than 70 percent of standards in *Departmental Manual Chapter 411, Museum Property*; "Fair" means meeting 50-70 percent of Departmental standards; "Poor" means meeting less than 50 percent of Departmental standards.

<sup>2</sup> Five facilities were added because Reclamation found, based upon improved information, that items under Reclamation ownership, control, or administration resided at the facilities.

<sup>3</sup> Five facilities were withdrawn because Reclamation no longer had collections stored or exhibited at them. Removal included: (a) items were relocated to a facility having a better condition score, (b) items were relocated because a loan expired, or (c) items with ambiguous ownership were determined not to be owned, controlled, or administered by Reclamation.

Overall, Reclamation units (i.e., an administrative, regional, area, operations, field, power, facilities, or construction offices that manage museum property) are working with their non-Reclamation partners to update curatorial service agreements. In addition, the units are updating and/or developing new museum property management documents. For example, units have entered into, or are negotiating for, agreements for the following type of activities: (1) evaluating and resolving accession, catalog, and ownership information/issues, (2) performing annual inventories, (3) stabilizing collections, (4) repackaging collections, and (5) labeling. Reclamation once again utilized the National Council of Preservation Education intern program and employed six interns to perform museum property related activities.

The total number of museum property items under Reclamation's control increased during this reporting cycle to an estimated 8.7 million. The increase was the result of new accessions and improved catalog information. The item-level withdrawals were the result of items being determined to be: (1) outside Reclamation's control, (2) previously misidentified as museum property, or (3) better identified under a different discipline heading (i.e., Historic Objects reclassified as Archaeology Documents).

## Stewardship Investments

Stewardship investments are substantial investments made by the Federal Government for the benefit of the Nation. The FASAB requires reporting for three categories of stewardship investments—Research and Development, Investment in Human Capital, and Investment in Non-Federal Physical Property. Reclamation identified stewardship investments in all three categories.

## Research and Development

Reclamation invests in applied research programs to aid in the water and energy management challenges facing the arid West. Programs focus on the improvement of water management, the development of solutions pertaining to flood hydrology, water quality, irrigation return flows, and the delivery of hydropower to the West. The information obtained through these programs provides water management solutions and techniques that yield future benefits to the Nation. Research and Development activities support Reclamation's end outcome goal to deliver water consistent with applicable State and Federal law, in an environmental responsible and cost-efficient manner.

In FY 2005, research and development expenses incurred under the Water and Energy Management and Development Program activity produced benefits under Reclamation's intermediate outcome measure of effective water management to optimize supply. Expenses also support the end outcome measure of water delivery.

In addition, research and development expenses incurred under the Facility Maintenance and Rehabilitation Program activity provided benefits which enabled Reclamation to support the intermediate outcome measure to operate and maintain a safe and reliable water infrastructure. Expenses also support the end outcome measures of reliability and maximizing cost efficiency and value. A summary of Reclamation's investments in Research and Development through September 30, 2005, are in the chart below.

### Investment in Research and Development (In Millions)

Category	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	Total
Water and Energy Management and Development	15.9	17.6	17.2	18.6	24.5	93.8
Facility Maintenance and Rehabilitation	1.5	1.4	1.1	1.2	1.4	6.6
<b>Total</b>	<b>\$17.4</b>	<b>\$19.0</b>	<b>\$18.3</b>	<b>\$19.8</b>	<b>\$25.9</b>	<b>\$100.4</b>

## Investment in Human Capital

Reclamation operates five Job Corps Centers (Centers), based on an interagency agreement with the Department of Labor for the purpose of educating and training disadvantaged youth. As of September 30, 2005, Reclamation expended \$29.8 million

### Investment in Human Capital (In Millions)

Category	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	Total
Job Corps Program	\$27.1	\$28.6	\$29.9	\$30.0	\$29.8	\$145.4
<b>Total</b>	<b>\$27.1</b>	<b>\$28.6</b>	<b>\$29.9</b>	<b>\$30.0</b>	<b>\$29.8</b>	<b>\$145.4</b>

in residential education and job training for these youth, including courses in computer technology, painting, woodworking, welding, culinary arts, and social and leadership development.

Post-program job placement services are available to Job Corps students. The table below shows the number of Reclamation Center graduates as a percentage of the total Center enrollment and the number of graduates placed into jobs within 1 year of graduation as a percentage of the graduates in the placement pool.

Center	Graduates	Center Enrollment	%	Graduates Placed	Graduate Placement Pool	%
Centennial	272	300	90.67	276	299	92.31
Columbia Basin	215	250	86.00	186	200	93.00
Ft. Simcoe	230	224	102.68	227	250	90.80
Weber Basin	173	224	77.23	165	181	91.16
Collbran	171	200	85.50	177	187	94.65

The Ft. Simcoe center has an enrollment capacity of 224 students. Job Corps is a self-paced, open entry/exit program. That means it takes some students longer than others to graduate. Depending on incoming educational levels, it can take a student between 8 months to 2 years to complete the program and graduate. Therefore, the number of graduates does not always equal the number of enrollees. In fact, the number of graduates can exceed the number of enrollees if the average length of stay is less than 1 year.

## Investment in Non-Federal Physical Property

Investment in Non-Federal Physical Property are expenses incurred by Reclamation for the purchase, construction, or major renovation of physical property owned by or given to State and local government or Insular Areas. Costs include major additions, alterations, replacements, the purchase of major equipment, and the purchase or improvement of other physical assets owned by non-Federal entities. Grants for maintenance and operations are not considered investment in non-Federal physical property.

The investments listed below provide assistance through a variety of measures, all related to dams and other water structures. For example, Reclamation incurs expenses for specific programs to provide for the construction or improvement of structures and facilities used in State and local irrigation projects and water quality improvement projects. Reclamation-wide programs that improve State and local fish and wildlife habitats through activities such as the construction or betterment of structures or facilities are also included.

**Investment in Non-Federal Physical Property as of September 30, 2005**  
(In Millions)

Category	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	Total
Dams and Other Water Structures	\$105.1	\$118.9	\$124.4	\$106.6	\$138.1	\$593.1
<b>Total</b>	<b>\$105.1</b>	<b>\$118.9</b>	<b>\$124.4</b>	<b>\$106.6</b>	<b>\$138.1</b>	<b>\$593.1</b>

## Title Transfers to State and Local Governments

Assets constructed with Federal funding meet the criteria for non-Federal physical property at the time of transfer under Reclamation's title transfer program. The following tables present the status of transfer facilities for the period ending September 30, 2005, and completed transfers for the preceding 5 years.

**Transfer of Facilities**  
**For the Period Ended September 30, 2005**  
(In Thousands)

Project Name	Value Including Land Costs
<b>Pending Transfers</b>	
Carpinteria and Montecito Water Distribution Systems, California	\$ 911
Carson Lake and Pasture	66
Gila Project, Wellton-Mohawk Division, Arizona	2,568
Fallon Rail Freight Loading Facility Property, Newlands Project, Nevada	5
Provo River Project, Utah	3,082
Rye Patch Dam and Reservoir, Humboldt Project, Nevada	7,000

**Completed Transfers of Facilities**  
**to State and Local Government**  
(In Thousands)

Project Name	Year Ending of Transfer	Net Book Value Including Land Costs
<b>Completed Transfers</b>		
<i>No Completed Transfers for 2005 as of September 30, 2005</i>		
Harquahala Valley Irrigation District, Central Arizona Project, Arizona	2004	\$29,348
Minidoka and Teton Basin Projects, Idaho	2004	235
Sugar Pine Dam and Reservoir, Central Valley Project, California	2004	31,520
Sly Park Dam and Research, Central Valley Project, California	2004	1,911
Middle Loup Division, Pick-Sloan Missouri Basin Project, Nebraska	2003	7,457
North Poudre Supply Canal and Diversion Works, Colorado-Big Thompson Project, Larimer County, Colorado	2003	287
La Feria Division, Lower Rio Grande Rehabilitation Project, Texas	2002	1,751
North Poudre Supply Canal and Diversion Works, Colorado-Big Thompson Project, Larimer County, Colorado	2002	2,121
Carlsbad Project, New Mexico	2001	173
Clear Creek Distribution System, California	2001	423
Nampa and Meridian Conveyance, Boise Project, Idaho	2001	-
Palmetto Bend Reclamation Project, Texas	2001	59,991
Robert B. Griffith Water Projects, Southern Clark County, Nevada	2001	97,983

## Audits of Reclamation Programs

During FY 2005, the Office of Inspector General (OIG) and Government Accountability Office (GAO) audit activity included Reclamation-specific audits, Departmental, or Government-wide audits which included Reclamation issues. The OIG completed 12 audits, and the GAO completed 5 audits. The Department's FY 2005 GPRA Performance Goal for the Management Control and Audit Follow-up Programs (MCAF) was to implement 85 percent of the OIG/GAO recommendations in the MCAF GPRA goal database. Reclamation exceeded the Department's goal by implementing 100 percent of the recommendations scheduled for FY 2005. The following table is a summary of the status of audit recommendations.

	FY 2005 Recommendations	Recommendations Implemented/Closed/ Complied in FY 2005 <sup>1</sup>	Outstanding Recommendations <sup>2</sup>
OIG	13	14	0
GAO	1	3	1

<sup>1</sup> Recommendations may have resulted from audits in previous years.

<sup>2</sup> This outstanding recommendation is from a prior year audit.