



BUREAU OF RECLAMATION

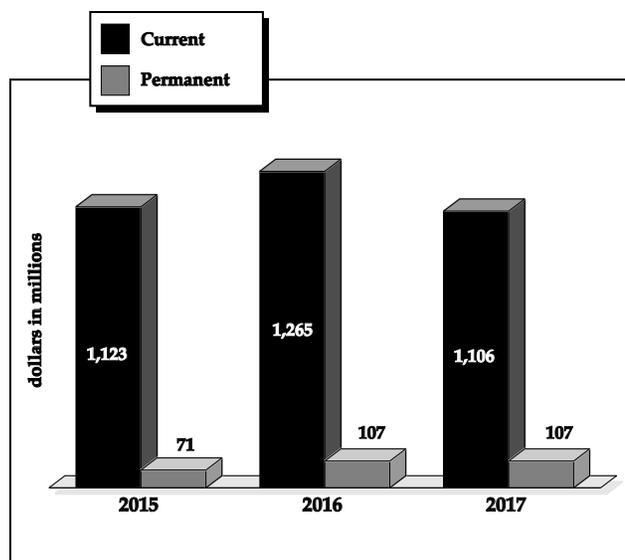
Mission – The Bureau of Reclamation’s mission is to manage, develop, and protect water and related resources in an environmentally and economically sound manner in the interest of the American public.

Budget Overview – Reclamation’s 2017 budget is \$1.1 billion. These expenditures are offset by current receipts in the Central Valley Project Restoration Fund, estimated to be \$55.6 million. The budget proposes to establish a new Indian Water Rights Settlements account, and a current appropriation within the San Joaquin Restoration Fund. The budget proposal for permanent appropriations in 2017 totals \$106.8 million.

As the largest supplier and manager of water in the 17 western States and the Nation’s second largest producer of hydroelectric power, Reclamation’s projects and programs are critical to driving and maintaining economic growth in the western States. Reclamation manages water for agricultural, municipal and industrial uses, and provides flood risk reduction and recreation for millions of people. According to The Department of the Interior’s Economic Report Fiscal Year 2014, Reclamation’s activities, including recreation, contribute \$48.4 billion to the economy and support over 360,000 jobs. Reclamation owns 76 power plants and operates and maintains 53 of those plants. The 53 hydroelectric power plants account for 15 percent of the hydroelectric generating capacity in the United States. Annually, Reclamation generates more than 40 billion kilowatt hours of electricity, enough to supply over 3.5 million U.S. households and collects nearly \$1 billion in gross power revenues for the Federal government. It would take more than 23.5 million barrels of crude oil or about 6.8 million tons of coal to produce an equal amount of energy with fossil fuels. As a result, Reclamation’s facilities preclude the production of over 27 million tons of carbon dioxide that would have been produced by fossil fuel power plants.

Reclamation uses objective, performance-based criteria to most effectively allocate funds to its projects and programs to manage, develop and protect water and related resources in the West in the interest of the American public.

Reclamation Funding



The 2017 budget emphasizes the following principles:

- *Shared Responsibility* – Securing non-Federal cost-share partners to meet project or program funding needs, and leveraging funding through these collaborative partnerships.
- *Merit-Based Funding* – Utilizing competitive processes for awarding of grants, contracts, or other services based on criteria that reflect Interior priorities. Awards selection is guided by high quality evidenced based analysis.
- *Regional Equity* – Managing Reclamation’s water infrastructure and programs by setting priorities on a West-wide basis.

Water and Related Resources – The 2017 budget for Water and Related Resources, Reclamation’s principal operating account, is \$813.4 million, a decrease of \$305.6 million from the 2016 enacted level. This decrease is due, in part, to proposed separate new accounts for Indian

BUREAU OF RECLAMATION FACTS

- Established in 1902.
- Manages, develops, and protects water resources in an environmentally and economically sound manner.
- Largest supplier and manager of water in the 17 western States.
- Manages 475 dams and 337 reservoirs with the capacity to store 245 million acre-feet of water.
- Delivers water to one in every five western farmers for about 10 million acres of irrigated land, and provides water to over 36 million people for municipal, rural, residential, and industrial uses.
- Is the Nation's second largest producer of hydroelectric power, generating 40 billion kilowatt hours of energy per year.
- Partners with State and local entities to address water resource challenges posed by drought, climate change, depleted aquifers, environmental needs, energy demands, and population increases in the West.
- Provides substantial benefits to recreation and fish and wildlife habitats.

Water Rights Settlements at \$106.2 million and the San Joaquin River Restoration Fund at \$36.0 million.

The 2017 budget includes a total of \$383.5 million at the project and program levels for water, energy, land, and fish and wildlife resource management and development activities. Funding in these activities provides for planning, construction, water sustainability activities, management of Reclamation lands including recreation areas, and actions to address the impacts of Reclamation projects on fish and wildlife.

The budget also provides a total of \$429.9 million at the project level for water and power facility operations, maintenance, and rehabilitation activities. Reclamation emphasizes safe, efficient, economic, and reliable operation of facilities, ensuring systems and safety measures are in place to protect the facilities, Reclamation's employees, and the public. Providing adequate funding for these activities continues to be one of Reclamation's highest priorities.

Ensuring Healthy Watersheds and Sustainable, Secure Water Supplies – The population of the American West continues to grow even in the face of serious water challenges related to climate variability and competing demands. According to the University of California at Davis, California produces nearly half of U.S. grown fruits, nuts, and vegetables and nearly a quarter of the Nation's milk and cream. American households consume tomatoes, carrots, broccoli, almonds, walnuts, grapes, olives, and figs that are grown almost entirely in California. Adequate and safe water supplies are fundamental to the health, economy, security, and ecology of the Country. Water availability is a constant and increasing challenge as intensifying droughts, changing hydrology, and

increasing climate variability aggravates water shortages; and contributes to impaired water quality, and depletion of groundwater resources. At the same time, population growth and new needs, including energy development, are increasing demand and competition for supplies. Further, maintaining the key features of the Nation's water infrastructure is becoming more costly over time due to cost growth in the broader economy and the increased need for facilities rehabilitation, replacement, and extraordinary maintenance. New approaches are needed to build and maintain resiliency in the face of these challenges. The 2017 budget request supports the Administration's efforts to collaborate with non-Federal partners on advanced water treatment and clean water technologies while conserving scarce Western water and protecting species habitat.

At the December 15, 2015, White House Roundtable on Water Innovation, John Holdren, Director, Office of Science and Technology Policy, stated "no one innovation will be the silver bullet for the water challenges facing our Nation, and indeed countries around the world. Just as this Administration has adopted an all-of-the-above approach to clean energy, an all-of-the-above approach is going to be required to ensure a secure and sustainable water future. And that approach will have to be grounded in integrated, science-based, decision making, at regional scales, and again within the context of a changing climate. The approach will need to be strongly informed by the expertise and the needs of a broad-range of stakeholders at the State, local, and tribal levels; and in the public, private, non-profit, and academic sectors."

Interior's WaterSMART Program – Sustain and Manage America's Resources for Tomorrow, WaterSMART, is one approach Reclamation uses to enhance water supplies

for agriculture, municipalities, ecosystem health, energy production, and economic sustainability in the West. Through WaterSMART, Reclamation provides leadership to help stretch and sustain the use of water resources increasingly stressed by a changing climate.

WaterSMART uses scientific and financial tools to promote collaborations among States, Tribes, local governments, and non-governmental organizations to help balance water supply and demand, and to make sound decisions about water use.

Through the Basin Studies program, Reclamation works collaboratively with State and local water practitioners to identify practical, implementable solutions to existing or anticipated shortages and to support related efforts to develop and manage sustainable water supplies. WaterSMART Grants, the Water Conservation Field Services program, and the Title XVI Water Reclamation and Reuse program support climate adaptation by leveraging Federal and non-Federal funding to conserve tens of thousands of acre-feet of water each year in urban and rural settings, supporting the Department's Priority Goal for Water Conservation.

In the 2017 budget request, Reclamation proposes to fund WaterSMART at \$61.5 million. The WaterSMART components include: WaterSMART Grants funded at \$23.4 million; the Basin Studies program funded at \$5.2 million which includes \$1.0 million to better understand water supplies and demands in the Colorado River Basin; the Title XVI Water Reclamation and Reuse Program funded at \$21.5 million; the Water Conservation Field Services program funded at \$4.2 million; the Cooperative Watershed Management program funded at \$1.8 million; the Drought Response program funded at \$4.0 million; and the Resilient Infrastructure program funded at \$1.5 million.

Consistent with the President's 2013 Climate Action Plan, in 2017 Reclamation is developing and implementing approaches to understand, and effectively adapt to, the risks and impacts of a changing environment on western water management. Some examples include:

- The Basin Studies program continues a collaborative approach to evaluate the impacts of climate change through risk assessment; develop landscape level science; communicate information and science to other entities and agencies; and work with stakeholders to develop adaptation strategies to cope with water supply and demand imbalances.
- The Drought Response program continues a proactive approach to drought by providing

assistance to water users for drought contingency planning, and taking actions to help communities manage drought and develop long-term resilience strategies.

- Through the Resilient Infrastructure program, Reclamation proactively maintains and improves existing infrastructure for system reliability, safety, and efficiency, to support healthy and resilient watersheds. Reclamation will continue to develop, implement, and test an enhanced decision-making criteria framework for selecting infrastructure investments and will identify opportunities to integrate operational efficiencies more compatible with climate variability adaptation goals, as part of Reclamation's ongoing infrastructure investments.
- Through the Science and Technology program, Reclamation conducts water resources research to improve capability to manage water resources under multiple stressors, including a changing climate. This research is collaborated and leveraged with the Interior Climate Science Centers. In 2017, \$8.5 million is included for water technology solutions to increase the amount available for Reclamation's prize challenge program. A grand prize that focuses on next-generation advanced water treatment technologies that will significantly reduce the cost of electricity usage of advanced water treatment will be awarded. Funds of \$2.0 million will continue the Open Water Data Initiative to improve data accessibility.
- Reclamation will initiate Phase II of the Cooperative Watershed Management program by providing grants for local watershed projects to improve ecological resilience through collaborative conservation efforts.
- Further, Reclamation's WaterSMART Grants, Water Conservation Field Services, and Title XVI programs enable the West to better adapt to the impacts of a changing environment by helping to conserve tens of thousands of acre-feet of water each year in urban and rural settings, on both large and small scales.

Powering Our Future – To support the Powering Our Future initiative, the 2017 Reclamation budget includes \$1.3 million to implement an automated data collection and archival system to aid in hydropower benchmarking, performance testing, and strategic decision making; investigate Reclamation's capability to integrate large

amounts of renewable resources such as wind and solar into the electric grid; and work with Tribes to assist in developing renewable energy sources. These important projects will assist in the production of cleaner, more efficient renewable energy.

Strengthening Tribal Nations – The 2017 Reclamation budget supports the Strengthening Tribal Nations initiative through endangered species recovery, rural water, and water rights settlements programs. Funding to empower tribal Nations is included within a number of projects such as \$18.0 million for the Columbia/Snake River Salmon Recovery Program, which includes funding for the Nez Perce/Snake River Water Rights Act, and \$15.7 million authorized by the Ak Chin Indian Water Rights Settlement Act to continue operation and maintenance associated with delivery of up to 85,000 acre-feet of water. Additionally, Reclamation's Native American Affairs Program is funded at \$10.4 million for activities with Tribes, including technical assistance, Indian Water Rights Settlement negotiations, implementation of enacted settlements, and outreach to Tribes. Most ongoing authorized rural water projects also benefit both tribal and non-tribal communities. The projects benefiting Tribes include the rural water component of the Pick-Sloan Missouri Basin Program, Garrison Diversion Unit; Fort Peck Reservation/Dry Prairie; Mni Wiconi Project; and Rocky Boy's/North Central Montana. Numerous other projects and programs, such as the Klamath Project and the Yakima River Basin Water Enhancement Project, also benefit Tribes. In 2017, \$106.2 million for planning and construction of three Indian Water Rights Settlements is proposed as a new separate account.

Rural Water Projects – Congress has specifically authorized Reclamation to undertake the design and construction of six projects intended to deliver potable water supplies to specific rural communities and Tribes located in the 17 western States — primarily in Montana, New Mexico, North Dakota, and South Dakota. The 2017 Reclamation budget includes \$38.1 million for rural water projects, \$18.6 million of that total is for operation and maintenance of completed tribal systems and the remaining \$19.5 million is for continued construction of authorized projects.

Ecosystem Restoration – Reclamation's mission goals of securing America's energy resources and managing water in a sustainable manner for the 21st Century demands a focus on the protection and restoration of the aquatic and riparian environments influenced by its operations. Ecosystem restoration involves many activities, including Reclamation's Endangered Species Act recovery programs, which directly address the environmental aspects of the Reclamation mission. In 2017, a total of

\$135.5 million in Reclamation's budget directly supports the goals of the America's Great Outdoors Initiative, through local and basin-wide collaboration in watershed partnerships.

The 2017 budget provides \$146.7 million to operate, manage, and improve California's Central Valley Project, including a \$36.0 million current appropriation within the San Joaquin Restoration Fund. Overall, funding decreases \$11.3 million below 2016 levels. The change is primarily due to a reduction of \$7.6 million to West San Joaquin Division San Luis Drainage. Within the CVP total, the Trinity River Restoration program is proposed at \$11.8 million with an additional \$1.5 million in the Central Valley Project Restoration Fund.

Many other projects and programs also contribute to ecosystem restoration including the Middle Rio Grande Endangered Species Act Collaborative Program, Lower Colorado River Multi-species Conservation Program, the Endangered Species Act Recovery Implementation programs, including the Platte River, the Columbia/Snake River Salmon Recovery Program, Klamath Project, and the Yakima River Basin Water Enhancement Project.

Dam Safety Program – A total of \$86.1 million is provided for Reclamation's Safety of Dams program, which includes \$64.5 million to correct identified safety issues. Funding also includes \$20.3 million for safety evaluations of existing dams and \$1.3 million to oversee the Interior Department's Safety of Dams program.

Site Security – A total of \$26.2 million is provided for Site Security to ensure the safety and security of the public, Reclamation's employees, and key facilities. This funding includes \$4.1 million for physical security upgrades at high risk critical assets and \$22.1 million to continue all aspects of Bureau-wide security efforts including law enforcement, risk and threat analysis, personnel security, information security, risk assessments and security-related studies, and guards and patrols.

Central Valley Project Restoration Fund – The 2017 budget includes a total of \$55.6 million for the CVPRF. This amount is determined on the basis of a three year rolling average not to exceed \$50.0 million per year indexed to 1992 price levels. These expenditures are offset by collections estimated at \$55.6 million from mitigation and restoration charges authorized by the Central Valley Project Improvement Act.

California Bay-Delta Restoration – The 2017 budget provides \$36.0 million for California Bay-Delta Restoration, a reduction of \$1.0 million below the 2016 level. The account focuses on the health of the Bay-Delta ecosystem

and improved water management and supplies. The budget will support the equal goals of environmental restoration and improved water supply reliability, under the following program activities: \$2.2 million for a Renewed Federal State Partnership, \$5.3 million for Smarter Water Supply and Use, and \$28.5 million for Habitat Restoration. These program activities are based on the Interim Federal Action Plan for the California Bay-Delta issued December 22, 2009.

San Joaquin Restoration Fund – Reclamation proposes \$36.0 million of current funds for the San Joaquin Restoration Fund account in 2017. The 2017 budget funds activities consistent with the settlement of *Natural Resources Defense Council v. Rodgers* as authorized by the San Joaquin River Restoration Settlement Act. The Act includes a provision to establish the San Joaquin Restoration Fund to implement the provisions of the Settlement. The Settlement's two primary goals are to restore and maintain fish populations, and restore and avoid adverse water impacts. Under the Settlement, the legislation provides for \$2.0 million in annual appropriations from the Central Valley Project Restoration Fund for this purpose.

Indian Water Rights Settlements – The total budget for Reclamation's implementation of Indian Water Rights Settlements in 2017 is \$131.2 million in current funding, of which \$106.2 million is proposed in a separate account for three settlements to consolidate major current construction funding for Reclamation's Indian Water Rights Settlements into a single account. This includes \$6.4 million to continue implementation of the settlement that will deliver clean water to the Pueblos of New Mexico named in the Aamodt case and \$12.8 million to continue the Crow Tribe settlement in Montana.

Also included is \$87.0 million for the ongoing Navajo-Gallup Water Supply project.

The remaining \$25.1 million is in the Water and Related Resources Account for ongoing settlement operation and maintenance functions including the Ak Chin Indian Water Rights Settlement Act, San Carlos Apache Tribe Water Settlement Act, Colorado Ute Settlement Act Animas-La Plata Project, and Nez Perce/Snake River Water Rights Act which is part of the Columbia/Snake River Salmon Recovery Program.

Policy and Administration – The 2017 budget for Reclamation's central and regional management functions is \$59.0 million, a reduction of \$500,000 below the 2016 level.

Recreation Fee Program – Section 134 extends the authorization of the Federal Lands Recreation Enhancement Act to September 30, 2017. Reclamation estimates collecting \$518,000 in recreation fees in 2017 under this authority and will use the funds to enhance the visitor experience at Interior facilities. The budget proposes legislation to permanently authorize this program.

Working Capital Fund – This fund is operated to manage financial activities such as the acquisition and replacement of capital equipment; recovery of the cost of services provided to others; indirect cost recovery for the Technical Service Center; management services and human resources in regional and area offices; and information technology related costs and services. The fund operates on a self-supporting basis through user charges.

Permanent Appropriations – The 2017 total permanent appropriation of \$106.8 million primarily includes \$103.6 million for the Colorado River Dam Fund.

SUMMARY OF BUREAU APPROPRIATIONS

(all dollar amounts in thousands)

Comparison of 2017 Request with 2016 Enacted

	2016 Enacted		2017 Request		Change	
	FTE	Amount	FTE	Amount	FTE	Amount
Current						
Water and Related Resources	2,901	1,118,972	2,903	813,402	+2	-305,570
San Joaquin Restoration Fund ^{1/}	0	[35,000]	0	36,000	0	+36,000
Indian Water Rights Settlements ^{1/}	0	[112,483]	0	106,151	0	+106,151
Subtotal	2,901	1,118,972	2,903	955,553	+2	-163,419
Policy and Administration.....	296	59,500	296	59,000	0	-500
Central Valley Project Restoration Fund.....	18	49,528	18	55,606	0	+6,078
California Bay-Delta Restoration.....	31	37,000	31	36,000	0	-1,000
Working Capital Fund	1,848	0	1,848	0	0	0
Subtotal, Current (w/o offset)	5,094	1,265,000	5,096	1,106,159	+2	-158,841
Central Valley Project Restoration Fund Offset.....	0	-49,528	0	-55,606	0	-6,078
Subtotal, Current (w/ offset)	5,094	1,215,472	5,096	1,050,553	+2	-164,919
Permanent and Other						
Colorado River Dam Fund,						
Boulder Canyon Project	218	104,017	218	103,626	0	-391
Basin Funds.....	119	0	119	0	0	0
Loan Program Liquidating Account.....	0	-854	0	-861	0	-7
Miscellaneous Permanents	0	501	0	533	0	+32
Reclamation Trust Funds	1	3,073	1	3,000	0	-73
Federal Lands Recreation Enhancement Act	0	497	0	518	0	+21
San Joaquin River Restoration Fund	22	0	22	0	0	0
Subtotal, Permanent and Other	360	107,234	360	106,816	0	-418
TOTAL, BUREAU OF RECLAMATION	5,454	1,322,706	5,456	1,157,369	+2	-165,337

^{1/} The amounts displayed in brackets are provided for comparative purposes only as these amounts were appropriated in different accounts for 2016.

HIGHLIGHTS OF BUDGET CHANGES

By Appropriation Activity/Subactivity

APPROPRIATION: Water and Related Resources

	2015 Actual	2016 Enacted ^{1/}	2017 Request	Change
Central Arizona Project	7,634	7,078	6,920	-158
Central Valley Project ^{2/}	179,267	158,026	110,747	-47,279
Colorado-Big Thompson Project.....	13,157	13,937	16,756	+2,819
Colorado River Basin Salinity				
Control Project	32,998	29,774	28,965	-809
Colorado River Storage Project	13,783	11,921	13,200	+1,279
Columbia Basin Project	11,071	14,810	14,262	-548
Columbia/Snake River				
Salmon Recovery.....	17,000	18,000	18,000	0
Dam Safety Program.....	82,884	88,084	86,084	-2,000
Endangered Species Act				
Recovery Implementation.....	24,677	24,351	27,305	+2,954
Fryingpan-Arkansas Valley Conduit	500	500	3,000	+2,500
Indian Rights Settlements ^{2/}				
(including Navajo-Gallup).....	90,000	112,483	[106,151]	-112,483
Klamath Project	18,000	18,000	16,000	-2,000
Lower Colorado River				
Operations Program	28,345	28,345	27,433	-912
Middle Rio Grande Project	23,735	23,991	25,865	+1,874
Native American Affairs Program.....	12,088	10,925	10,425	-500
Pick-Sloan Missouri				
Basin Program (excluding Garrison)....	45,390	43,076	40,876	-2,200
Garrison Diversion Unit				
(Non-Rural Water)	9,623	9,749	9,718	-31
Subtotal, Pick-Sloan Missouri Basin.....	55,013	52,825	50,594	-2,231
Rural Water Supply Projects				
Eastern NM Rural Water System	747	47	1,000	+953
Fort Peck Reservation/Dry Prairie				
Rural Water System.....	9,849	3,700	4,625	+925
Lewis and Clark Rural Water System ..	9,000	2,774	2,775	+1
Mni Wiconi Project.....	12,000	12,000	12,200	+200
P-SMBP, Garrison Diversion Unit.....	22,596	13,400	13,810	+410
Rocky Boy's/North Central Montana				
Rural Water System.....	10,891	4,625	3,700	-925
Rural Water - 2016 Undistributed	0	47,000	0	-47,000
Subtotal, Rural Water Projects.....	65,083	83,546	38,110	-45,436
Research and Development.....	12,668	20,020	28,568	+8,548
Site Security.....	26,220	26,220	26,220	0
WaterSMART Program				
Basin Study Program.....	3,850	5,200	5,200	0
Cooperative Watershed Management..	250	250	1,750	+1,500
Drought Response.....	5,000	2,500	4,000	+1,500
Resilient Infrastructure.....	1,500	2,500	1,500	-1,000
Title XVI Water Reclamation				
and Reuse Projects	26,000	23,365	21,500	-1,865
WaterSMART Grants	23,500	20,000	23,365	+3,365

^{1/} The Consolidated Appropriations Act for 2016 provides Reclamation an additional \$166.3 million in six categories including \$100.0 million for Western Drought Response, \$47.0 million for Rural Water, and four other categories. At the time of budget preparation, these funds have yet to be distributed by project or program.

^{2/} The Indian Water Rights Settlements Appropriation Account and San Joaquin River Restoration Fund Account are proposed for establishment in 2017.

APPROPRIATION: Water and Related Resources (continued)

Water Conservation Field				
Services Program.....	4,457	4,239	4,179	-60
Subtotal, WaterSMART Program.....	64,557	58,054	61,494	+3,440
Yakima Project and Yakima River Basin				
Water Enhancement Project.....	22,142	20,382	22,143	+1,761
Yuma Area Projects.....	23,987	25,964	26,314	+350
Other Projects/Programs.....	153,322	271,736	154,997	-116,739
TOTAL APPROPRIATION	978,131	1,118,972	813,402	-305,570

Program Highlights

The 2017 budget includes funds for the following projects and programs.

Central Arizona Project

Funds are for continued work activities to include fulfilling native fish protection requirements through fish barrier projects; construction design; cost estimates; National Environmental Policy Act environmental analyses; construction of recharge and recovery facilities; and monitoring, liaison, and maintenance responsibilities to the Tohono O'odham Nation's San Xavier and Schuk Toak Districts.

Central Valley Project

Funds are provided for continued facility operations, maintenance, and rehabilitation, numerous management and development efforts, and water conservation. Funding also provides for the Trinity River Restoration program and related activities funded by the CVP Restoration Fund and California Bay-Delta appropriation. The decrease in funding represents establishment of a separate current appropriation account within the San Joaquin River Restoration Fund. A settlement agreement was signed on September 15, 2015 between the U.S. Department of Justice and the Westlands Water District regarding the San Luis drainage. The settlement agreement would relieve the United States of significant financial obligations and legal liability regarding agricultural drainage service in the Westlands Water District. The settlement requires that Congress enact implementing legislation. Negotiations for a drainage settlement with the Northerly Areas, three additional water districts, will continue in 2016.

Colorado-Big Thompson Project

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. Funding is provided for project operations and continued coordination of activities associated with conservation, enhancement, development, and restoration of fish and wildlife populations and their habitats.

Colorado River Basin Salinity Control Program

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. The funds also are used to meet the United States' obligations under the 1944 Water Treaty with Mexico and subsequent Minutes to the Treaty, which clarify and resolve Treaty issues. To help meet the Treaty requirements, Reclamation continues maintenance of the U.S. and Mexico bypass drains, wellfields, and conveyance systems; operations and delivery of Colorado River water to Mexico; and the management of water quality. Reclamation works to identify and evaluate the options for replacing or recovering bypass flows to Mexico, as they relate to the Yuma Desalting Plant.

Colorado River Storage Project

Funds are included 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 continues.

Columbia Basin Project

The Bonneville Power Administration, through a memorandum of agreement, directly funds power operation and maintenance costs. In addition, BPA directly funds through sub-agreements, major power replacements, additions, and improvements. Funds are provided for 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.

Program Highlights
Water and Related Resources (continued)

Columbia/Snake River Salmon Recovery Program

This program implements actions required by the Endangered Species Act's 2014 Supplemental Biological Opinion issued by the National Marine Fisheries Service of the National Oceanic and Atmospheric Administration. A separate 2000 Biological Opinion issued by the Fish and Wildlife Service is still in effect as well. These biological opinions include a multi-agency suite of actions to protect listed species and their designated critical habitat and require extensive collaboration with States and Tribes in the Columbia River Basin. Reclamation actions include modifications to hydrosystem operations and specific actions to improve tributary habitat and hatcheries for salmon and steelhead.

Dam Safety Program

This program provides funding for the Safety of Dams Evaluation and Modification program, which identifies and evaluates safety issues at Reclamation dams, and implements modifications to reduce associated risks to the public. The budget continues dam safety risk management and risk reduction activities throughout Reclamation's inventory of high and significant hazard dams. The program continues planned ongoing dam safety modification activities at Folsom, Boca and Stampede Dams, California; Box Butte Dam, Nebraska; Altus Dam, Oklahoma; Hyatt Dam, Oregon; and Glendo Dam and Bull Lake Dam, Wyoming. Pre-construction and project formulation activities are planned for several other dams. Funds are also provided to oversee the broader Dam Safety Program managed by the Department of the Interior.

Endangered Species Act 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 resident in, or migratory to, habitats affected by the operation of Reclamation projects. Ongoing efforts funded by this program involve the Colorado, San Juan, and Platte River Basins, as well as watersheds in the Pacific Northwest and areas impacted by the Central Valley Project. The increase in funding is for the Platte River Recovery Program and is critical to meeting Endangered Species Act objectives.

Fryingpan-Arkansas Valley Conduit

This program provides for the Conduit which is designed to serve an estimated 2,070 population of 74,000 by transporting water from Pueblo Dam east to cities along the Arkansas River, extending to near Lamar, Colorado. This funding allows for continuation of feasibility-level design activities and analysis.

Indian Water Rights Settlements (including Navajo-Gallup Water Supply)

In 2017, Reclamation proposes to establish an Indian Water Rights Settlements account to assure continuity in the construction of the authorized projects and highlight and enhance transparency in handling the new water settlements identified in the Claims Resolution Act of 2010. In establishing this account, Reclamation also proposes to include the ongoing Navajo-Gallup Water Supply project (Title X of the Omnibus Public Lands Management Act of 2009) in order to have all major current construction funding for Reclamation's Indian Water Rights Settlement projects in a single account. Funding will provide for ongoing pre-construction and construction activities of the Crow, Aamodt, and Navajo-Gallup Settlements.

Klamath Project

The budget includes funds for authorized projects and initiatives to improve water supplies to address the competing demands of agriculture, Tribes, wildlife refuges, and the environment in the Klamath River Basin along with facilities operation and maintenance. Key areas of focus will continue improvements in fish passage and habitat, actions to improve water quality for species health and project operations, development of a basin-wide species recovery plan, and increased surface and groundwater supplies.

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 administration of the Colorado River interim guidelines and reservoir management strategies during low reservoir conditions. This program funds activities to examine water imbalance challenges and potential solutions to address those challenges. This program funds activities under the Lower Colorado River Multi-Species Conservation Program to provide long-term Endangered Species Act compliance for Lower Colorado River operations for both Federal and non-Federal purposes. This MSCP provides a cost-share benefit in which non-Federal partners match Federal funding on a 50:50 basis. It also continues Reclamation's five year commitment to fund cooperative measures outlined in Minute 319, signed in November 2012. The historic bi-national agreement to guide management of the Colorado River through 2017 addresses water management issues in the Colorado River Basin and continues to provide for a series of cooperative actions between the U.S. and Mexico to enhance water infrastructure and promote water conservation, management, and development.

Program Highlights
Water and Related Resources (continued)

Middle Rio Grande Project

Funds are included for operations, maintenance, and rehabilitation of project facilities, river maintenance, and for efforts focused on the protection and recovery of the Rio Grande silvery minnow and southwestern willow flycatcher. Project partnerships, through the Middle Rio Grande Endangered Species Act Collaborative Program, provide an alternative to litigation and preserve, protect, and improve the status of endangered species. River maintenance directly benefits water salvage and effective water delivery to Elephant Butte Reservoir, nine Tribes and Pueblos along the river, and a national wildlife refuge. It also reduces flood risks and protects life, critical riverside facilities, and property. The project provides for collection of mission essential lifecycle hydrologic data in the Middle Rio Grande system and maintenance of the surface water hydrologic computer model required for efficient and effective water delivery. The increase reflects additional work on construction projects related to the new biological opinion such as, silvery minnow propagation and population management, habitat restoration, species and habitat monitoring, and water quality studies supportive of the listed species recovery plans in furtherance of implementing a recovery implementation program.

Native American Affairs Program

This Administration has put a high priority on settling Indian water rights claims as part of its trust relationship with the Tribes. This program provides funding to support Department-wide Indian water rights initiatives, studies and analyses for Indian water rights negotiations, and to improve the quality of cost estimates, data gathering, studies, analyses, and reviews of settlement options. Resources support Federal negotiations by developing the most cost effective options for reaching settlement and meeting tribal trust responsibilities. Involvement in Indian water rights settlement negotiation and implementation includes 20 Federal water rights settlement implementation teams and 20 Federal water rights negotiation teams, with three active new teams involving the Hualapai and Havasupai Tribes and the Navajo Nation - Utah. Funding in 2017 will provide for additional analyses of proposed settlements through value planning and engineering studies, and technical reviews by design, estimating, and construction advisory teams. Funding also provides for technical assistance to Tribes in a variety of areas related to water and related resources including: tribal water needs assessments, smaller-scale upgrades and repairs to water supply systems, water quality studies, efficiency improvements, habitat restoration, and groundwater quality and contamination studies. Funding provides continued support for the Crow and Aamodt water rights settlements where the Acts did not provide full funding for Reclamation involvement. The budget includes funds to improve coordination and application of expertise across the Department, Tribes, States, and other stakeholders to reach settlements more effectively and expeditiously.

Pick-Sloan Missouri Basin Program

Funds are provided for the Federal share of the cost of operations, maintenance, and rehabilitation of facilities on 32 units of the Pick-Sloan Missouri Basin program. The rural water portion of the P-SMBP, Garrison Diversion Unit, is described under Rural Water Supply projects.

Rural Water Supply Projects

Congress has specifically authorized Reclamation to undertake the design and construction of six projects to deliver potable water supplies to specific rural communities and Tribes located primarily in Montana, New Mexico, North Dakota, and South Dakota. In addition to funding for rural water project construction, the budget funds the operation and maintenance of tribal features of the Mni Wiconi project and the Pick-Sloan Missouri Basin Program, Garrison Diversion Unit.

Eastern New Mexico Rural Water System

Funds are provided for planning, design, pre-construction, and construction tasks associated with planned project features.

Fort Peck Reservation/Dry Prairie Rural Water System

The budget provides funding for the Tribes to construct the main supply pipeline that connects existing mainlines east of the water treatment plant, supplying water to northern Reservation and Dry Prairie service areas. The Tribes will continue the planning, design, and construction of branch lines to complete service to rural on-reservation customers. Dry Prairie Rural Water sponsors will continue to plan, design, and construct pipeline branch lines on the east and west end of the project boundary.

Lewis and Clark Rural Water System

In 2017, funds will be used to construct all or a portion of the 10-mile Minnesota Segment (MN-3B) pipeline or the 4.0 million gallon Rock County Reservoir.

Mni Wiconi Project

Funds are provided for the operation and maintenance of the system features on the Indian reservations.

Program Highlights
Water and Related Resources (continued)

Pick-Sloan Missouri Basin Program, Garrison Diversion Unit

Funds are provided for continued oversight of pre-construction and construction activities on approved State, municipal, rural, and industrial systems, including continued construction of the Northwest Area Water Supply System. Funding also provides for operation and maintenance of completed project facilities.

Rocky Boy's/North Central Montana Rural Water System

Funds are provided for the Tribes and the non-Federal sponsor, North Central Authority, to construct the core system pipeline, as well as design of the water treatment plant, and build-out of non-core pipeline distribution systems.

Research and Development – Science and Technology Program

Funds are included to support the Administration's science and technology priorities, including sponsorship of technology prize competitions as a means to spur innovation by enlisting a national solver community to help find breakthroughs or overcome technical obstacles or complexities. The program is also supporting research to address Administration science priorities related to climate adaptation and clean energy. Research on climate adaptation is producing important information on climate change impacts to water and environmental resources, as well as tools for water managers such as downscaled climate model projections of water supply. The program also develops new solutions and technologies to meet Reclamation's mission-related needs, which provides for innovative management, development, and protection of water and related resources. Additionally, this program supports Interior's integrated strategy in response to changing climate impacts on the resources managed by the Department and supports the Executive Order 13642, Making Open and Machine Readable the New Default for Government Information. Funds also support desalination research, development, and demonstrations for the purpose of converting unusable waters into useable water supplies. The program supports competitive, merit-based research, development, and demonstration efforts on a cost-shared basis.

Site Security

Funds are provided to continue Reclamation's ongoing site security efforts including physical security upgrades at high risk critical assets, law enforcement, risk and threat analysis, personnel security, information security, security risk assessments, security related studies, guards, and patrol of facilities.

WaterSMART Program

Funds support the Department's WaterSMART program, which implements sustainable water management strategies to expand and stretch limited water supplies in the West to address current and future water shortages. The program also addresses increased demands for water and energy from growing populations, amplified recognition of environmental water requirements, and the potential for decreased water supply availability due to drought and climate change.

In 2017, the WaterSMART program continues funding for Reclamation's Basin Study program, Title XVI Water Reclamation and Reuse program, Water Conservation Fields Services program, WaterSMART Grants, the Cooperative Watershed Management program, the Resilient Infrastructure Program, and the Drought Response Program. Through WaterSMART Grants, Reclamation will continue to provide competitive cost-shared financial assistance for water and energy efficiency improvements, as well as other activities to enhance water management. The WaterSMART program also includes basin-wide climate assessments and development of mitigation and adaptation strategies under the Basin Study program to implement the SECURE Water Act. These assessments support Landscape Conservation Cooperatives and Interior's integrated strategy to respond to new weather patterns in a changing environment. Funding also supports water reclamation and reuse projects through the Title XVI program; smaller-scale water conservation improvements and planning efforts through the Water Conservation Field Services program; and assists the Department in implementing collaborative conservation efforts in the management of local watersheds through the Cooperative Watershed Management program. The WaterSMART program directly supports the Department's priority goal for water conservation. In addition, funding will continue the Resilient Infrastructure Program to develop and implement an enhanced decision making criteria framework for selecting infrastructure investments and operational changes that are more climate resilient; and the Drought Response Program, a comprehensive approach to drought planning and implementation actions that address water shortages.

Yakima Project/Yakima River Basin Water Enhancement Project

Funds are provided for operation and maintenance of existing facilities and to address water supply shortages resulting from drought by evaluating and implementing structural and non-structural measures to increase reliability of the irrigation water supply and enhance stream flows and fish passage for anadromous fish in the Yakima River Basin. Funding continues implementation of the initial development phase of the Yakima River Basin Integrated Water Resource Management Plan which includes investigating water supply alternatives at existing reservoirs and construction of the Cle Elum Dam Fish Passage. Construction of the Cle Elum Dam Fish Passage contributes towards Reclamation's

Program Highlights
Water and Related Resources (continued)

obligation for fish passage in accordance with the Yakama Nation Settlement Agreement; addresses Washington State permit conditions that resolve disputes related to not providing fish passage at Keechelus Dam in conjunction with a major Safety of Dams work; and also addresses Washington State’s fish passage issues involving anadromous salmon species listed under the Endangered Species Act.

Yuma Area Projects

The budget funds infrastructure maintenance along the Lower Colorado River to continue uninterrupted water delivery to both urban and agricultural users in Arizona, California, Nevada, and Mexico. Funding also supports river management, well inventory, drainage control, protection of endangered species and habitats, and land use management activities.

Other Projects and Programs

The 2017 budget also includes funds to further the mission of Reclamation throughout the 17 western States through numerous smaller projects and programs. Though each of these projects may constitute a relatively small portion of Reclamation’s budget, together amounting to \$155.0 million and provide critical services to thousands of individuals, farmers, municipalities, and industries throughout the arid West.

APPROPRIATION: San Joaquin Restoration Fund^{1/}

	2015 Actual	2016 Enacted	2017 Request	Change
TOTAL APPROPRIATION	[34,380]	[35,000]	36,000	+36,000

Program Highlights

San Joaquin Restoration Fund

Reclamation proposes \$36.0 million in current appropriations, a \$1.0 million increase over the 2016 enacted level, for the San Joaquin Restoration Fund in 2017. Funding in prior years has been in the Water and Related Resources account under the Central Valley Project, Friant Division. Providing the funds in the San Joaquin Restoration Fund will highlight and enhance transparency in handling these funds. Construction will begin in 2017 on the Mendota Pool Bypass and Reach 2B Channel Improvements Project. This project is a component of the America’s Great Outdoors initiative.

APPROPRIATION: Indian Water Rights Settlements^{1/}

	2015 Actual	2016 Enacted	2017 Request	Change
Aamodt Litigation Settlement Act.....	[3,000]	[6,000]	6,379	+6,379
Crow Tribe Rights Settlement Act	[2,000]	[12,772]	12,772	+12,772
Navajo Gallup Water Supply.....	[81,000]	[89,663]	87,000	+87,000
Taos Indian Water Rights Settlement Act	[4,000]	[4,048]	0	0
TOTAL APPROPRIATION	[90,000]	[112,483]	106,151	+106,151

^{1/} The amounts displayed in brackets are provided for comparative purposes only as these amounts were appropriated in different accounts for 2015 and 2016.

Program Highlights
Indian Water Rights Settlements (continued)

Indian Water Rights Settlements

In 2017, Reclamation proposes to establish an Indian Water Rights Settlements account to assure continuity in the construction of the authorized projects and to highlight and enhance transparency in handling the construction funds.

Aamodt Litigation Settlement Act

Funds are provided to plan, design, and construct a regional water system, in accordance with the Settlement Agreement. The system will divert and distribute water to the Pueblos of Nambe, Pojoaque, Tesuque, and San Ildefonso, and the Santa Fe County water utility; and include treatment, transmission, storage and distribution facilities, and well fields to meet water delivery requirements.

Crow Tribe Rights Settlement Act

Reclamation will serve as the lead agency to implement the two major components of the Crow Tribe Water Rights Settlement Act. Reclamation will rehabilitate and improve the Crow Irrigation Project and will carry out activities needed to rehabilitate and improve the water diversion and delivery features of the CIP. Reclamation will also design and construct a municipal, rural, and industrial system under which Reclamation will plan, design, and construct the water diversion and delivery features of the municipal, industrial, and rural water system, in accordance with one or more agreements between the Secretary and the Tribe.

Navajo-Gallup Water Supply Project

Funds will be used to continue oversight, management, coordination, and construction on several reaches on both the San Juan Lateral and the Cutter Lateral. Funding also will provide for design data collection, design, rights-of-way acquisitions, and environmental and cultural resources compliance activities for remaining project features.

APPROPRIATION: Policy and Administration

	2015 Actual	2016 Enacted	2017 Request	Change
TOTAL APPROPRIATION	58,500	59,500	59,000	-500

APPROPRIATION: Central Valley Project Restoration Fund

	2015 Actual	2016 Enacted	2017 Request	Change
Fish and Wildlife Resources Habitat	37,580	40,428	36,406	-4,022
Fish and Wildlife Resources Mgmt.....	12,049	9,100	19,200	+10,100
TOTAL APPROPRIATION	49,629	49,528	55,606	+6,078

Program Highlights

Central Valley Project Restoration Fund

The 2017 budget includes \$36.4 million for Fish and Wildlife Resources Habitat and \$19.2 million for Fish and Wildlife Resources Management, a total of \$55.6 million. Funds are provided for wildlife restoration, water management, and conservation activities. Funds will be used on high priority projects including completion of a state-of-the-art fish screen at an existing unscreened 400 cubic feet per second diversion from the Sacramento River, fish passage projects in Sacramento River Basin tributaries, floodplain restoration in the Central Valley, the creation of spawning and rearing habitat, refuge water acquisition and conveyance, and juvenile salmon survival assessments. This project provides funding for restoration actions on the Trinity and San Joaquin Rivers, two key components of the America's Great Outdoors initiative.

APPROPRIATION: California Bay-Delta Restoration

	<u>2015 Actual</u>	<u>2016 Enacted</u>	<u>2017 Request</u>	<u>Change</u>
TOTAL APPROPRIATION	37,000	37,000	36,000	-1,000

Program Highlights

California Bay-Delta Restoration

Funds are provided for the following program activities: \$2.2 million for Renewed Federal-State Partnership; \$5.3 million for Smarter Water Supply and Use; and \$28.5 million for Habitat Restoration. These program activities are based on the Interim Federal Action Plan for the California Bay-Delta issued December 22, 2009.