



BUREAU OF RECLAMATION

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

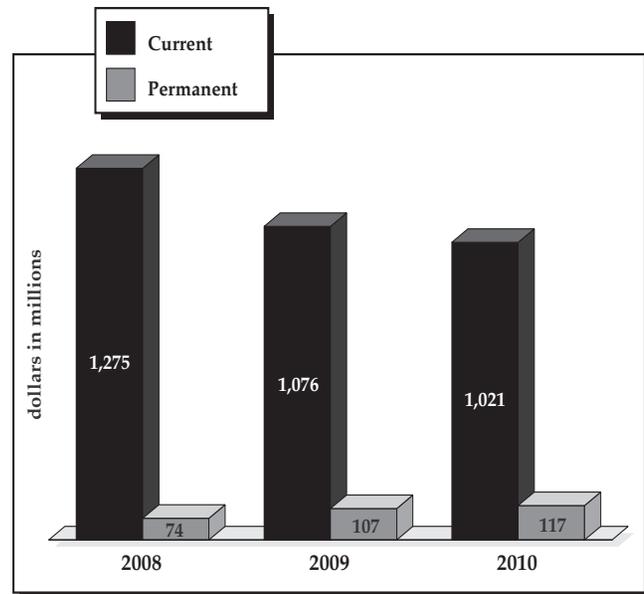
Program Overview — Reclamation is the largest supplier and manager of water in the 17 western States. It maintains 480 dams and 348 reservoirs with the capacity to store 245 million acre-feet of water. These facilities deliver water to one in every five western farmers for about ten million acres of irrigated land and provide water to over 31 million people for municipal, rural, and industrial uses. Reclamation is also the Nation's second largest producer of hydroelectric power, generating 44 billion kilowatt hours of energy each year from 58 power plants. In addition, Reclamation's facilities provide substantial flood control, as well as many recreation and fish and wildlife benefits.

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

Water is one of the scarcest resources in some of the fastest growing areas of the Nation; it is the lifeblood of the American West. In many areas, existing water supplies as currently managed are, or may become, inadequate to meet the water demands for people, cities, farms, and the environment.

These supply and management challenges, coupled with the fact that the West has experienced severe drought conditions over the past several years, guarantee that water supply-related crises will become more frequent if action is not taken now. Reclamation is committed to working with its customers, States, Tribes, and other stakeholders to find ways to balance and provide for the mix of water resource needs in 2010 and beyond. The 2010 request includes a Water Conservation program

Reclamation Funding



aimed at addressing 21st century water challenges and ensuring water security for future generations.

Budget Overview — Reclamation's 2010 budget request is \$1.0 billion. This includes a 2010 request for the Central Valley Project Restoration Fund of \$35.4 million. This is offset by discretionary receipts in the CVPRF, estimated to be \$35.1 million. The request for permanent appropriations in 2010 totals \$117.2 million.

Water and Related Resources — The 2010 budget request for Reclamation's principal operating account is \$893.1 million, a decrease of \$27.1 million from the 2009 enacted level.

The budget continues to emphasize assuring operation and maintenance of Reclamation facilities in a safe, efficient, economic, and reliable manner; assuring systems and safety measures are in place to protect the public and Reclamation facilities; working smarter to address the water needs of a growing population in an environmentally responsible and cost-efficient manner; and assisting States,

Tribes, and local entities in solving contemporary water resource issues. Funding for each project or program within Reclamation's request is based upon Administration, Departmental, and Bureau priorities.

The 2010 request includes a total of \$466.2 million for water and energy, land, and fish and wildlife resource management and development activities. Funding in these activities provides for planning, construction, water conservation activities, management of Reclamation lands including recreation, and actions to address the impacts of Reclamation projects on fish and wildlife.

The 2010 budget request also provides a total of \$426.9 million for facility operations, maintenance, and rehabilitation activities. Providing adequate funding for these activities continues to be one of Reclamation's highest priorities. The Bureau continues to work closely with water users and other stakeholders to ensure that available funds are used effectively. These funds are used to allow the timely and effective delivery of project benefits; ensure the reliability and operational readiness of Reclamation's dams, reservoirs, power plants, and distribution systems; and identify, plan, and implement dam safety corrective actions and site security improvements.

Water Conservation Program — The request includes funding for a comprehensive Water Conservation program focused on expanding and stretching limited water supplies in the West to reduce conflict, facilitate solutions to complex water issues, and to meet the growing needs of expanding municipalities, the environment, and agriculture.

The Department of the Interior has an important role to play in providing leadership and assistance to States, Tribes, and local communities to address these competing demands for water. In 2010, Reclamation is proposing a Water Conservation program of \$46.0 million, which will take a significant step toward addressing western water issues through three ongoing programs. The program includes: an expanded Water Conservation Challenge Grant program increased by \$26.0 million over 2009; Reclamation's Basin Study program; and the Title XVI Water Reclamation and Reuse program. Through these programs, Reclamation will provide competitive grants for water marketing and conservation projects, basin-wide planning studies that will address the impacts of climate change, and continued funding of water reuse and recycling projects.

Project Requests — The budget request includes \$54.2 million for the Animas-La Plata project to continue implementation of the Colorado Ute Settlement Act. This funding will provide for directional drilling and pipeline construction on the Navajo Nation Municipal Pipeline, the

first fill of Lake Nighthorse, and construction of County Road 211 relocation will continue.

The request provides \$18.4 million for the Central Arizona Project for continuing construction of the Indian distribution systems, work to protect native fish in the Gila and Santa Cruz river basins, and work on the Tucson Reliability Division.

This request provides \$134.3 million for operating, managing and improving California's Central Valley Project. This amount includes \$25.0 million for the CVP Replacements, Additions, and Extraordinary Maintenance program, for modernization, upgrade, and refurbishment of facilities throughout the Central Valley. Also included in this request is \$14.8 million for the CVP, Sacramento River Division, Red Bluff pumping plant, which will be constructed to facilitate passage for threatened fish species, as well as providing water and preserving Lake Red Bluff. The American Recovery and Reinvestment Act of 2009 also provides \$109.8 million for the Red Bluff pumping plant.

The 2010 Reclamation budget request includes \$21.4 million for Lower Colorado River Operations to fulfill the role of the Secretary as water master for the Lower Colorado River. The request provides funding for management and oversight of both the annual and long-range operating criteria for Colorado River reservoirs; water contract administration; and implementation of the Lower Colorado River Multi-Species Conservation program. The Bureau of Reclamation remains committed to maximizing efficient ways to deliver water under its contracts and to conserve water for multiple uses, including endangered species protection.

Removal of the Savage Rapids Dam is funded at \$1.2 million, and the project is expected to be completed in 2010. Removal of this irrigation diversion dam and the installation of pumping facilities will allow the local farming community to continue irrigated agriculture and remove a migration barrier for the threatened southern Oregon and northern California coho salmon.

The budget requests \$19.0 million for Endangered Species Act Recovery Implementation programs. The request includes \$12.7 million in the Great Plains Region to implement the Platte River Endangered Species Recovery Implementation program, based upon approval of the program by the Secretary and the Governors of Colorado, Nebraska, and Wyoming in late 2006. Implementation of the program provides measures to help recover four endangered or threatened species, thereby enabling existing water projects in the Platte River Basin to continue operations, as well as new water projects to be developed in compliance with the Endangered Species Act.

The Klamath project request is \$25.0 million and includes funds for studies and initiatives related to improving water supplies to meet the competing demands of agricultural, tribal, wildlife refuge, and environmental needs. Key areas of focus include continuing a water bank; making improvements in fish passage and habitat; taking actions to improve water quality; developing a basin-wide recovery plan; increasing surface and groundwater supplies; and continuing coordination of Reclamation's Conservation Improvement program.

Sedimentation and Dam Removal Studies — In November 2008, the Department signed an Agreement in Principle as a significant step in the long-term resolution of water conflict issues in the Klamath basin. The Federal government is continuing to negotiate in good-faith to reach a basin-wide settlement that can be agreed upon by all water users in the basin. The Reclamation request includes \$2.0 million to further assess the costs and benefits of removing PacifiCorp's four dams on the Lower Klamath River below the Federal project. The FWS also has \$2.0 million in its request to support these studies. These studies will be conducted by Reclamation in coordination with BLM, FWS, BIA, the U.S. Forest Service, and the National Oceanic and Atmospheric Administration's National Marine Fisheries Service. Study topics will include analyses of the changes to the value of commercial and in-river fisheries, changes in non-use values that may be held by the public, direct capital and operating costs associated with dam removal, and the value of foregone opportunities e.g., foregone profits associated with power generation, and foregone values of reservoir recreation to local communities. The request will fund the study costs associated with preparing National Environmental Policy Act documentation. In accordance with the Agreement in Principle, the Secretary will make a final determination by March 31, 2012, as to whether the benefits of dam removal is in the public interest. It is expected the total cost of the studies through 2012 will be approximately \$20.0 million.

The Middle Rio Grande project is funded at \$23.8 million in 2010, which will continue funding of endangered species activities and Reclamation's participation in the Middle Rio Grande Endangered Species Act Collaborative program as well as repair of priority river levee maintenance sites.

On December 22, 2006, the Rural Water Supply Act of 2006 was signed. The 2010 Reclamation budget requests \$2.3 million for Title I of the statute requiring the Secretary to establish a formal rural water supply program for rural water projects in the 17 western States. The Act requires the establishment of programmatic and eligibility criteria for the rural water program along with other reporting requirements and criteria for appraisal and feasibility

studies, and to establish clear guidelines for project development to help meet the water supply needs of rural communities throughout the West.

The 2010 Reclamation budget requests \$64.0 million for on-going authorized rural water projects: Mni Wiconi, the rural water component of the Garrison Diversion Unit, Fort Peck Reservation/Dry Prairie, Jicarilla Apache Reservation, Rocky Boys/North Central Montana, Perkins County, and Lewis and Clark.

A total of \$101.9 million is requested for Reclamation's Safety of Dams program, which includes \$50.0 million directed to dam safety issues at Folsom Dam. Remaining program funding includes \$31.6 million to initiate safety of dams corrective actions activities and \$18.3 million for safety evaluations of existing dams. This includes \$2.0 million to oversee the Interior Department's Safety of Dams program.

A total of \$28.9 million is requested for site security to ensure the safety and security of the public, Reclamation's employees, and key facilities. This funding includes \$7.6 million for physical security upgrades and \$21.3 million to continue all aspects of Bureau-wide security efforts including physical security upgrades at high risk critical assets, law enforcement, risk and threat analysis, personnel security, information security, security risk assessments and security-related studies, and guards and patrols.

Section 513 of the Consolidated Natural Resources Act of 2008 includes provisions for the treatment of Reclamation site security costs. Under these provisions, Reclamation will collect \$18.9 million, as indexed for inflation in 2010, in security-related operation and maintenance costs that are reimbursable under Reclamation law. Approximately 60 percent of this amount is reimbursable through up-front revenues. Approximately 40 percent of this amount is appropriated and then reimbursed to projects through the normal operations and maintenance cost allocation process.

Central Valley Project Restoration Fund — The 2010 budget includes a request of \$35.4 million for the CVPRF. This budget request is offset by collections estimated at \$35.1 million from mitigation and restoration charges authorized by the Central Valley Project Improvement Act. The San Joaquin River Restoration Fund section below describes the impact that the San Joaquin River Restoration Settlement Act has on the CVPRF.

The 2010 program funds a variety of activities to restore fish and wildlife habitat and populations in the CVP service area of California, including: acquiring water for anadromous fish and other environmental purposes;

providing for long-term water deliveries to wildlife refuges; continuing the anadromous fish restoration program with the goal of doubling their natural production; monitoring the effectiveness of restoration actions; acquiring fee title or conservation easements to facilitate better management; restoring land to improve wildlife habitat, conserve water, and reduce drainage; and continuing funding for fish screens on diversions along the Sacramento River.

California Bay-Delta Restoration — The budget requests \$31.0 million for CALFED, pursuant to the CALFED Bay-Delta Authorization Act that was signed into law on October 25, 2004. The legislation provides a six-year Federal authorization to implement the collaborative CALFED program. A consortium of Federal and State agencies fund and participate in the CALFED program, focusing on the health of the ecosystem and improving water management and supplies. In addition, CALFED addresses the issues of water supply reliability, aging levees, and threatened water quality.

Funding for CALFED is requested in the amount of \$31.0 million for the following program areas: \$4.1 million for water storage, \$4.1 million for the conveyance program, \$5.0 million for water recycling and conservation, \$3.0 million for the science program, \$5.0 million for water quality assurance investigations, \$7.9 million for ecosystem restoration projects, and \$2.0 million for Reclamation's oversight function to ensure program balance and integration.

Reclamation's Working Capital Fund — This fund is operated for the purpose of managing financial activities such as acquisition and replacement of capital equipment; recovery of the cost of services provided to others; indirect cost recovery for the Technical Service Center; 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 deposited in the Fund.

San Joaquin River Restoration Fund — The 2010 budget also reflects the settlement of *Natural Resources Defense Council v. Rodgers*. The San Joaquin River Restoration Settlement Act, signed on March 30, 2009, includes a provision to establish the San Joaquin River Restoration Fund. Under the Settlement, the legislation redirects an estimated \$15.9 million of payments in 2010 from the Central Valley Project Friant Division into the Fund, which would be available without further appropriations to implement the provisions of the Settlement.

Pick-Sloan Missouri Basin Program Legislative Proposal — The budget proposes to reallocate repayment of capital costs of the Pick-Sloan Missouri Basin program. The Administration will submit legislation to Congress to reallocate repayment of construction and operations costs to power customers. Power customers would be responsible for repayment of all construction from which they benefit. This proposed change would increase reimbursements from power customers by an estimated \$23.0 million in 2010 and in the out-years. This proposal is consistent with the Government Accountability Office and the Office of Inspector General recommendations regarding the project's cost allocation. The reallocation will likely result in modest increases to power rates for Pick-Sloan customers.

Other Accounts — The request for the Policy and Administration appropriation, the account that finances Reclamation's central management functions, is \$61.2 million. Permanent appropriations available in the Colorado River Dam Fund are estimated to be \$98.9 million in 2010.

American Recovery and Reinvestment Act — Under the Recovery Act, Reclamation received \$950.0 million in budget authority, after transferring \$50.0 million to the Department of the Interior's Central Utah Project Completion Act. The \$950.0 million in budget authority has been allocated for the following programs: Canal inspections in urban areas (\$10.0 million); Water Reclamation and Reuse (Title XVI) (\$135.0 million); Rural Water Supply Projects with an emphasis on water intake and water treatment facilities (\$200.0 million); and with the balance of funds (\$605.0 million) allocated to other projects as determined by Reclamation's priority setting processes. Reclamation developed a program plan to implement the Recovery. The plan includes an implementation strategy and detailed information on the prioritization processes and criteria used to select the projects funded under the Recovery Act. Reclamation selected projects that are prudent investments, support its critical mission areas, and maximize job opportunities to stimulate the economic recovery. The Department is committed to an unprecedented level of accountability and transparency in the use of Recovery Act funds. Information regarding Interior program plans, project lists, and business opportunities is available centrally through www.recovery.gov and the Interior Recovery Act website at www.doi.gov/recovery. A copy of Reclamation's Recovery Act program plan is also included in the 2010 Budget Justification.

SUMMARY OF BUREAU APPROPRIATIONS

(all dollar amounts in thousands)

Comparison of 2010 Request with 2009 Enacted:

	2009 Enacted		2010 Request		Change from 2009	
	FTE	Amount	FTE	Amount	FTE	Amount
Appropriations						
Water and Related Resources	3,071	920,259	3,080	893,125	+9	-27,134
Policy and Administration.....	289	59,400	289	61,200	0	+1,800
Central Valley Project Restoration Fund.....	27	56,079	27	35,358	0	-20,721
California Bay-Delta Restoration.....	30	40,000	30	31,000	0	-9,000
Working Capital Fund.....	1,546	0	1,546	0	0	0
Subtotal, Appropriations (w/o ARRA).....	4,963	1,075,738	4,972	1,020,683	+9	-55,055
American Recovery and Reinvestment Act	0	950,000	0	0	0	-950,000
Subtotal, Appropriations (w/ ARRA).....	4,963	2,025,738	4,972	1,020,683	+9	-1,005,055
<i>Central Valley Project Restoration Fund Offset.....</i>	<i>0</i>	<i>-52,685</i>	<i>0</i>	<i>-35,057</i>	<i>0</i>	<i>+17,628</i>
<i>Net Discretionary (w/o ARRA).....</i>	<i>4,963</i>	<i>1,023,053</i>	<i>4,972</i>	<i>985,626</i>	<i>+9</i>	<i>-37,427</i>
Permanents and Other						
Colorado River Dam Fund,						
Boulder Canyon Project	208	96,019	208	98,892	0	+2,873
Basin Funds.....	217	0	217	0	0	0
Spectrum Relocation Activities	0	3,450	0	0	0	-3,450
Loan Program Subsidy Re-estimate	0	6,244	0	0	0	-6,244
Loan Program Liquidating Account	0	-2,657	0	-2,696	0	-39
Miscellaneous Permanents	0	280	0	280	0	0
Reclamation Trust Funds	5	3,000	5	4,500	0	+1,500
San Gabriel Basin Restoration Fund.....	0	200	0	150	0	-50
Federal Lands Recreation Enhancement Act	0	220	0	220	0	0
San Joaquin River Restoration Fund	0	0	0	15,900	0	+15,900
Subtotal, Permanents and Other.....	430	106,756	430	117,246	0	+10,490
TOTAL, BUREAU OF RECLAMATION (w/o ARRA)....	5,393	1,182,494	5,402	1,137,929	+9	-44,565

HIGHLIGHTS OF BUDGET CHANGES

By Appropriation Activity/Subactivity

APPROPRIATION: Water and Related Resources

	2008 Actual	2009 Enacted	2010 Request	Change from 2009
Animas-La Plata Project	60,639	49,992	54,188	+4,196
Central Arizona Project	27,137	25,355	18,408	-6,947
Central Valley Project	125,388	124,486	134,329	+9,843
Colorado-Big Thompson.....	11,502	12,839	13,800	+961
Colorado River Basin Salinity Control.....	20,922	18,226	22,243	+4,017
Colorado River Storage Project.....	10,513	6,275	11,047	+4,772
Columbia Basin Project	12,749	12,078	16,454	+4,376
Columbia/Snake River				
Salmon Recovery.....	14,760	16,497	18,000	+1,503
Dam Safety Program.....	75,768	88,300	101,879	+13,579
Endangered Species				
Recovery Implementation.....	16,348	20,107	19,012	-1,095
Klamath Project	24,600	22,995	25,000	+2,005
Lower Colorado River				
Operations Program	15,171	15,030	21,448	+6,418
Middle Rio Grande Project	38,918	26,136	23,750	-2,386
Native American Affairs	6,080	6,644	6,197	-447
Pick-Sloan Missouri Basin Program	40,311	39,234	39,526	+292
Rural Water Supply Act of 2006, Title I....	0	916	2,348	+1,432
Rural Water Projects				
Fort Peck Reservation/				
Dry Prairie Rural Water System.....	9,840	10,000	4,000	-6,000
Garrison Diversion Unit.....	67,896	69,986	36,293	-33,693
Less Non-Rural Water Component ..	-10,173	-12,986	-8,773	+4,213
Jicarilla Rural Water Supply Project	1,476	3,000	1,000	-2,000
Lewis and Clark Rural Water	26,568	27,000	2,000	-25,000
Mni Wiconi Project.....	37,571	32,770	27,480	-5,290
North Central Montana				
Rural Water Supply.....	5,904	7,000	1,000	-6,000
Perkins County Rural Water Systems ..	2,952	2,265	1,000	-1,265
Subtotal, Rural Water Projects.....	142,034	139,035	64,000	-75,035
Savage Rapids Dam	14,760	3,000	1,160	-1,840
Science and Technology Program	14,664	12,223	12,933	+710
Sedimentation/Dam Removal Studies	0	0	2,000	+2,000
Site Security.....	34,932	28,014	28,877	+863
Water Conservation Program				
Basin Studies.....	0	4,000	4,000	0
Water Conservation Challenge Grants	5,929	7,048	33,000	+25,952
Title XVI Water Reclamation				
and Reuse Projects	23,369	39,245	9,000	-30,245
Subtotal, Water Conserv. Initiative	29,298	50,293	46,000	-4,293
Yakima Basin Enhancements.....	8,334	7,793	8,500	+707
Yuma Area Projects	22,543	21,320	24,500	+3,180
Other Projects/Programs	182,511	173,471	177,466	+4,055
TOTAL APPROPRIATION (w/o ARRA).....	949,882	920,259	893,125	-27,134
Am. Recovery / Reinvestment Act*	0	950,000	0	-950,000
TOTAL APPROPRIATION (w/ ARRA).....	949,882	1,870,259	893,125	-977,134

* NOTE: Net of the \$50.0 million that was transferred to the Central Utah Project Completion Act.

Program Highlights

The 2010 request includes funds for the following projects and programs.

Animas-La Plata Project

In December 2000, legislation was enacted to resolve the Colorado Ute Tribes' water rights claims and allow construction of a smaller Animas-La Plata project to proceed. The reformulated project limits depletions to an average of 57,100 acre-feet per year and provides only municipal and industrial water for the Tribes and local non-Indian entities. Funding will provide for directional drilling and pipeline construction on the Navajo Nation Municipal Pipeline, the first fill of Lake Nighthorse, and construction of County Road 211 relocation will continue.

Central Arizona Project

Funds are requested for continued construction of the Gila River Indian Community distribution system, San Xavier farm extension, and San Carlos Apache distribution system. Other work activities include recreation development; fulfilling native fish protection requirements along the Blue and San Pedro Rivers; continued work on the New Mexico Unit; work with Tucson area municipal entities on preconstruction activities for the Tucson Northwest Reservoir; and completing land acquisition and start-up costs associated with the endangered species work at Roosevelt Dam.

Central Valley Project

Funds are requested for continued facility operations, maintenance, rehabilitation, and numerous management and development efforts including the Trinity River restoration program; Red Bluff Fish Passage Improvement project on the Sacramento River; Delta water issues; implementation of Biological Opinions; and water conservation. Related activities will be funded by the CVP Restoration Fund and California Bay-Delta Restoration appropriation.

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 to continue coordination of activities associated with conservation, enhancement, development, and restoration of fish and wildlife populations and their habitats.

Colorado River Basin Salinity Control Program

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

Colorado River Storage Project

Funds are requested for the Federal share of the costs of facility operations, maintenance, and rehabilitation, including the rehabilitation of recreation facilities at Reclamation constructed reservoirs. Implementation of mitigation measures continue.

Columbia Basin Project

Bonneville Power Administration, through a memorandum of agreement, directly funds power operation and maintenance costs. In addition, BPA directly funds, through subagreements, major power replacements, additions, and improvements. Funds are requested for the day-to-day operation of two storage dams and reservoirs; three Grand Coulee power plants; one pump-generating plant; associated switchyards and transmission lines; the feeder canal at Grand Coulee; and the distribution canal systems for the irrigation reserved works.

Columbia/Snake River Salmon Recovery

This program implements actions under both the 2000 Biological Opinion issued by FWS and Section 7(a)(2) of the Endangered Species Act as required by the 2008 BiOp issued in May 2008 by the National Marine Fisheries Services. The 2008 BiOp requires extensive collaboration with States and Tribes in the Columbia River basin to ensure that operation of the Federal Columbia River Power System by the agencies is not likely to jeopardize the continued existence of endangered or threatened species, or to adversely modify or destroy their designated critical habitats. 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 Reclamation's Safety of Dams Evaluation and Modification program, which identifies and evaluates Safety of Dams issues at Reclamation dams and implements modifications to reduce associated risks to the public. The request continues dam safety risk management and risk reduction activities throughout Reclamation's inventory of high and significant hazard dams. The program continues planned ongoing safety of dams modifications activities at Folsom Dam (CA). Safety of dams modification activities will be completed at Deer Flat Dam (ID) and A.V. Watkins Dam (UT). Safety of dams modification activities will begin at Glendo Dam (WY) and A.R. Bowman Dam (ID). Preconstruction and project formulation activities are planned on B.F. Sisk Dam (CA), Echo Dam (UT), Stampede Dam (CA), and several other dams. Funds are also provided for the Department of the Interior's Safety of Dams program.

Endangered Species Recovery Implementation

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

Klamath Project

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

Lower Colorado River Operations Program

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

Middle Rio Grande Project

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

Native American Affairs Program

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

Pick-Sloan Missouri Basin Program

Funds are provided for the Federal share of the costs of operations, maintenance, and rehabilitation of facilities on thirty-three units of the Pick-Sloan Missouri Basin program. The budget includes a proposal to reallocate repayment of construction and operations costs to power customers. Power customers would be responsible for repayment of all construction from which they benefit. This change would increase reimbursements from power customers by an estimated \$23.0 million in 2010 and in the out-years. This proposal is consistent with the Government Accountability Office and the Office of Inspector General recommendations regarding the project's cost allocation. The reallocation will likely result in modest increases to power rates for Pick-Sloan customers.

Rural Water Supply Act – Title I

The Rural Water Supply Act of 2006 was signed in December 2006. Title I of the Act authorizes the Secretary of the Interior to create a rural water supply program to address rural water needs in the 17 western States. The Act requires the establishment, through a formal rulemaking process, of programmatic criteria for eligibility, prioritization, and for completion of appraisal and feasibility studies to be completed under the program.

Rural Water Supply Projects

In addition to the 2010 request, Reclamation has identified \$200 million in Recovery Act funds for these Rural Water Supply projects.

Fort Peck Reservation/Dry Prairie Rural Water System

Funds are requested to complete construction work on the waterline to Poplar, MT. Dry Prairie Rural Water will continue planning and designing pipeline branch lines on the west end of the project boundary.

Garrison Diversion Unit

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

Jicarilla Apache Reservation Rural Water System

Funding is requested for the Nation to complete final design and construction of authorized project facilities. This project would replace existing water and wastewater facilities in and around the town of Dulce, NM and provide services to the newly developed area of Mundo Ranch.

Lewis and Clark Rural Water System

Funding would continue construction on well Field Sites C and D, and Parker, Centerville, and Lennox Service Lines. The completed project would address concerns regarding the low quality, contamination vulnerability, and insufficient supply of existing drinking water sources throughout the project area.

Mni Wiconi Project

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

North Central Montana Rural Water System (Rocky Boys)

Funding will be applied towards constructing Phase I of the water treatment plant. The rural water system will serve an estimated population of 43,000 at full build-out.

Perkins County Rural Water System

Funding will be applied towards the construction of Phase VII of the pipeline distribution system that is located south of the city of Bison, SD.

Savage Rapids Dam Removal

Funding is provided to complete removal of a major portion of Savage Rapids Dam to allow the Grants Pass Irrigation District to comply with a Federal court consent decree requiring the District to cease irrigation diversions using the Savage Rapids Dam.

Science and Technology Program

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

Sedimentation and Dam Removal Studies

The Reclamation request includes \$2.0 million to further assess the costs and benefits of removing PacifiCorp's four Klamath Project Dams. The FWS also has \$2.0 million in its request to support these studies. These studies will be conducted by Reclamation in coordination with BLM, FWS, BIA, the U.S. Forest Service, and NOAA Fisheries. Study topics will include analyses of the changes to the value of commercial and in-river fisheries, changes in non-use values that may be held by the public, direct capital and operating costs associated with dam removal, and the value of foregone opportunities, e.g., foregone profits associated with power generation and foregone values of reservoir recreation to local communities. The request also funds the study costs associated with preparing the NEPA documentation. The United States will make a final determination by March 31, 2012, as to whether the benefits of dam removal is in the public interest. In addition to the 2010 request, Reclamation has identified \$4.0 million in Recovery Act funds for these Sedimentation and Dam Removal studies.

Site Security

Funds are requested to continue Reclamation's on-going site security efforts that include physical security upgrades at key facilities, guards and patrols, anti-terrorism program activities, security risk assessments, and security-related studies. The 2010 budget assumes that the annual costs associated with guard and patrol activities will be treated as project operations and maintenance costs, subject to reimbursement based on project cost allocations.

Water Conservation Program

The Department of the Interior has an important role to play in providing leadership and assistance to States, Tribes, and local communities to address 21st century water challenges, including increased water demands by growing populations and decreasing water supplies due to extended droughts and climate change. The Water Conservation program will take a significant step toward addressing these concerns through three Reclamation programs, including an expanded Water Conservation Challenge Grant program, Reclamation's Basin Study program, and the Title XVI program. Through these programs, Reclamation will provide competitive grants for water marketing and conservation projects; basin-wide planning studies that will deal with the impacts of climate change, record drought and population increases; and continued funding of water reuse and recycling projects through Reclamation's Title XVI Program.

Title XVI Water Reclamation and Reuse Program

Under the Title XVI program, Reclamation makes available cost-shared funding for planning, design, and construction of water recycling projects, as well as research and demonstration projects. The Title XVI program enables water to be reused, thereby improving efficiency, providing flexibility during water shortages, and diversifying the water supply. Funds are requested to continue Federal cost sharing for construction and planning of seven water reclamation and reuse projects. Funds are also requested for general program oversight and review of feasibility studies. The Title XVI program has been incorporated into the Water Conservation program. In addition to the 2010 request, Reclamation has identified \$135.0 million in Recovery Act funds for Title XVI projects.

Yakima Project/Basin Water Enhancement

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

Yuma Area Projects

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

APPROPRIATION: Policy and Administration

	2008 Actual	2009 Enacted	2010 Request	Change from 2009
TOTAL APPROPRIATION	58,811	59,400	61,200	+1,800

Program Highlights**Policy and Administration**

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

APPROPRIATION: Central Valley Project Restoration Fund

	2008 Actual	2009 Enacted	2010 Request	Change from 2009
Fish and Wildlife Resources Habitat	44,521	50,379	30,508	-19,871
Fish and Wildlife Resources Mgmt.....	6,532	5,700	4,850	-850
TOTAL APPROPRIATION	51,053	56,079	35,358	-20,721

Program Highlights**Central Valley Project Restoration Fund**

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

APPROPRIATION: California Bay-Delta Restoration

	2008 Actual	2009 Enacted	2010 Request	Change from 2009
TOTAL APPROPRIATION	40,098	40,000	31,000	-9,000

Program Highlights**California Bay-Delta Restoration**

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