



BUDGET The United States
Department of the Interior
JUSTIFICATIONS

and Performance Information
Fiscal Year 2011

**CENTRAL UTAH PROJECT
COMPLETION ACT**

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**U.S. Department of the Interior
Office of the Secretary**

**Central Utah Project Completion Act
FY 2011 Budget Justification**



February 1, 2010

Central Utah Project Completion Act

FY 2011 Budget Justification

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CENTRAL UTAH PROJECT COMPLETION ACT

General Statement

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

The Act provides for the orderly completion of the CUP by increasing the appropriations ceiling and authorizing features and measures for the delivery of water for municipal, industrial, and irrigation purposes; water conservation; wildlife mitigation; and in-stream flows. The Act also provides for cost-sharing of project costs, establishes a water conservation program, allows local entities to construct project features, and requires compliance with environmental laws.

The Act established a partnership arrangement among the Department of the Interior (Interior), the Central Utah Water Conservancy District (CUWCD), the Utah Reclamation Mitigation and Conservation Commission (Mitigation Commission), and the Ute Indian Tribe. The CUWCD was given the responsibility for completion of the water conveyance facilities, and the Mitigation Commission was tasked with completing the environmental mitigation. To implement CUPCA, the Department established a small office in Provo, Utah, (CUPCA Office) under the direction of the Assistant Secretary – Water and Science, to oversee the completion of the project and the activities of the CUWCD, the Mitigation Commission, and the Ute Indian Tribe.

The 2011 budget request that follows was developed based upon project status to date, the intended completion date of the project in 2021, and evaluation and program performance accomplishments. Detailed performance information for 2011, 2010, and 2009 also is included.

Management Efficiencies: -- The request includes reductions that are proposed Interior-wide based on SAVE Award nominations reflecting anticipated efficiency savings of \$1,000 from information technology and \$36,000 from strategic sourcing.

Central Utah Project Completion Account

The 2011 request is \$43,004,000, which is \$1,000,000 more than the 2010 enacted budget. Of this request, \$40,504,000 will be expended from this account and \$2,500,000 will be transferred to the Utah Reclamation Mitigation and Conservation Account for use by the Mitigation Commission.

The 2011 request includes \$37,640,000 for use by the CUWCD to continue construction of the Utah Lake System facilities; to implement groundwater recharge projects; and to implement approved water conservation and water management improvement projects.

The Utah Lake System construction began in the summer of 2007. There are four major pipelines to be constructed.

The majority of construction for the Uinta Basin Replacement Project was completed in 2008, with minor construction continuing through 2011. The groundwater recharge program provides funding for projects that use groundwater and surface water together. The appropriation in 2011 will allow implementation of new projects.

Under the Act's Water Management Improvement Program the CUWCD is required to set and meet annual water conservation goals to avoid financial penalties. Goals are met through the implementation of water conservation projects funded under the Water Management Improvement Program. A portion of water saved through the program is provided for stream flows to aid the endangered June sucker fish. The appropriation in 2011 will continue to fund water conservation projects.

The request also includes \$1,694,000 for use by the Department to carry out the responsibilities of the Secretary and for other activities required by the Act.

Utah Reclamation Mitigation and Conservation Account

The \$2,500,000 requested for transfer to the Mitigation Commission will be used in implementing the fish, wildlife, and recreation mitigation and conservation projects authorized in Title III (\$2,229,000); and in completing mitigation measures committed to in pre-1992 Bureau of Reclamation planning documents (\$271,000). Title III activities in 2011 include acquisition of habitat, access, wetlands, water rights in key watersheds, and recreation and fish hatchery improvements. In 2011, the total funds deposited in or transferred to this account are estimated to be \$149,233,918, including the \$2,500,000 requested for use by the Mitigation Commission above.

In addition, the Act also establishes Title IV to ensure future management and maintenance of Mitigation Commission projects. CUPCA provides \$5,000,000 per year (indexed for inflation), to be appropriated through the Western Area Power Administration (Western), for use under Title IV of CUPCA. Section 214 of P.L.108-137 amended the Act to provide that the annual contributions from Western shall expire in 2013 and also authorized the Mitigation Commission to utilize the interest earned and accrued to this account in 2014. The remaining Western contributions during the period from 2011 to 2013 are essential for the successful implementation of the authorized mitigation and conservation measures. In 2011, it is estimated that \$7,627,000 will be contributed from Western. The accumulated principal in the Title IV account, which is not available for program use, is estimated to total \$112,000,000 at the end of 2011. The estimated interest at the end of 2011 would be \$123,000,000.

Summary by Account
FY 2009 - FY 2011 Budget Authority
(thousands of dollars)

	FY 2009 Enacted	FY 2009 ARRA	FY 2010 Enacted	FY2011 Justification
<u>Request</u>				
<u>Current Authority</u>				
Central Utah Project Completion Account	\$41,013	41,270	\$40,504	\$40,504
Utah Reclamation Mitigation and Conservation Account	987	8,730	1,500	2,500
Total current authority	42,000	50,000	42,004	43,004
<u>Permanent Authority</u>				
Utah Reclamation Mitigation and Conservation Account	0		0	0
Total Completion Act¹	\$42,000	50,000	\$42,004	\$43,004

Notes: ¹ In FY 2009, the Mitigation Commission used the contribution of \$7.3 million from the Western Area Power Administration for administrative expenses (\$1.3 million) and for other program purposes (\$6.0 million). The Mitigation Commission will also allocate the Western contribution between these accounts in FY 2010 and FY2011, but because the Mitigation Commission does not determine that allocation until the middle of the fiscal year, the budget request does not include an estimate for the allocation between accounts.

CENTRAL UTAH PROJECT COMPLETION ACCOUNT

Location:	This project is located in Utah's Bonneville and Uinta Basins, in Uintah, Duchesne, Wasatch, Summit, Utah, Salt Lake, and Juab Counties.
Description:	The Central Utah Project Completion Act provides for completion of the Central Utah Project by the Central Utah Water Conservancy District. This includes construction of a system to deliver water to the Utah Lake drainage basin and the Uinta Basin Replacement Project. In addition, the Act authorizes funding for programs to improve water management and conservation and for fish, wildlife, and recreation mitigation and conservation; and establishes the Utah Reclamation Mitigation and Conservation Commission to coordinate the implementation of mitigation and conservation activities.
Authorization and Related Authorizations:	Titles II - VI of P.L. 102-575, October 30, 1992. P.L. 84-485, April 11, 1956; P.L. 90-537, September 30, 1968; P.L. 92-370, August 10, 1972; P.L. 94-423, September 28, 1976; P.L. 96-470, October 19, 1980; P.L. 100-563, October 31, 1988; P.L. 104-286, October 11, 1996; P.L. 106-140, December 7, 1999; P.L. 107-366, December 19, 2002; Section 214 of P.L. 108-137, December 1, 2003; Section 507 of P.L. 110-229, May 8, 2008; and Section 201(d) of P.L. 111-5, February 17, 2009.
Land Certification:	All land certifications for the authorized projects are complete.
Completion Data:	As of September 2009, work authorized by the Completion Act is 69 percent complete, and the project is estimated to be completed by 2021. The major projects presently under construction are: <ul style="list-style-type: none">• The Section 207 Water Conservation Measures that are scheduled for completion by 2016;• The majority of construction for the Uinta Basin Replacement Project was completed during 2008, with minor construction continuing through 2011; and• The Utah Lake Basin Water Delivery System that is scheduled for completion in 2021.
Project Cost Allocation/ Benefit-Cost Ratios:	Project cost allocations and benefit/cost ratios have been calculated and are documented in the 2004 Final Supplement to the 1988 Definite Plan Report for the Bonneville Unit.

Status of Repayment Contract:

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

Other Information:

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

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

Appropriation Ceiling:

Appropriation ceilings remaining as of October 2009 are:

• Title II (Sec. 202 to 207)	\$368,148,777
• Title II (Sec. 201(a)(1)), Sec. 8	\$ 17,139,764
• Title II (Sec. 201(a)(1)), Sec. 5	\$ 0
• Title II (Sec. 201 (c))	\$ 0
• Title III	\$ 74,023,900
• P.L. 84-485, P.L. 92-370, P.L. 100-563	\$ 0
Total	\$459,312,441

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

Proposed Fiscal Year 2011 Program

Central Utah Water Conservancy District:

Utah Lake Drainage Basin Delivery System Activities include designs, specifications, land acquisition, and construction of facilities to deliver CUP water to the Utah Lake drainage basin. \$30,754,000

Water Conservation Measures Activities include administration and implementation of approved water conservation measures and the review of proposed future conservation measures. \$5,886,000

Other Title II Program Activities include implementation of ground water conjunctive use projects. \$1,000,000

Conservancy District Subtotal \$37,640,000

Utah Reclamation Mitigation and Conservation Commission:

This request includes \$2.5 million to be transferred to the Utah Reclamation Mitigation and Conservation Account for use by the Mitigation Commission. These funds will be used to implement the fish, wildlife, and recreation mitigation and conservation projects authorized in Title III; and in completing mitigation measures committed to in pre-1992 Bureau of Reclamation planning documents.

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

- Provo River/Utah Lake Fish and Wildlife \$500,000
Activities include acquisition and development of the Utah Lake Wetland Preserve and the warm water fishery in Utah Lake; acquisition of water rights and rehabilitation of riparian habitat along the lower Provo River; and enhancement of fishery and riparian habitat, wetlands, and public access along the middle Provo River. Activities along the Jordan River include rehabilitation of riparian habitat, protection of wetlands, and development of acquired lands and facilities.

- Diamond Fork Fish and Wildlife \$400,000
Activities include acquisition and riparian habitat development for Diamond Fork and Sixth Water Creeks.

- Duchesne/Strawberry Rivers Fish and Wildlife \$400,000
Activities include restoration of the fisheries in the Strawberry River drainage and in tributaries of Strawberry Reservoir; and rehabilitation of

wildlife and riparian habitat along the Duchesne River and the Strawberry Aqueduct and Collection System.

- CRSP/Statewide Fish, Wildlife and Recreation \$929,000
Statewide activities include improving fish hatchery production; acquisition and development of wetlands adjacent to the Great Salt Lake; restoring habitat and acquisition of public access in small watersheds; restoring native cutthroat trout populations; acquisition of rangelands; and conducting inventories of sensitive plant and wildlife species and ecosystems.

Section 201(a)(1) Mitigation Measures \$271,000
Mitigation measures include development of wetlands along the lower Duchesne River; stream and riparian restoration and recreation facilities along the Diamond Fork/Sixth Water Creek corridor; recovery actions for the endangered June sucker; and mitigation for big game impacts.

Mitigation Commission Subtotal \$ 2,500,000

Department of the Interior:

Fish and Wildlife Conservation Projects \$1,170,000
Sec. 313(c) provides that the cost of operating and maintaining new and improved hatchery facilities shall be borne by the Secretary (\$691,000) and funds (\$412,000) are required to pay the costs of delivering water acquired by the Secretary for in stream flows. Sec. 314(c) provides that three percent of funds allocated for Title III activities are to be used for mitigation and conservation projects outside the State of Utah (\$67,000).

Program Oversight & Administration \$1,694,000
Funds are requested for the Program Office located in Provo, Utah, to provide oversight, review, and liaison with the CUWCD, the Mitigation Commission, and the Ute Indian Tribe, and to otherwise assist in carrying out the responsibilities of the Secretary.

Department Subtotal \$2,864,000

TOTAL REQUEST \$43,004,000

**CENTRAL UTAH PROJECT COMPLETION ACCOUNT
PROPOSED 2011 APPROPRIATIONS LANGUAGE**

For carrying out activities authorized by the Central Utah Project Completion Act, **[\$40,300,000]** *\$43,004,000* to remain available until expended, of which **[\$1,500,000]** *\$2,500,000* shall be deposited into the Utah Reclamation Mitigation and Conservation Account for use by the Utah Reclamation Mitigation and Conservation Commission, *and of which \$1,694,000, is to remain available until expended for necessary expenses incurred in carrying out related responsibilities of the Secretary of the Interior.*

[In addition, for necessary expenses incurred in carrying out related responsibilities of the Secretary of the Interior, \$1,704,000, to remain available until expended.] For fiscal year **[2010]** *2011, of the amounts available to the Commission from the Department of the Interior and Department of Energy, the Commission may use an amount not to exceed \$1,500,000 for administrative expenses. (Energy and Water Development and Related Agencies Appropriations Act, 2010.)*

Explanation of Language Change:

Language has been rearranged to appear in the more traditional appropriations format, in which the total appropriation is listed first, and the various directions related to uses of portions of it follow. The previous language did not do this and required addition of the first (CUPCA amount) number to the last (amount incurred in carrying out responsibilities of the Secretary) number in order to know the total appropriation.

Program Performance Summary

End Outcome Measure/Intermediate or PART Measure/PART Efficiency or Other Outcome Measure	Type	2007 Actual	2008 Actual	2009 Actual	2009 ARRA	2010 Enacted Budget	2011 Justification	Change from 2010 Enacted Budget to 2011	Long Term Target 2021	Comments
End Outcome Goal: Resource Use - Deliver water consistent with applicable State and Federal laws in an environmentally responsible manner.										
Annual total water supply made available annually for project purposes. (acre-feet)	C	255,953	255,539	259,847	259,847	268,608	270,450	1,842 0.7%	323,116	The cumulative cost to-date is the total investment in the Central Utah Project since the beginning of the project.
Cumulative total cost to date, Actual/Planned/Projected. (\$000)		\$1,133,953	\$1,133,953	\$1,151,223	\$1,151,223	\$1,206,097	\$1,206,097	\$0 0.0%	\$1,510,342	
Actual/Projected cost per acre-foot of water delivered.		\$4,430	\$4,437	\$4,430	\$4,430	\$4,490	\$4,460	-\$31 -0.7%	\$4,674	
Cumulative total conveyance system constructed to deliver project water. (cfs-miles)	C	21,697	22,455	23,355	23,613	24,844	25,318	474.2875 1.9%	28,313	Construction costs accumulate each year but cfs-miles are not reported until a feature is completed.
Cumulative total cost to date, Actual/Planned/Projected. (\$000)		\$186,405	\$219,520	\$251,820	\$292,820	\$323,620	\$355,620	\$32,000 9.9%	\$663,620	
Actual/Projected Cost per cfs-mile constructed.		\$8,591	\$9,776	\$10,782	\$12,401	\$13,026	\$14,046	\$1,020 7.8%	\$23,438	
Annual total water conserved through the Water Management Improvement Program. (acre-feet)	C	98,703	112,561	101,500	101,500	102,700	104,000	1300 1.3%	214,001	
Cumulative total cost to date Actual/Planned/Projected. (\$000)		\$115,384	\$119,902	\$111,542	\$111,542	\$118,753	\$140,152	\$21,400 18.0%	\$213,145	
Actual/Projected Cost per acre-foot of conserved water.		\$1,169	\$1,065	\$1,099	\$1,099	\$1,156	\$1,348	\$191 16.5%	\$996	
End Outcome Goal: Resource Protection - Sustain biological communities on DOI managed/influenced lands and waters consistent with obligations regarding the allocation and use of water.										
Annual water made available for stream fisheries. (acre-feet)	C	352,176	354,341	324,278	324,278	324,278	335,315	11037 3.4%	351,315	Water made available for fisheries and the associated cost remain constant until new features are completed.
Cumulative total cost to date, Actual/Planned/Projected (\$000)		\$238,627	\$267,585	\$294,086	\$294,086	\$320,587	\$347,990	\$27,403 8.5%	\$633,787	
Actual/Projected Cost per acre-foot of available water.		\$678	\$755	\$907	\$907	\$989	\$1,038	\$49 5.0%	\$1,804	
Cumulative total land set aside for wetland and wildlife purposes. (acre-feet)	C	18,571	19,080	19,145	19,145	19,210	19,275	65 0.3%	24,497	
Cumulative total cost Actual/Planned/Projected (\$000)		\$71,805	\$72,585	\$72,785	\$72,785	\$73,000	\$73,000	\$0 0.0%	\$76,185	
Actual/Projected Cost per acre.		\$3,867	\$3,804	\$3,802	\$3,802	\$3,800	\$3,787	-\$13 -0.3%	\$3,110	

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

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

During the fall of 2008, the CUPCA program updated its PART milestones to include measures to increase program transparency and accountability. This includes: providing for an external and independent review of the CUPCA program; development of a program website; improving project reporting; and establishing regular communication between the program and OMB. The CUPCA program is currently developing a program website and continues to work with OMB to implement an independent review.

Interior has formulated the 2011 budget to meet the estimated completion of the project by 2021. The 2011 budget was formulated to meet the targets established as a result of the PART efficiency and performance measures. The 2011 request also is consistent with developing water in a cost efficient manner; helps the United States to meet its contractual obligations to deliver water; and helps to meet the statutorily mandated water conservation goals. The CUPCA Office will continue to work closely with and monitor the activities of the CUWCD and the Mitigation Commission to meet these deadlines and to comply with the United States’ contractual commitments.

Fiscal Year 2010 Planned Program Performance

In 2010, the construction of the Uinta Basin Replacement Project continues and the project is expected to meet its contractual commitment for water delivery. The other major construction project, the Utah Lake Basin Water Delivery System, continues in 2010, which, when complete in 2021, will provide 60,000 acre-feet of water to Salt Lake and Utah Counties. Funds made available in 2010 will conserve an estimated 114,000 acre-feet water on an annual basis.

The Mitigation Commission will continue the construction of the mitigation measures associated with the Uinta Basin replacement project; continue development of the tribal hatcheries; acquire lands for wetlands projects; continue development on the lower Duchesne; work to recover the endangered June sucker; and continue development of fisherman access. Funds for these activities will improve the health of watersheds, landscapes, and marine resources and sustain biological communities. The mitigation associated with the water delivery projects will be completed concurrently with the construction activities.

Performance Based Budgeting: CUPCA continues to strengthen its performance based budget in 2010. The budget supports CUPCA's mission and key outcome goals to: (1) Deliver Water Consistent with Applicable State and Federal Law, in an Environmentally Responsible and Cost-Efficient Manner; (2) Improve Health of Watersheds and Landscapes; (3) Sustain Biological Communities; (4) Improve Access to Appropriate Recreation Opportunities on Interior Managed or Partnered Lands and Waters; (5) Ensure a Quality Experience and Enjoyment of Natural and Cultural Resources on Interior Managed or Partnered Lands and Waters; and (6) Advance quality communities for Tribes.

Fiscal Year 2009 Program Performance Accomplishments

In 2009, significant progress was made in the program. Construction on the Utah Lake Drainage Basin Water Delivery System continued; and the first section of the Spanish Fork Canyon Pipeline was completed. Also, the Mitigation Commission continued to implement plans for the hatcheries; began implementation of the Lower Duchesne wetlands project; worked to recover the endangered June sucker; and developed fisherman access.

In addition to the 2009 appropriations, \$50.0 million in American Recovery and Reinvestment Act (ARRA) funding was provided to accelerate work on key projects that were previously planned and designed, support the creation of jobs, and help to stimulate the economy.

Of this funding \$41.0 million was used to accelerate construction of the Utah Lake System by building new sections of pipeline and \$8.7 million was provided to the Mitigation Commission for projects to offset the impacts to fish, wildlife and related recreation resources caused by CUP and other federal reclamation projects in Utah. The remaining \$270,000 of ARRA funds are being used by Interior's CUPCA office to implement the Green River Wyoming killdeer wetlands project for impacts caused by the CUP to states that surround Utah.