

**Bureau of Reclamation
FY 2004 Operating Plan**

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Dear Reader,

I am pleased to share with you the Bureau of Reclamation's FY 2004 Operating Plan. The Plan outlines Reclamation's priorities, FY 2003 accomplishments, and our FY 2004 and future performance goals and targets.

Reclamation's goals stem from the Department of the Interior's FY 2003 – FY 2008 unified Strategic Plan. Nearly two years in the making, the Interior's plan integrates the various bureau responsibilities under four major mission goals and places a strong, new emphasis on results and performance measurement. The Interior's four mission areas are: Resource Protection, Resource Use, Recreation, and Serving Communities. For the most part, Reclamation's goals fall within Resource Use. We also report on goals within Resource Protection and Recreation. The goals to which we contribute will form the basis of Reclamation's strategic planning framework.

Reclamation's goals reflect our important mission to deliver water and generate hydropower and my overarching priorities to:

- Ensure the reliable delivery of water under Reclamation contracts.
- Optimize power generation, consistent with other project purposes.
- Incorporate other considerations, such as recreation, fish and wildlife, environment, and Native American trust responsibilities into our water and power operations.
- Identify and plan for future consumptive and nonconsumptive water supply needs by identifying unmet needs in the next 25 years.

The FY 2004 Operating Plan communicates our accomplishments in FY 2003 to achieve our mission and priorities. It describes Reclamation's continued dedication to deliver water to our customers and meet project purposes, while simultaneously supplying water for the environment, recreation, fish and wildlife habitat, water quality, and other important resources. It outlines Reclamation's proactive approach to ensure safe, secure facilities that consist of more than 430 dams and reservoirs. It describes Reclamation's accomplishments in ensuring adequate supplies of high-quality water.

Reclamation's FY 2004 goals further our progress in achieving these important priorities. Reclamation proposes to deliver 29.1 million acre-feet of water to fulfill our contractual obligations while addressing other resource needs (for example, recreation, fish and wildlife habitat, environmental enhancement, and Native American trust responsibilities). We set a goal to reduce the amount of capacity restrictions on our dams from FY 2003 levels and to maintain 97 percent of our dams and 94 percent of associated facilities in fair to good condition to ensure the reliable delivery of water. In FY 2004, Reclamation will also strive to continue to be within

the 75th percentile of lowest cost hydropower producers and meet or beat the industry forced outage average to ensure reliable delivery of power.

The FY 2004 Operating Plan also describes our progress in implementing the President's Management Agenda and Secretary Norton's 4 C's: "communication, consultation, and cooperation, all in the service of conservation." With increased emphasis on performance and budget integration to improve planning and performance, the Operating Plan attempts to weave together the interrelationships between the Government Performance and Results Act (GPRA), Activity-Based Costing (ABC), OMB's Program Assessment Rating Tool and budgeting. It sets forth guidance and requirements in each of these areas.

The plan also highlights an important new initiative, *Water 2025: Preventing Crisis and Water Conflict in the West*, commenced by Secretary of the Interior Gayle Norton in the summer of FY 2003. *Water 2025* is Interior's commitment to work with States, tribes, local governments, and the public to address water supply challenges in the West over the next 25 years.

My thanks go to all of the employees within Reclamation for their hard work, patience, and dedication to the development of the strategic goals and preparation of this plan and the stakeholders who contributed in both the Department of the Interior's and Reclamation's dialogue sessions.

John W. Keys, III
Commissioner

ABOUT THIS DOCUMENT

The purpose of the Operating Plan is to set forth Reclamation's performance goals, targets and results in alignment with the Department of the Interior (Interior) Strategic Plan for FY 2003 – FY 2008 and set forth the Commissioner's vision and priorities for the future. It establishes the linkage between Reclamation's goals, Activity Based Costing (ABC) activities, Program Assessment Rating Tool (PART), results and the budget. It provides information on Reclamation's effort to meet the President's Management Agenda (PMA) as well as requirements found in other management plans.

Detailed descriptions of Reclamation's performance goals are included in the document as well as performance targets for FY 2004 through FY 2008. It is intended that the Operating Plan serve as a resource document for Reclamation staff and managers and that it assist in work planning and budget development. The FY 2004 Operating Plan presents:

Executive Summary - outlines Reclamation's mission, priorities and initiatives, and key accomplishments and performance goals.

Section I – This section describes the performance-related initiatives and requirements affecting Reclamation. It demonstrates the relationship between the various initiatives in Reclamation's planning and performance framework and provides linkages between the strategic goals, Activity Based Costing (ABC) activities, Program Assessment Rating Tool (PART) recommendations and budget.

Section II – This section describes Reclamation's performance goals, targets and results in more detail.

Section III - Discusses the President's Management Agenda (PMA) initiatives and related performance goals within the Management Section of the Department's Strategic plan. These goals are tracked and reported directly by the Reclamation program responsible for Implementation.

EXECUTIVE SUMMARY

MISSION STATEMENT:

The Bureau of Reclamation manages, develops and protects water and related resources in an environmentally and economically sound manner in the interest of the American public.

Where We've Been and Where We're Going

Reclamation has served the American public for more than 100 years, providing water for the Nation's Western farms, cities, recreation, hydropower, and the environment. In its early years, Reclamation's focus was to make dependable water supplies available and flood protection a reality for settlers. Today, Reclamation is committed to making vital contributions to the economy and quality of life in the Western United States.

Reclamation is the Nation's largest wholesale water supplier, administering 348 reservoirs with a total storage capacity of 245 million acre-feet of water that supply a third of the West with agricultural, municipal and industrial water. One out of every five Western farmers receives water from Reclamation projects, producing about 60 percent of the Nation's vegetables and 25 percent of its fruits and nuts. In addition, Reclamation provides hydroelectric power to supply the needs of 9 million people. There are more than 90 million visits each year to Reclamation lakes to enjoy outdoor recreation activities.

Several interrelated realities pose potential water management challenges for Reclamation:

- Explosive population growth in areas of the West where water is already scarce.
- Frequent occurrences of water shortage .
- Aging water facilities.
- Crisis management is not effective in dealing with long-term, complex water conflicts.

Vision – The Commissioner’s Overarching Priorities For Continued Success in Managing Water Resources

The Commissioner of Reclamation has outlined four overarching goals that emphasize our mission to deliver water and generate power while addressing other water use requirements and planning for future water needs to avoid crisis and conflict:

- Ensure the reliable delivery of water under Reclamation contracts.
- Optimize power generation, consistent with project purposes.
- Incorporate other considerations, such as recreation, fish and wildlife, environment, and Native American trust responsibilities, into our water and power operations.
- Identify and plan for future consumptive and non-consumptive water supply needs by identifying unmet needs in the next 25 years.

Water 2025: Preventing Crisis and Water Conflict in the West

Planning for future water needs encompasses a continuing recognition of water as the lifeblood of the American West. It also requires recognition of the challenges we face in meeting our mission. Many areas of the West are facing prolonged drought, limited water supplies, ever increasing population, endangered species and environmental issues, and other water demands. Reclamation’s goals reflect the major priorities of the organization to deliver water, generate power, address other requirements, and plan for future water needs. To go further and respond to these challenges in a proactive manner, Secretary of the Interior Gale Norton announced the Water 2025 Initiative: *Preventing Crisis and Water Conflict in the West* in the summer of FY 2003. As Interior’s foremost water resources management agency in the West, Reclamation will be instrumental in making Water 2025 a reality. Through Water 2025, Reclamation will set forth a framework to focus on meeting water supply challenges in the future.

Water 2025 is Interior’s commitment to work with States, tribes, local government and the public to address water supply challenges in the West over the next 25 years. *Water 2025* recognizes that State and local governments should have a leading role in meeting these challenges. The initiative provides for a public discussion of the realities facing limited water supplies in the West. It sets up a framework to identify those watersheds facing the greatest potential risk for water shortages. Finally, it evaluates effective ways to address these challenges and recommends cooperative planning methods and useful tools for reaching viable solutions.

Water 2025 will ensure that available Federal dollars, expertise, and research are focused in areas that will provide the greatest benefits to the West and the rest of the Nation. Maximizing these resources to address long-term, water supply challenges will help avoid the high costs and consequences of managing from one crisis to the next. Starting in FY 2004, Reclamation will implement a 50-50 Challenge Grant Program, *Water 2025* encourages voluntary water banks and other market-based measures, promotes the use of new technology for water conservation and

efficiency, and removes institutional barriers to increase cooperation and collaboration among federal, state, tribal, and private organizations. The goal of these challenge grants is to support realistic, cooperative approaches and tools that have the most likelihood of successfully addressing water challenges in the basins facing the greatest risk. Further information on *Water 2025* is available at <http://www.doi.gov/water2025/>.

The Six Principles of Water 2025

- Recognize and respect State, tribal and Federal water rights, contracts, and interstate compacts or decrees of the United States Supreme Court that allocate the right to use water
- Maintain and modernize existing water facilities so they will continue to provide water and power
- Enhance water conservation, use efficiency, and resource monitoring to allow existing water supplies to be used more effectively.
- Use collaborative approaches and market based transfers to minimize conflicts
- Improve water treatment technology, such as desalination, to help increase water supply
- Existing water supply infrastructure can provide additional benefits for existing and emerging needs for water

FY 2003 Key Accomplishments and Performance Highlights

In FY 2003, Reclamation's continued its dedication to deliver water to our customers and meet project purposes, while simultaneously supplying water for the environment, recreation, fish and wildlife habitat, water quality, and other important resources. Reclamation met or exceeded 26 of its 32 performance goals and achieved significant accomplishments. Of the goals not met, most were within five percent of the target level of performance.

Reclamation's FY 2003 performance highlights include:

- Continued success in providing reliable power at a comparatively low cost. Through efficiency improvements, Reclamation's facilities produced power at a cost estimated to be less than 75.5 percent of all other comparable hydroelectric facilities. Reclamation also provided a reliable supply of power by achieving a 1.5 percent forced outage rate, far better than the industry's 3 percent average.
- Improved the quality of water supplies by preventing 30,393 tons of salt from entering the water ways at a cost of approximately \$33/ton through continued advancements in removal technologies.

- Increased security through completion of critical facility reviews and ensuring that over 96% of Reclamation's computers are inaccessible to the Internet and intruder access.

The complete set of FY 2003 performance results can be found in Appendix 2.

Key Strategic and FY 2004 Performance Goals and Targets

Reclamation's FY 2004 goals continue our progress to meet water and power contracts while balancing a range of competing water demands. Key performance goals in FY 2004 include:

- Delivering 29.1 million acre-feet of water to fulfill contractual obligations while addressing other resource needs (for example, recreation, fish and wildlife habitat, environmental enhancement, and Native American trust responsibilities).
- Reducing the amount of capacity restrictions on our dams from FY 2003 levels and maintaining 97 percent of our dams and 95 percent of associated facilities in fair to good condition to ensure the reliable delivery of water.
- Striving to continue to be within the 75th percentile of lowest cost hydropower producers and meeting or beating the industry forced outage average to ensure reliable delivery of power.
- Reducing salinity by preventing an additional 25,000 tons of salt from entering the water ways.

The complete set of FY 2004 performance goals and targets can be found in Appendix 1.

Secretary Norton's 4 C's

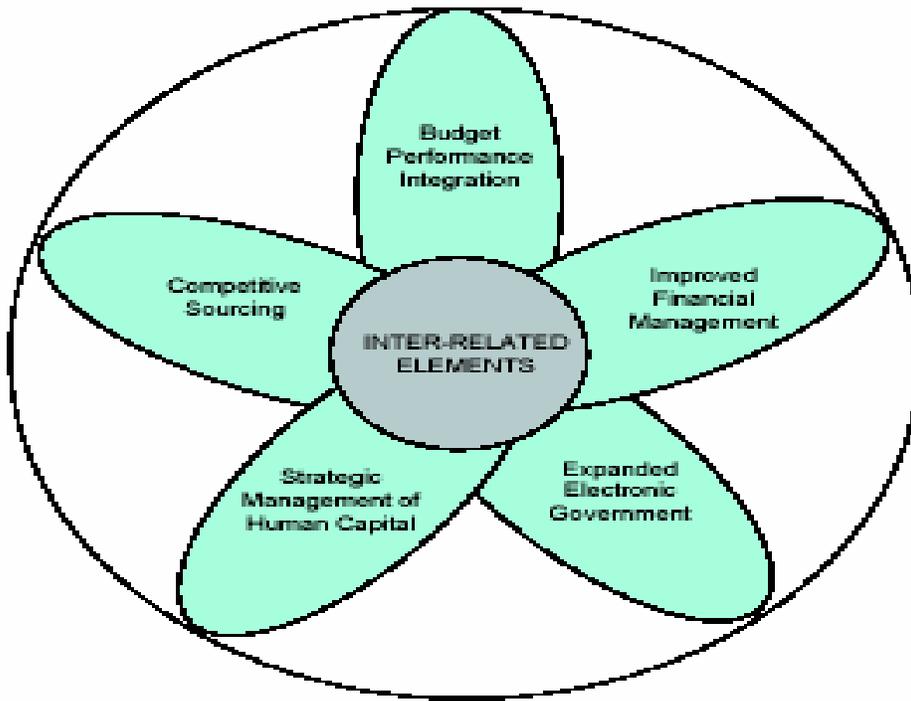
The Interior Department, Secretary Norton's vision for effective program performance—"the 4 Cs: Conservation through Cooperation, Consultation, and Communication"—drives our program execution. The 4 Cs reflect the Secretary's goal of involving contractors, volunteers, and the interested public, in carrying out our mission. The 4 C's complement the President's management initiatives unveiled by President Bush in 2001 to improve our service to citizens. Along with the President's Management Agenda (PMA), the Secretary's key business principles have guided the individual and collective management decisions and direction of the Department.

In Reclamation, the Secretary's 4 C's are implemented on an ongoing basis through our work and cooperation with water and power contractors, States, Tribes, local entities and other customers to set priorities and solve water resource problems. Reclamation's performance goals and targets were developed with stakeholder input and will be used to communicate priorities to internal and external stakeholders, focus our work to accomplish top priorities, and provide accountability both to Congress and the public.

The President's Management Agenda

Released by the Office of Management and Budget (OMB) in August 2001, the President's Management Agenda (PMA) targets five mutually reinforcing management initiatives, each addressing clear opportunities for improvement: Strategic Management of Human Capital, Improved Financial Performance, Expanded Electronic Government, Budget and Performance Integration, and Competitive Sourcing.

The President's Management Agenda



In order to ensure accountability for performance and results, Reclamation, along with other bureaus and the Department, evaluates its progress in meeting the PMA using a Management Scorecard. The Department uses the scorecard to track how well bureaus and internal programs are executing the management initiatives, and where they stand at a given point in time against the overall standards for success.

The scorecard employs a simple "traffic light" grading system common today in well-run businesses: green for success, yellow for mixed results, and red for unsatisfactory. Scores are based on five standards for success defined by the President's Management Council and discussed with experts throughout government and academe, including individual fellows from the National Academy of Public Administration.

More detailed information on the PMA initiatives and scorecard can be found in Section III.

Section I – Reclamation’s Planning and Performance Framework

The Strategic Planning Framework

Reclamation’s planning and performance framework is derived from the Interior Strategic Plan that was released on September 30, 2003. It places a strong, new emphasis on results and performance measurement and provides for the alignment of performance goals, ABC, PART and the budget.

The Interior Plan integrates and aligns bureau responsibilities under four key areas that are visually represented in the form of a house. The four key areas or “rooms” of the house represent the DOI mission areas of Resource Protection, Resource Use, Recreation and Serving Communities. Supporting “pillars” of the house are represented as Partnerships and Management, with Science serving as the foundation for informed resource management decisions. This framework captures the Secretary’s goal of involving others, including communities, Tribes, partners and customers in carrying out its mission.

Reclamation’s linkage to the Interior Strategic Plan primarily falls within the Resource Use – Water and Power areas as depicted in the following diagram. Reclamation links to Recreation and Resource Protection to a lesser extent. At this time, there is no linkage to Serving Communities because our service to communities is encompassed in our mission-related activities to deliver water and generate power. The model supports the Commissioner’s vision and priorities and focuses on accomplishment of Reclamation’s primary mission to deliver water and generate power.

The DOI Strategic Plan, on which Reclamation’s planning and performance framework is based, includes end outcome goals, strategies and performance measures. End outcomes are the desired results or changes an organization strives to achieve. The strategies describe the actions or efforts implemented to move closer to attaining the outcome goals. Performance measures, as highlighted in red bold, are indicators of progress in achieving organizational strategies and end outcomes. The performance measures are the components of the strategic plan for which Reclamation is responsible for setting targets and reporting results.

The hierarchy of the framework is depicted below:

| |
|---|
| Mission Area → Resource Use |
| End Outcome Goal → Deliver Water Consistent with Applicable State and Federal Law |
| End Outcome Measure → Acre-feet of water delivered |
| Strategy → Operate and Maintain a Safe and Reliable Water Infrastructure |
| Performance Measure → Facilities Reliability: Water infrastructure are in fair to good condition as measured by the Facilities Reliability Rating |

Activity-Based Cost Management

The Department of the Interior is implementing Activity Based Costing/Management system in FY 2004 as part of a larger commitment to implement the President's Management Agenda. The agenda calls for agencies to integrate budget, performance and financial information through Activity Based Cost/Management (ABC/M). ABC/M is a methodology to link the full costs of resources to business processes and outputs. By doing so, agencies will be able to demonstrate:

- How funds were used
- What was produced with those funds
- How that work contributes to achieving Department goals, and
- Estimates of future work and accomplishment with available resources

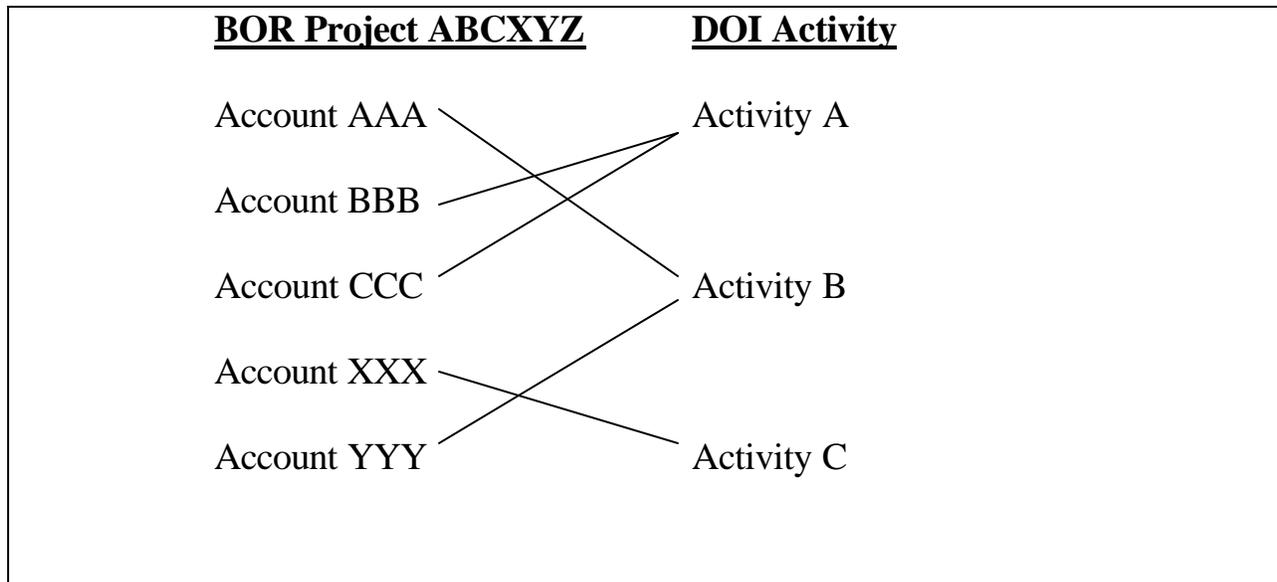
Reclamation's performance, finance and budget staffs worked throughout FY 2003 to prepare to link costs to the Department ABC activities. In FY 2004, Reclamation's ABC/M approach will:

- Link our work to the Department activities
- Track the costs associated with those activities
- Align cost and activities to strategic goals
- Link cost to performance data, namely outputs and outcomes

Reclamation Activities

Reclamation has many of its own program activities. We assign an 18 digit cost account number to each of these and track costs associated to each activity in our accounting system. These costs include everything from employee salaries and credit card purchases to contracts and overhead. We are able to track the costs of our activities to the lowest level of detail by using TAAS, our Time and Attendance System; FFS, our accounting system; Procurement Desktop, our acquisition system; and other automated systems in use throughout Reclamation.

To implement ABC in Reclamation, we link all applicable 18 digit cost account numbers to the activities listed under each of the Department's four mission goal areas. Each of Reclamation's cost accounts link to ONE Department-level ABC activity that best reflects the work performed using that cost account.



This linkage will be transparent to the majority of our Reclamation employees, and there will be little, if any, change to our normal day to day charging processes. Our 18 digit cost account numbers will not change and each employee's T&A will continue to be completed as usual. Travel costs, purchases, and indirect costs will also continue to be charged as usual.

The most significant change will be in reporting our program costs at the Department level. Our internal Reclamation budget and financial reports will continue to be the same; however, our cost information will be compiled with information from other bureaus to provide management at all levels with Department-wide ABC information. Reclamation managers and employees will also have access to this information for review, comparative analysis, and decision-making.

Output Data

In addition to collecting data on the costs of Interior ABC activities, Reclamation will be required to collect data on the number of outputs or products produced from these activities. This data, combined with cost data, will allow management to determine the cost per unit of output. For example:

- Cost per facility managed
- Cost per facility review completed

This type of information is considered to be an efficiency measure and an indication of the cost effectiveness of an organization in completing its work.

Output data will be collected in a manner similar to that of other performance data within Reclamation.

Program Assessment Rating Tool (PART)

OMB's Program Assessment Rating Tool (PART) is a systematic process for developing program performance ratings and then using that information to make budget decisions. PART is comprised of assessment criteria on program performance and management. Each year, programs comprising approximately 20 percent of an agency's budget must be reviewed using PART with the goal of reviewing all programs within 5 years. Programs receive a score up to 100.

In FY 2002, Reclamation reviewed three programs under the PART process:

- *Title XVI Water Reclamation and Reuse Program* – Score 71. The PART review for this program determined that Reclamation did not have well established long term goals. It also determined that the annual performance accomplishments were difficult to control because local non-Federal sponsors implement projects and Reclamation does not control construction schedules. OMB requested that Reclamation develop an action plan to address those shortcomings in FY 2004. In response to OMB's request, Reclamation is developing improved performance measures and a website to make it easier to clients and the general public to track its progress in constructing projects and developing reclaimed water supplies.
- *Rural Water Program* – Score 54. The initial PART review for this program determined that this was not really a formal program, but rather that it was driven by the Congress on a project-by-project basis. In FY 2003, Reclamation proposed to Interior that it develop a formal program and seek congressional authorization to make it an integral part of our water resources management strategy. After thorough analysis, Reclamation drafted proposed legislation to establish a formal program. This legislation is currently undergoing Congressional review.
- *Hydropower Program* – Score 77. The FY 2002 PART review acknowledged that the program had a strong purpose and overall good management. However, the program lacked long-term "stretch" goals. The Hydropower Program worked with internal and external stakeholders throughout FY 2003 to develop new and improved performance measures and re-evaluated the program under PART.

In FY 2003, Reclamation continued to assess our programs:

Science & Technology (S&T) Program – Score 87. The PART recognized significant improvements made by Reclamation's Science and Technology Program throughout FY 2003 to involve its stakeholders in planning and to align research with Reclamation's mission and priorities. The PART findings were that the overall the program is well managed and there are new long-term goals to measure the results of science and technology efforts and products. Because the S&T performance measures are new, the

S&T program is gathering baseline data and will track and report future progress in attaining the goals.

The S&T program restructured in FY 2003 by involving stakeholders and focusing on Reclamation core priority needs. The Research Office also received the 2003 Denver Federal Executive Board's Legacy Award for Exceptional Productivity or Process Improvement. As a result of the PART assessment, the Administration is proposing:

- Legislation to facilitate direct financing of hydropower research by the Western Area Power Administration and Bonneville Power Administration
- Authority for Reclamation's to enter into research and development cooperative agreement with other organizations to facilitate collaborative research.
- *Power Program* – This program developed new long-term goals to measure results and was re-evaluated under PART. The Power Program scored 92 percent on the second evaluation.

The results of these evaluations will be used in our budget and planning for FY 2005.

In FY 2004, Reclamation will review the construction/water supply component of the Reclamation Federal Water Supply Program as well as its recreation program. It will also begin to work on the operations and maintenance program component for FY 2007 PART.

Relationship to GPRA

Agencies expend considerable time and effort developing and updating their Government Performance and Results Act (GPRA) plans and reports on an annual basis. The program assessment effort under PART presents an opportunity to inform and improve agency GPRA plans and reports, and establish a meaningful, systematic link between GPRA and the budget process. The PART analysis helps to identify specific performance measures that could support budget and management recommendations and efforts. It will also help agencies to assess their current GPRA performance measures, keep those that are useful, and eliminate reporting burdens that have no utility.

Performance measures developed under PART are implemented similar to other performance goals in that targets are set, tracked and reported. Appendix _ contains the PART performance measures developed to date. A few of the measures are already tracked and reported under GPRA.

How Ratings Will Be Used

Many agencies have expressed concern over how the PART ratings will be used during the Fall Budget Review. Specifically, there is concern that a low PART score automatically results in a funding reduction. OMB has indicated that it does not view the PART as an automated approach to making budget decisions. Instead, the PART provides a tool for diagnosing how programs can be improved. It is from such diagnosis, as well as other information regarding the program, that

budget and management decisions will be made. FY 2004 decisions (for the FY 2006 budget) will be fundamentally grounded in program performance, but will also continue to be based on a variety of other factors, including policy objectives and priorities of the Administration, and economic and programmatic trends.

Linkage Between Goals, ABC Activities, PART Programs and the Budget

In order to provide management with information about how the organization is doing, cost, budget, and performance information must be interrelated. Reclamation's planning and performance framework incorporates goals, ABC activities, PART programs and their linkage to the Budget. Each of the initiatives is aligned with the others.

To represent this alignment, the Budget and Performance Integration (BPI) Matrix was developed. In the BPI Matrix, each Strategic Plan end outcome goal and strategy are linked to applicable ABC activities and PART programs and aligned with the corresponding budget accounts. ABC cost information links to the strategic plan goals to demonstrate the cost of not only producing a product or output, but also the cost of achieving a desired outcome or result. Budgets and programs are also integrated into the framework to generally show how they align to the ABC activities and support Reclamation's performance goals. The framework then includes programs as they are defined for PART and the performance goals and activities associated with the program. Understanding the relationship between each of the components is important to planning and budgeting.

As ABC activities are currently being updated and streamlined and PART program definitions under review by OMB, the BPI matrix should be considered a continual work in progress. It is updated frequently to reflect the latest developments in strategic planning, ABC and PART.

See Appendix 3 for the latest version of the BPI matrix.

Other Performance-related Requirements

Senior Staff SES Performance Agreements – For FY 2003, all senior executives had performance agreements that tie to both Reclamation's GPRA goals and the *President's Management Agenda* Scorecard. Through these performance agreements, senior executives will be evaluated on accomplishing specific performance targets to measure their contribution to organizational goals. In FY 2004, all direct reports (managers) must have GPRA goals in their performance plans.

Section II – Reclamation’s Performance Goals and Results

Overview

The Strategic Plan utilizes a multi-tiered set of goals and associated measures to define and evaluate its strategic direction and accomplishments. End outcome goals and measures represent the results that Reclamation wants to achieve and serve as the barometer of our overall performance. For each strategic goal (mission) area, such as Resource Use, Reclamation has identified key strategies and intermediate outcome goals that are critical supporting elements.

In this section, Reclamation reports results and sets targets for each of the applicable Interior outcome or intermediate outcome measures that it supports. A summary of all performance results for FY 2003 can be found in Appendix 2.

Mission Goal: Resource Use – Deliver Water

Throughout the West, Reclamation fulfills its contractual obligations to deliver water. Several interrelated realities pose potential water management challenges:

- Explosive population growth in areas of the West where water is already scarce.
- Frequent water shortages.
- Aging Water facilities.
- Crisis management is not effective in dealing with long-term, complex water conflicts.

To help address these challenges, Reclamation considers many resource needs (for example, recreation, fish and wildlife habitat, environmental enhancement, and Native American trust responsibilities), while ensuring reliable water deliveries under Reclamation contracts. Reclamation works with partners and stakeholders to protect and manage resources affected by Reclamation’s operations.

Reclamation will continue to focus its attention and resources on areas where scarce Federal dollars can provide the greatest benefits to the West and the rest of the Nation. Efforts under Water 2025 will help identify hot spots and allow for pilot or demonstration projects to find potential solutions. These efforts will also encourage discussions about competing needs to make people aware of the issues and minimize or avoid crises and conflict.

Water Delivery External Factors - The amount of water available to deliver varies widely from year to year. Our ability to provide project benefits safely and reliably is affected by nature (for example, floods, droughts, earthquakes, and fires) and people (for example, changes in statutory requirements, litigation, water rights, and contracts). Reclamation must work within these constraints to meet its contract obligations.

The following section highlights our FY 2004 goals for delivering water.

End Outcome Goal and FY 2004 Annual Performance Indicators:

Deliver Water Consistent with Applicable State and Federal Law, in an Environmentally Responsible and Cost-Efficient Manner

This end outcome goal addresses Reclamation’s core mission to deliver water to customers, meeting the purposes for which projects were authorized. Because the amount of water available depends upon the natural yearly water supply and variable weather patterns, the acre-feet delivered changes each year. However, effective management and operations maximize overall benefits from the water available by ensuring that systems deliver water in the most effective way possible. This end outcome will be accomplished by effectively operating Reclamation’s facilities to store, deliver, and release the amount of water contracted for by the various users, subject to natural water supply and other physical and legal constraints.

Throughout the 20th century, Reclamation built facilities. These older systems and facilities lack current engineering design concepts, presenting special challenges. As Reclamation's infrastructure continues to age, costs for operating, maintenance, and rehabilitation continue to increase. Reclamation operates, maintains, and rehabilitates our facilities to minimize these costs and service disruptions. Its FY 2004 performance goals measure our ability to manage costs as we maintain the current condition of our aging facilities.

Reclamation works with Federal, State, and local governments; partners; stakeholders; and others to determine new ways to meet demands in the 21 century. We use innovative nonstructural measures, such as water banks and markets, so water can be shifted to address unmet demands. Use of these innovative approaches is measured for the first time in FY 2004.

Resource Use – Water End Outcome Measures

Water Delivery:

UEM 5.01 - Acre-feet of water delivered consistent with applicable substantive and procedural requirements of Federal and State water law

| Performance Measure | FY 2003 Results | FY 2004 Target | FY 2005 Planned | FY 2006 Planned | FY 2007 Planned | FY 2008 Planned |
|---|------------------------|-----------------------|------------------------|------------------------|------------------------|------------------------|
| Acre-feet of water delivered (in million acre-feet) | 26.4 maf | 29.1 maf | 28.7 maf | 28.7 maf | 28.7 maf | 28.7 maf |

The goal measures the amount of water releases or diversions from Reclamation owned and operated facilities. Water delivered includes water provided for agriculture, municipal and industrial (M&I) uses; fish and wildlife; and other contracted and authorized purposes. This goal

does not include water delivered from transferred works or facilities operated by districts where Reclamation does not have substantial operational control.

FY 2003 Performance Results: Behind Target.

In FY 2003, Reclamation delivered over 26 million acre-feet of water to meet contract obligations and other water resource needs. The result was slightly lower than expected due to continuing drought conditions in parts of the Western United States.

FY 2004 Performance Target: Reclamation’s goal includes all water delivered for agriculture, municipal and industrial (M&I) uses; fish and wildlife; and other contracted and authorized purposes. The goal does not include water considered as “pass-through” non-stored water.

Water Delivery Reliability:

UEM 5.02 - Reduce the amount of acre-feet of restricted capacity

| Performance Measured | FY 2003 Results | FY 2004 Target | FY 2005 Planned | FY 2006 Planned | FY 2007 Planned | FY 2008 Planned |
|-------------------------------------|-----------------|----------------|-----------------|-----------------|-----------------|-----------------|
| Total amount of restricted capacity | -- | 16,831 | 16,831 | 16,531 | 16,531 | 16,531 |

This goal measures the restricted capacity of Reclamation owned facilities. Restricted capacity includes known restrictions at the beginning of each year due to dam and canal safety issues, and other restrictions not part of normal operations. Restrictions do not include water stored or not delivered due to drought conditions.

FY 2003 Performance: This goal is new for FY 2004.

FY 2004 Performance Target: FY 2004 is the baseline year for this goal. Reclamation currently has 16,831 acre-feet of restricted capacity due to dam safety and permanent operational restrictions to address safety issues. In FY 2006, Reclamation plans to complete a Dam Safety Modification to reduce the restricted capacity by 300 acre-feet.

UEM 5.03 - Percent of water facilities that do not receive Federal or State notices of violation under environmental requirements as defined by Federal and State Law

| Performance Measured | FY 2003 Results | FY 2004 Target | FY 2005 Planned | FY 2006 Planned | FY 2007 Planned | FY 2008 Planned |
|--|-----------------|----------------|-----------------|-----------------|-----------------|-----------------|
| Percent of facilities with no violations | -- | 96% | 96% | 96% | 96% | 96% |

This goal tracks formal notices of violation of an environmental regulation or the Endangered Species Act on water facilities. Formal written notices are considered as written notices from a Federal, state or tribal regulatory agency that has authority to enforce the regulation or from a court informing Reclamation that it is in violation of an existing statute or regulation. It does not include lawsuits related to environmental issues.

FY 2003 Performance: This goal is new for FY 2004.

FY 2004 Performance Target: FY 2004 is the baseline year for this goal. Reclamation estimates that 96 percent of its water facilities will not receive any notices of violation in FY 2004. Reclamation will continue this level of performance into future fiscal years.

Maximize Cost-Efficiency and Value:

UEM 5.04 - Cost per acre-foot of water to operate water storage facilities at full capacity

| Performance Measured | FY 2003 Results | FY 2004 Target | FY 2005 Planned | FY 2006 Planned | FY 2007 Planned | FY 2008 Planned |
|--|------------------------|-----------------------|---|---|---|---|
| Operations and Maintenance Costs for water storage and conveyance facilities per acre-foot of capacity | -- | Set baseline | Will set targets based on FY04 baseline | Will set targets based on FY04 baseline | Will set targets based on FY04 baseline | Will set targets based on FY04 baseline |

The performance goal measures the cost to operate water storage facilities. Storage capacity is used instead of water delivered because water delivered varies year-to-year, depending on precipitation. Using water delivered, fluctuations in cost could not be related to operational performance. By using a fairly constant number from year-to-year, Reclamation will be able to measure trends in operational costs. Storage capacity for this goal is measured as the reservoir capacity to meet established reservoir operating plan requirements. Storage capacity provided by Reclamation dams remains relatively fixed over time except as reservoirs are modified, repaired, or new ones are built. Costs for this goal are defined as all operational and maintenance costs associated with the storage and related conveyance facilities.

FY 2003 Performance: This goal is new for FY 2004.

FY 2004 Performance Target: No target is set for FY 2004. Reclamation will be establishing baseline information for this goal during FY 2004 using cost data provided by the new Activity-based Costing system. Based on the FY 2004 baseline cost data, Reclamation will be able to set performance targets for the future fiscal years.

Resource Use – Water Intermediate Outcome Measures:

Strategy 1: Operate and Maintain a Safe and Reliable Water Infrastructure

UIM 5.1.01 - Facility Reliability: Water infrastructure are in fair to good condition as measured by the Facility Reliability Rating (FRR)

| Performance Measured | FY 2003 Results | FY 2004 Target | FY 2005 Planned | FY 2006 Planned | FY 2007 Planned | FY 2008 Planned |
|---|-----------------|----------------|-----------------|-----------------|-----------------|-----------------|
| Percent of dams with a good to fair reliability rating | 90% assessed | 97% | 97% | 97% | 97% | 97% |
| Percent of associated facilities with a good to fair reliability rating | 63% assessed | 95% | 96% | 96% | 96% | 97% |

This goal measures the reliability of water storage and associated facilities. This includes buildings associated with these water infrastructures. A Facility Reliability Rating is a numerical ranking applied to a facility, based on a set of established criteria and data, that measures facility condition, maintenance and operational performance. Scores are grouped at different levels of reliability using a descriptive term (such as good, fair, poor, etc.). Note that this is not a measure of Facility Condition Index (FCI) as defined by Department standards (see below).

FY 2003 Performance: Exceeds Target

During FY 2003, Reclamation’s regional offices determined Facility Reliability Ratings for 90% of high and significant hazard dams and for 63% reserved associated water facilities. This was slightly above the performance target because Reclamation strived to complete as many rating as possible in order to have baseline data to set targets for the new DOI strategic plan goals for Facility Reliability.

FY 2004 Performance Target: Reclamation’s FY 2004 performance goal is to complete Facility Reliability Ratings for all dams and associated facilities while also maintaining facilities assessed during FY 2003 at their current reserved level of condition. This is a challenge given the aging infrastructure and increasing cost for repairs and replacements. Currently, 97 percent of Reclamation’s high and significant hazard dams and 95 percent of reserved associated facilities rate at good to fair reliability.

UIM 5.1.02 - Facilities Condition: Facilities (exclusive of FRR facilities) are in fair to good condition as measured by the Facilities Condition Index (FCI); simultaneously covers both water and hydropower

| Performance Measured | FY 2003 Results | FY 2004 Target | FY 2005 Planned | FY 2006 Planned | FY 2007 Planned | FY 2008 Planned |
|---|-----------------|----------------|---|---|---|---|
| Percent of facilities in fair to good conditions as measured by FCI | -- | Set baseline | Will set targets based on FY04 baseline | Will set targets based on FY04 baseline | Will set targets based on FY04 baseline | Will set targets based on FY04 baseline |

This goal is a measure of the Facility Condition Index, as defined by Interior standards. FCI is determined by dividing the total estimated cost of deferred maintenance. By the replacement value of the structure. The goal includes all buildings supporting water storage and delivery such as office buildings, warehouses, etc...that are not assessed under the Facility Reliability Rating.

It measures condition of buildings owned, operated and maintained by Reclamation that meet the threshold value (\$50,000 replacement value).

FY 2003 Performance: This goal is new for FY 2004.

FY 2004 Performance Target: No target is set for FY 2004. Reclamation will be establishing baseline information for this goal during FY 2004. In order to develop baseline data, Reclamation will:

- 1) Identify and inventory applicable facilities (those not assessed under Facility Reliability)
- 2) Create initial list of maintenance deficiencies derived from cursory inspections
- 3) Compute FCI baselines
- 4) Develop formal condition assessment processes/procedures and directives and standards for future years.

Reclamation will rely on additional guidance from Interior on FCI in FY 2004 to implement this initiative.

Strategy 2: Effective Water Management to Optimize Supply

UIM 5.2.02 – Supply Management - Number of agreements, partnerships and management options exercised resulting in improved water supply

| Performance Measured | FY 2003 Results | FY 2004 Target | FY 2005 Planned | FY 2006 Planned | FY 2007 Planned | FY 2008 Planned |
|---|------------------------|-----------------------|------------------------|------------------------|------------------------|------------------------|
| Number of agreements, partnerships, and management options exercised, resulting in improved water supply. | -- | 59 | 53 | 53 | 55 | 55 |

The purpose of this goal is to measure Reclamation’s use of agreements, partnerships or management options that help address water resource needs and avoid water use conflicts. Agreements are written documents between two or more parties that spell out steps each will take to address water supply issues, requirements and needs. Agreements may address minimum flow requirements, coordinated facility operations, water purchases, leases or rentals made available from willing sellers consistent with applicable water rights and available for authorized uses. Partnerships are ongoing collaborative programs developed between Reclamation and other entities to address water conflicts, water quality (which affects use), or water use needs. Actions by partners should result in an improved water supply. Management Options are alternative actions implemented by Reclamation such as water banking, transfers, etc., that provide water where it would not have otherwise been available.

FY 2003 Performance: This goal is new for FY 2004.

FY 2004 Performance Target: Reclamation anticipates continuing or implementing 59 partnerships, agreements, or management options during FY 2004 to address water use issues and conflicts. Reclamation will implement operational agreements to improve flows and timing of water delivery; water leasing, purchase and banking to increase water availability; and water conservation projects to better utilize limited supplies.

Strategy 3: Address Environmental/Resource Stewardship Concerns

UIM 5.3.01 - Requirements: Percent of environmental audit findings addressed (results pertain to both water and hydropower facilities)

| Performance Measured | FY 2003 Results | FY 2004 Target | FY 2005 Planned | FY 2006 Planned | FY 2007 Planned | FY 2008 Planned |
|---|-----------------|----------------|-----------------|-----------------|-----------------|-----------------|
| Percent of environmental audit findings and reviews addressed [results pertain to both water and hydropower facilities] | -- | 84% | 84% | 84% | 84% | 84% |

This goal measures Reclamation’s ability to correct environmental audit findings within one year from the time they are discovered in an environmental audit. The goal includes environmental audits of Reclamation owned and operated facilities as well as facilities operated by contractors. The environmental audits assess compliance with Federal, state and local Hazardous waste, Clean Water, Asbestos, and PCBs laws rules and regulations.

FY 2003 Performance: This goal is new for FY 2004.

FY 2004 Performance Target: Reclamation plans to correct approximately 84 percent of its environmental audit findings within one year.

Strategy 4: Complete Construction Projects to Increase Delivery Infrastructure and Availability

UIM 5.4.01 - Increased Supply: Potential acre-feet made available through completion of projects.

| Performance Measured | FY 2003 Results | FY 2004 Target | FY 2005 Planned | FY 2006 Planned | FY 2007 Planned | FY 2008 Planned |
|---|-----------------|----------------|-----------------|-----------------|-----------------|-----------------|
| Increase in acre-feet of water availability | 25,402 | 102,109 | 46,850 | 109,600 | 23,800 | 42,900 |

The goal measures the amount of water potentially made available by the completion of projects. The goal does not measure the actual acre-feet of water delivered by the project each year (see the goal for total delivered each year). Instead, it measures the acre-feet of water that could be

delivered by the project based on estimates in modeling and project construction agreements. The actual acre-feet delivered will vary with precipitation annually.

FY 2003 Performance: On Target

Reclamation made over 25,000 acre-feet of water available through completion of rural water and Title XVI Recycling and Reuse projects.

FY 2004 Performance Target: In FY 2004, water availability will be increased by 102,109 acre-feet through rural water, recycling and reuse projects, water quality improvements, and ground water remediation. The FY 2004 version of this goal is in an *expanded form*. In addition to Title XVI, water supply, and rural water projects, the goal now includes water conservation projects such as canal lining and installation of pipeline and other projects where the increase in acre-feet of water made available can be quantified. Over the next four years, Reclamation plans to complete projects that have the potential to provide an additional 325,250 acre-feet of water.

Mission Goal: Resource Use – Generate Power

Reclamation produces power to help support the delivery of water and help meet the growing need for electric power in the Western United States in a cost-effective, environmentally sensitive way consistent with statutory authorities and water law. Reclamation’s power program operates and maintains 58 hydroelectric power plants that provide about 10 percent of the electric power in the Western United States. Our plants generate about \$800 million in power revenues annually. Power revenues are used to pay the cost for building, operating, and maintaining our power-related facilities. In addition, power revenues also provide supplemental aid for irrigation, salinity control, and other authorized project uses.



Powerplants located throughout the 17 Western States.

We have led the hydropower industry with low costs and high reliability. By limiting financial resources and maintaining reliable facilities, we keep costs in check. Our generating equipment's increasing age will continue to test our abilities to maximize reliable power supplies, due to the potential for more frequent breakdowns and planned outages.

Power Delivery External Factors: Other challenges to efficient and effective generation of hydropower include preparing for an uncertain future in the power utility industry. Deregulation is evolving, and Reclamation is working closely with partners in the Federal marketing administration to keep our project customers from being harmed in the new business environment.

The following section highlights Reclamation's FY 2004 goals for generating power.

Resource Use – Power End Outcome Goal and Annual Performance Indicators:

The FY 2004 goals for power focus on Reclamation's continued success in providing reliable power at a relatively low cost. We will strive to stay within the 75th percentile of lowest costs hydropower producers. The goals also measure the condition of our facilities. Good facility condition helps to ensure that the facilities will be up and running and able to provide a reliable power supply. We will also continue to benchmark facilities against other hydropower facilities in terms of forced outage rate. The industry standard has improved from 3 percent to a 2.5 percent forced outage rate. It will be more challenging to maintain our low forced outage score with our aging facilities.

Starting in FY 2004, we will also attempt to measure our ability to provide power during peak power times. This measure was adopted in response to PART recommendations for more ambitious power program performance goals. Our hydropower resources are flexible enough to support the system by providing reliable power during times of peak power needs and emergencies, as well as quick recovery during blackouts. We will continue to find ways to meet this type of demand by increasing unit availability and reducing unplanned and "forced" outages.

Deliver Hydropower Consistent with Applicable State and Federal Law, in an Environmentally Responsible and Cost-Efficient Manner

Resource Use – Hydropower End Outcome Measures:

Achieve Cost Efficient Power Generation:

UEM 6.01 - Achieve the top quartile of lowest cost hydropower producers: Percentile of lowest cost hydropower producers, comparing cost per megawatt of installed capacity

| Performance Measured | FY 2003 Results | FY 2004 Target | FY 2005 Planned | FY 2006 Planned | FY 2007 Planned | FY 2008 Planned |
|--|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Percentile of lowest cost hydropower producers, comparing cost per megawatt of installed capacity. | 23 rd percentile **Estimated Data | 25 th percentile |

This is a benchmarking measure, which compares Reclamation’s costs to operate and maintain hydropower facilities with the cost of other, comparable hydropower facilities by comparing costs per megawatt of capacity. Reclamation measures megawatt capacity rather than kilowatt hour because the amount of power produced changes from year-to-year, depending upon water availability. Relating costs to power generated would not show trends in costs or operational effectiveness because the amount of water available to produce power would skew the numbers. Instead, Reclamation measures a constant number, total installed power production capacity of the facility, in order to demonstrate trends in cost over time and to benchmark with other comparable utilities.

FY 2003 Performance: On Target.

In FY 2003, the cost of power production was \$7,400 per megawatt capacity, well below the performance target of \$7,900 per megawatt capacity. This cost was within the upper 75.5 percentile of lowest cost hydropower producers.

FY 2004 Performance Target: In FY 2004 and future years, Reclamation will strive to be within the top 25th quartile of lowest cost hydropower producers. Although the target is not increasing, maintaining this level of performance is challenging given the aging infrastructure and increasing replacement and maintenance costs.

Assure Reliability of Reclamation Generation:

UEM 6.02 - Achieve the Industry Average or Lower Forced Outage Rate: Percent of time in forced outage equal to or better (lower) than the industry average

| Performance Measured | FY 2003 Results | FY 2004 Target | FY 2005 Planned | FY 2006 Planned | FY 2007 Planned | FY 2008 Planned |
|---|-----------------|----------------|-----------------|-----------------|-----------------|-----------------|
| Percent of time in forced outage equal to or better (lower) than the industry average | 1.5% | < 2.5% | < 2.5% | < 2.5% | < 2.5% | < 2.5% |

A forced outage rate is calculated as the number of unscheduled hours out of service out of the total number of hours in the year. Reclamation benchmarks its performance in forced outage using a weighted industry standard in which the hours out of service are multiplied by the megawatt capacity for each unit to demonstrate the effects from forced outage on power production unit availability. In addition, forced outage rate is compared to the industry average to determine how well Reclamation is performing relative to other hydropower producers.

FY 2003 Performance: Exceeds Target.

In FY 2003, Reclamation's forced outage rate was 1.5% for the year, half of the industry average.

FY 2004 Performance Target: In FY 2004 and future years, Reclamation will strive to be at or below the industry average forced outage rate. The rate is dropping throughout the hydropower industry. In FY 2004, the industry average is estimated to be at 2.5 percent. Maintaining this level of performance is challenging given the aging infrastructure and increasing replacement and maintenance costs.

UEM 6.03 - Percent of power facilities that do not receive notice of violations under environmental requirements as defined by Federal and State law

| Performance Measured | FY 2003 Results | FY 2004 Target | FY 2005 Planned | FY 2006 Planned | FY 2007 Planned | FY 2008 Planned |
|--|-----------------|----------------|-----------------|-----------------|-----------------|-----------------|
| Percent of facilities with no violations/total number of applicable facilities | -- | 94% | 94% | 94% | 94% | 96% |

This goal tracks formal notices of violation of an environmental regulation or the Endangered Species Act to power facilities. Formal written notices are considered as written notices from a Federal, state or tribal regulatory agency that has authority to enforce the regulation or from a court informing Reclamation that it is in violation of an existing statute or regulation. It does not include lawsuits related to environmental issues.

FY 2003 Performance: This goal is new for FY 2004.

FY 2004 Performance Target: FY 2004 is the baseline year for this goal. Reclamation estimates that 94 percent of its power facilities will not receive notices of violation in FY 2004 and that this approximate level of performance will continue into the future.

Resource Use – Power Intermediate Outcome Measures:

Strategy 1: Operate and Maintain Reliable, Safe and Secure Power Facilities

UIM 6.1.01 - Facility Reliability: Hydropower facilities are in fair to good condition as measured by the Facility Reliability Rating

| Performance Measured | FY 2003 Results | FY 2004 Target | FY 2005 Planned | FY 2006 Planned | FY 2007 Planned | FY 2008 Planned |
|---|-----------------|----------------|-----------------|-----------------|-----------------|-----------------|
| Percent of power facilities ranking in fair to good reliability | 98% assessed | 96% | 96% | 96% | 96% | 96% |

This goal measures the reliability of Reclamation’s hydropower facilities. This would include buildings associated with the hydropower infrastructure. A Facility Reliability Rating is a numerical ranking applied to a facility, based on a set of established criteria that measures facility condition, maintenance and operational performance. Numerical ratings are grouped at different levels of reliability using a descriptive term (such as good, fair, poor, etc.). Note that this is not a measure of Facility Condition Index (FCI) as defined by Department standards.

FY 2003 Performance: Exceeds Target

During FY 2003, Reclamation’s regional offices determined Facility Reliability Ratings for 98% of its power facilities. This was slightly above the performance target because Reclamation strived to complete as many ratings as possible in order to have baseline data to set targets for the new DOI strategic plan goals for Facility Reliability.

FY 2004 Performance Target: Reclamation’s goal is to maintain facilities at their current level of condition. This is a challenge given the aging hydropower infrastructure and increasing cost for repairs and replacements. Currently, 96 percent of Reclamation’s power facilities rate in good to fair reliability. Reclamation hopes to maintain this level throughout FY 2004 and into future fiscal years.

Strategy 2: Improve Power Generation Management to Maximize Supply

UIM 6.1.02 – Increase the amount of time that Reclamation hydroelectric generating units are available to the interconnected Western electrical system during daily peak {summer} demand periods from 92 percent to 94 percent over the next 10 years

| Performance Measured | FY 2003 Results | FY 2004 Target | FY 2005 Planned | FY 2006 Planned | FY 2007 Planned | FY 2008 Planned |
|---|-----------------|----------------|-----------------|-----------------|-----------------|-----------------|
| Percent of time units are available during peak hours | -- | 91.5% | 91.8% | 92% | 92.3% | 92.6% |

During FY 2002, Reclamation assessed its Power Resource Program under OMB’s Program Assessment Rating Tool (PART). The assessment revealed the need for the program to develop more aggressive annual and long-term goals to measure Reclamation’s ability to deliver reliable power and contribute to the power needs in the West. As a result, the Power Resources Office developed this new performance goal as a means of measuring the availability of Reclamation’s power facilities to produce peaking power. The goal was reviewed and accepted by OMB during a reassessment of the program under PART during FY 2003 and included as a new goal under Interior’s Strategic Plan.

NOTE: Interior’s strategic plan describes the goal as measuring availability during peak *summer* demand. However, further analysis by Reclamation revealed that peak demand for the Northwestern United States occurs in *winter*. We will work to ensure consistence between the Operating Plan and Interior’s Strategic Plan in future fiscal years.

FY 2003 Performance: New goal for FY 2004.

FY 2004 Performance Target: During FY 2004, Reclamation will strive to have its facilities available for power generation 91.5 percent of the time during peak demand periods.

Mission Goal: Recreation

As an ancillary benefit to Reclamation projects, we play a role in meeting the increasing demand for recreation: Reclamation's 288 lakes throughout the 17 Western states attract boaters, anglers, campers, and hikers. Reclamation lakes account for 8 percent of total visits to Federal lands, with over 90 million visitor days a year. Visitors to Reclamation lakes and facilities contribute about \$6 billion a year to local and regional economies and provide some 27,000 non-Federal jobs. As a matter of policy, we will:

- Work with other Federal land management agencies and State, county, and local partners to develop, manage, and cost-share recreation projects.
- Attract private sector investments and management expertise.
- Involve citizens in decisionmaking to ensure that recreation development meets public needs.

Recreation External Factors: The cost of managing recreation areas can at times exceed revenues to state and local governments. When this happens, recreation areas may be turned back to Reclamation for management, thereby increasing the need for Federal resources.

The following section highlights Reclamation's FY 2004 goals for Recreation.

Reclamation supports the Department Recreation mission area in four key areas: 1) increasing accessibility to recreation areas, 2) increasing or maintaining the use of partners to manage our areas, 3) ensuring the quality of recreation areas through improved facility condition, and 4) and ensuring that our contracts with concessionaires are performance-based, focusing on results and value for the taxpayer.

Recreation End Outcome Goal:

Provide for a Quality Recreation Experience, including Access and Enjoyment of Natural and Cultural Resources on DOI Managed and Partnered Lands and Waters

Recreation Intermediate Outcome Measures

Strategy 1: Improve Capacities to Provide Access to Recreation Facilities Where Appropriate

RIM 1.1.02 - Universal Access: Percent of universally accessible facilities in relation to the total number of recreation areas

| Performance Measured | FY 2003 Results | FY 2004 Target | FY 2005 Planned | FY 2006 Planned | FY 2007 Planned | FY 2008 Planned |
|--|-----------------|----------------|-----------------|-----------------|-----------------|-----------------|
| Percent of recreation/public sites that meet accessibility standards | 12.8% | 16% | 21% | 25% | 29% | 34% |

This measure quantifies the degree to which Reclamation’s recreational sites comply with current accessibility standards and regulations. Although "facilities" is used in the title, Reclamation measures the goal by the percent of recreation sites meeting the accessibility standards. A recreation site is defined as a specific recreation opportunity with suitable facilities, within a recreation area on Reclamation lands.

FY 2003 Performance: Goal Met.

In FY 2003, 12.8 percent of Reclamation's recreation facilities were accessible. The target was exceeded because it was set while baseline data was still being gathered. Reclamation will work to complete baseline data during FY 2004.

FY 2004 Performance Target: Reclamation’s FY 2004 goal is increase the level of accessibility at recreation sites to 16 percent.

Strategy 3: Manage Recreation Activities Seamlessly

RIM 1.3.01 - Enhance Partnerships: Percent of recreation areas with community partnerships

| Performance Measured | FY 2003 Results | FY 2004 Target | FY 2005 Planned | FY 2006 Planned | FY 2007 Planned | FY 2008 Planned |
|---|-----------------|----------------|-----------------|-----------------|-----------------|-----------------|
| Percent of recreation areas with community partnerships | -- | 66.6% | 66.6% | 66.6% | 66.6% | 66.6% |

One of Interior’s goals is to increase our work with partners in order to provide more local control and share resources. This goal measures the percent of Reclamation recreation areas that are managed by a state, county or local entity. Recreation areas managed by other Federal partners are not part of the scope of this measure. The percent of areas now managed by other partners will be difficult to increase and/or maintain due to turn-backs of areas to Reclamation. Turn-backs occur when state and local government can longer afford to manage these areas given spending cuts and economic hardships. Through the Title 28 program, Reclamation works to cost share recreation projects with its managing partners as allowed within its authority.

FY 2003 Performance: This is a new goal in FY 2004.

FY 2004 Performance Target: During FY 2004, 66.6% of Reclamation's non-Federally managed areas are managed by other state and local partners.

Strategy 4: Enhance the Quality of Recreation Opportunities

RIM 1.4.01 - Facilities Condition: Facilities are in fair to good condition as measured by the Facilities Condition Index

| Performance Measured | FY 2003 Results | FY 2004 Target | FY 2005 Planned | FY 2006 Planned | FY 2007 Planned | FY 2008 Planned |
|--|-----------------|----------------|---|---|---|---|
| Percent of recreation facilities in good to fair condition | -- | 0 | Targets will be set based on FY 2004 baseline | Targets will be set based on FY 2004 baseline | Targets will be set based on FY 2004 baseline | Targets will be set based on FY 2004 baseline |

This goal is a measure of the Facility Condition Index, as defined by Interior standards. FCI is determined by dividing the total deferred maintenance backlog by the current replacement value. The goal includes all recreation facilities owned, operated and maintained by Reclamation that meet the threshold value (\$50,000 replacement value).

FY 2003 Performance: This goal is new for FY 2003.

FY 2004 Performance Target: No target is set for FY 2004. Reclamation will be establishing baseline information for this goal during FY 2004 (see plan under FCI Resource Use – Water).

Recreation End Outcome Goal:

Provide for and Receive Fair Value in Recreation

Recreation Intermediate Measure:

Strategy: Promote Quality Services for Recreation

RIM 2.1.01 - Increase Competition: Percent of concession activities with performance-based contracts

| Performance Measured | FY 2003 Results | FY 2004 Target | FY 2005 Planned | FY 2006 Planned | FY 2007 Planned | FY 2008 Planned |
|---|-----------------|----------------|-----------------|-----------------|-----------------|-----------------|
| Percent of concession activities with performance-based contracts | -- | 0% | 16% | 22% | 22% | 39% |

Interior and its bureaus are working to implement performance-based management in many facets of its operations, including contracting. Performance based contracts are those which emphasize quantifiable, measurable performance requirements and quality standards. This goal

measures Reclamation's use of performance-based contracts with non-Federal commercial businesses that support appropriate public recreation uses and provides facilities, goods, or services for which revenues are collected.

FY 2003 Performance: This goal is new for FY 2004.

FY 2004 Performance Target: There are no contracts up for renewal in FY 2004 to be made performance-based. In 2005, Reclamation plans to make three contracts that are up for renewal performance based. Reclamation will have difficulty making significant additional improvements in this goal since it cannot arbitrarily bring contracts up for renewal to insert performance-based language. Only a few contracts are up for renewal between FY 2005 and FY 2008.

Mission Goal: Protect Resources

Reclamation participates in the Department mission goal area to Protect Resources in the areas of salinity reduction, invasive species control, and cultural resources management.

The following section highlights Reclamation's FY 2004 goals for Resource Protection.

Resource Protection End Outcome Goal:

Improve Health of Watersheds, Landscapes, and Marine Resources that are DOI Managed or Influenced in a Manner Consistent with Obligations Regarding the Allocation and Use of Water

Controlling Salinity – Under the authority of Public Law 93-320, Colorado River Basin Salinity Control Act, June 24, 1974, as amended, Reclamation's Colorado River Basin Salinity Control Program (CRBSP) reduces salt loading and maintains or improves water quality in the Colorado River. As salinity levels rise in the river, crop yields diminish, infrastructure becomes damaged, and water treatment costs increase. In response to the Clean Water Act, the seven basin states established the Colorado River Basin Salinity Control Forum. The Forum developed salinity standards for the Colorado River. To meet these standards, Reclamation and our partners will need to prevent a total of 1.8 million tons of salt per year from entering the river system by 2020. Many Reclamation studies have identified salinity control measures that help keep salt from entering the system. Determining which measures to use first is based on cost effectiveness (the cost to reduce salinity by one ton).

Strategy 1: Restore and Maintain Proper Function to Watersheds and Landscapes

Resource Protection Intermediate Outcome Measure:

PIM 1.1.03 - Salinity Control – Tons of salt loading prevented

| Performance Measured | FY 2003 Results | FY 2004 Target | FY 2005 Planned | FY 2006 Planned | FY 2007 Planned | FY 2008 Planned |
|---------------------------------|------------------------|-----------------------|------------------------|------------------------|------------------------|------------------------|
| Tons of salt loading eliminated | 30,393 additional tons | 25,000 tons | 25,000 tons | 25,000 tons | 25,000 tons | 25,000 tons |

Reducing the amount of water applied to saline soils is the single most effective salinity control measure. Reclamation integrates U.S. Department of Agriculture’s (USDA) on-farm irrigation improvements with Reclamation’s off-farm improvements. These efforts are extremely efficient at reducing salinity and improving water quality. Past projects averaged \$70 per ton of salt removed, but newer projects range from \$20 to \$35 for each ton of salt removed. This goal measures efforts to increase the total amount of salt removed by 25,000 tons per year.

FY 2003 Performance: Exceeds Target.

Reclamation removed or prevented an additional 30,393 tons of salt at a cost of approximately \$33/ton. The target was exceeded due to more continued advancements in removal technologies. The target of 25,000 tons of salt removed at a cost of no more than \$50/ton was established in cooperation with the 7 Basin States with the terms and conditions of the Program established in a report to the Congress as required by PL 104-20. The Program now exceeds the established annual target because the Program has focused on the most cost effective projects, which are being awarded first. There will come a time when the Program will have to concentrate on more expensive projects, which will bring actual accomplishment into alignment with the long-term target of 25,000 tons of salt removed at no more than \$50 per ton.

FY 2004 Performance Target: Reclamation will continue to strive for an additional 25,000 tons prevented in FY 2004 and future fiscal years, thereby removing or preventing an additional 100,000 tons of salt by the end of FY 2008.

Resource Protection End Outcome Goal:

Sustain Desired Biological Communities on DOI Managed and Influenced Lands and Waters in a Manner Consistent with Obligations Regarding the Allocation and Use of Water

Controlling Invasive Species – Aquatic invasive species clog canals and waterways, causing widespread water delivery problems. Invasive plant species also consume large quantities of already limited water supplies—an average size salt cedar (tamarisk) consumes 300 gallons per day. Reclamation collaborates with other Federal agencies, State and local governments, and stakeholders and leads in developing integrated pest management procedures to control some of these species. Integrated pest management includes biological, chemical, and physical (mechanical and manual) controls, fire, and prevention through public awareness campaigns.

Resource Protection End Outcome Measure:

PEM 2.04 - Percent change from baseline in the number of acres infested with invasive plant species

| Performance Measured | FY 2003 Results | FY 2004 Target | FY 2005 Planned | FY 2006 Planned | FY 2007 Planned | FY 2008 Planned |
|---|-----------------|----------------|-----------------|-----------------|-----------------|-----------------|
| Percent change in infested priority acres | -- | 84% | 62% | 62% | 62% | 62% |

Reclamation’s FY 2004 performance goal supports the Department’s goal of measuring the progress in controlling acres infested with invasive species. Because Reclamation currently does not have baseline data on all infested acres, progress will be measured only on the acres targeted for control each year.

FY 2003 Performance: This is a new goal in FY 2004.

FY 2004 Performance Target: During FY 2004, Reclamation will eradicate 84% of targeted species on the acres identified for control during FY 2004. The expected accomplishment drops in future fiscal years due to completion of a large and extensive tamarisk eradication project in California. **NOTE:** This is a change from the DOI performance measure. Because Reclamation does not have baseline data on all infested acres, only the infested acres targeted for control in a given year are known and included.

Resource Protection End Outcome Goal:

Protect Cultural and Natural Heritage Resources

Stewardship Assets/Museum Property – Reclamation’s museum collections and art work are physically located at 63 non-Reclamation facilities and 42 Reclamation facilities or administrative offices. Reclamation’s total number of items cataloged is estimated to be 6.8 million items.

Resource Protection End Outcome Measure:

PEM 3.02 - Percent of collections in DOI inventory in good condition

| Performance Measured | FY 2003 Results | FY 2004 Target | FY 2005 Planned | FY 2006 Planned | FY 2007 Planned | FY 2008 Planned |
|--|-----------------|----------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Percent of collections in good condition | -- | 10.2% | Set Targets based on FY04 Baseline |



Interior requires data about cultural and heritage assets such as museum property accomplishments, resources, issues, Reclamation Plan revisions, goals, history, oversight, and collection size. The FY 2004 performance goal measures the condition of the facilities which house museum property collections.

FY 2003 Performance: This is a new goal in FY 2004.

FY 2004 Performance Target: Reclamation currently does not have baseline data that meets Interior's definition for collection condition for most facilities and will be developing this data throughout FY 2004 and FY 2005. Only a handful of collections have been evaluated using these definitions. Reclamation estimates that approximately 10 collections or 10.2 percent of the total 98 collection locations will be assessed to be in good condition by the end of FY 2004. The remaining 90 percent are not in poor condition; they must first be evaluated using these definitions. This DOI performance goal does not follow assessment criteria contained in 411 which is the "gold standard" for management of museum property in DOI.

Performance Results for Discontinued FY 2003 Goals

The Department of the Interior has developed a new strategic plan for FY 2003 - FY 2008 that does not contain the following FY 2003 performance measures. They have been discontinued in FY 2004. However, a short performance summary is being provided for each FY 2003 not reported above.

Complete security risk analysis decision documents for Tiers 1-5

| Performance Measure | FY 2003 Target | FY 2003 Results |
|---|----------------|-----------------|
| Number of decisions documents completed | 55 | 55 |

FY 2003 Performance: On Target

55 Decision documents for Tier 1-5 facilities have been completed in FY 2003. Security goals will not be reported publicly in future strategic and other performance plans.

In order to measure the reliability of our facilities, Reclamation will establish baseline data on facility condition at recreation facilities.

| Performance Measure | FY 2003 Target | FY 2003 Results |
|---|----------------|-----------------|
| Number of decisions documents completed | 55 | 55 |

FY 2003 Performance: Exceeds Target

Reclamation determined Facility Reliability Ratings for 74% of recreation facilities. The goal is being discontinued due to Interior requirement that Reclamation use Interior's Facility Condition Index to measure the condition of recreation facilities in order to be consistent and compare data across bureaus.

In FY 2003, complete feasibility studies and/or cooperative agreements for water recycling/reuse projects.

| Performance Measure | FY 2003 Target | FY 2003 Results |
|---|----------------|-----------------|
| Number of completed studies and/or cooperative agreements | 2 | 3 |

FY 2003 Performance: Exceeds Target

Reclamation completed cooperative agreements to complete feasibility studies for water recycling and reuse projects with Brownsville, Texas; Pasadena Title XVI Project, CA; and an

agreement with Pineville, UT. Reclamation exceeded the target because the agreement with Pineville did not emerge until later in the fiscal year.

The goal is discontinued because it measures a work process instead of an output. In FY 2004 and beyond, Reclamation will continue to measure the amount of acre-feet made available from completed recycling and reuse and other projects.

Facilitate Water Use Efficiency. In FY 2003, promote the efficient use of water supplies associated with federal water projects by assisting entities in water conservation planning and management.

| Performance Measure | FY 2003 Target | FY 2003 Results |
|------------------------------------|----------------|-----------------|
| # of entities receiving assistance | 260 | 360 |

FY 2003 Performance: Exceeds Target

Due to continuing drought conditions, more entities requested assistance in drought and water conservation planning than expected. This goal is discontinued because it doesn't measure a key result or outcome.

In FY 2003, Establish an Environmental Water Account (EWA) with purchases of up to 185,000 acre-feet, the dedication of water obtained through operational flexibility, and carryover of prior year acquisitions sufficient to provide the water needed for fishery purposes beyond the regulatory baseline and provision of ESA assurances. Water assets will be acquired by the CALFED agencies, consistent with the goals of the CALFED EWA Operating Principles Agreement.

| Performance Measure | FY 2003 Target | FY 2003 Results |
|-----------------------------|----------------|-----------------|
| Acre-feet of water obtained | 210,000 | 229,000 |

FY 2003 Performance: Exceeds Target

For Fiscal year 2003, the State of California is providing all funds for EWA water purchases, which will total approximately \$36 million. All of the \$2.8 million being provided by the federal government is covering costs for the environmental documentation consultant, Reclamation staff, and energy costs associated with moving EWA water assets. No federal funds are available to buy water for the EWA. Over 229,000 acre-feet of water was made available. This goal is discontinued because it doesn't measure a key result or outcome.

In FY 2003, respond to requests for drought emergency assistance in a timely manner (within 60 days of receipt) 85% of the time.

| Performance Measure | FY 2003 Target | FY 2003 Results |
|---------------------|----------------|-----------------|
| % met timely | 210,000 | 229,000 |

FY 2003 Performance: Exceeds Target

For FY 20023, 35 requests for drought emergency assistance were received. Only 1 request exceeded the 60 day limit (64 days) due to no appropriations. The 35 requests were responded to within a 9 day average for an accomplishment of 97.1%. This goal is discontinued because it doesn't measure a key result or outcome.

In FY 2003, Reclamation will conduct water quality assessments at Reclamation stream segments or Reclamation reservoirs.

| Performance Measure | FY 2003 Target | FY 2003 Results |
|---------------------------------------|----------------|-----------------|
| # water quality assessments completed | 35 | 31 |

FY 2003 Performance: Behind Target

31 water quality assessments have been conducted or are ongoing. Reclamation is slightly behind schedule and may have difficulty meeting the target due to late FY 2003 appropriations and other delays in awarding grants and contracts to conduct water quality monitoring. This goal is discontinued because it doesn't measure a key result or outcome.

In FY 2003, Reclamation will implement operational changes or structural modifications, to address impacts to water quality.

| Performance Measure | FY 2003 Target | FY 2003 Results |
|--|----------------|-----------------|
| # improvement to address water quality | 6 | 6 |

FY 2003 Performance: On Target

Examples of accomplishments include:

1. Phase II-Modification of the Boundary Pumping Plant, Southern International Boundary Improvement Plan, Yuma, AZ.
2. Phase III-Installation of control and data acquisition equipment, Southern International Boundary Improvement Plan, Yuma, AZ.
3. In 2003 the installation of a temperature control device on the municipal water supply intake at Folsom has helped to conserve cold water for the benefit of steelhead and Chinook salmon. Additionally, in May 2003, the operation of Folsom Dam's spillway gates for flood control

releases in lieu of the outlet works allowed additional cold water to be conserved. These changes allow Reclamation to balance the needs to downstream water quality issues and water deliveries, while addressing the competing needs of steelhead and fall-run Chinook salmon.

This goal is discontinued because it doesn't measure a key result or outcome.

By the end of FY 2003, complete recreation management reviews at recreation areas (this is a cumulative goal - the total includes the number of reviews completed between FY2000 - FY2003).

| Performance Measure | FY 2003 Target | FY 2003 Results |
|----------------------|----------------|-----------------|
| # recreation reviews | 157 | 155 |

FY 2003 Performance: On Target

Reclamation is slightly behind schedule due to scheduling and resource priorities. The accomplishment is 98% of the performance target, which can be considered as a met goal. The goal is being discontinued because it measures a work process rather than a result or outcome.

In FY 2003, increase the quality of recreation areas by completing corrective actions scheduled for FY 2003.

| Performance Measure | FY 2003 Target | FY 2003 Results |
|---|----------------|-----------------|
| Percent of scheduled corrective actions completed | 65% | 74% |

FY 2003 Performance: Goal Met

Over 95 improvements were made at Reclamation recreation areas to increase accessibility and recreation facilities. For example, Reclamation constructed and landscaped new swimming beach at Jamestown Reservoir, ND and installed directional signage at Davis Dam Camp, AZ; and improved facilities for accessibility in numerous areas. The goal is being discontinued because it measures a work process rather than a result or outcome.

In FY 2003, improve land stewardship by completing Resource Management Plans .

| Performance Measure | FY 2003 Target | FY 2003 Results |
|---------------------|----------------|-----------------|
| # of RMPs completed | 15 | 9 |

FY 2003 Performance: Behind Target

During the target setting process, an error occurred and the target was over stated by one. In addition, NEPA documentation has delayed completion of other RMPs. The goal is being

discontinued because it measures a work process rather than a result or outcome.

By the end of FY 2003, improve land stewardship by updating and completing land asset data and reconciling it to financial records.

| Performance Measure | FY 2003 Target | FY 2003 Results |
|--|----------------|-----------------|
| Percent of data completed and reconciled | 78 | 78 |

FY 2003 Performance: On Target

To address management issues, 78% of facilities have land asset data in FIRM and reconciled to financial records. The goal is being discontinued because it measures a work process rather than a result or outcome.

In FY 2003, protect and maintain, establish, restore or enhance acres of wetlands and/or riparian habitat.

| Performance Measure | FY 2003 Target | FY 2003 Results |
|---------------------|----------------|-----------------|
| Acres of habitat | 10,600 | 13,846 |

FY 2003 Performance: Exceeds Target

Reclamation maintained, established, restored or enhanced 13,845 acres of wetland habitat. Slightly more acres were address than originally planned. The goal is being discontinued because the program is being eliminated from the budget.

In FY 2003, protect and maintain, establish, restore or enhance miles of instream and/or riparian habitat.

| Performance Measure | FY 2003 Target | FY 2003 Results |
|---------------------|----------------|-----------------|
| Miles of habitat | 41 | 51 |

FY 2003 Performance: Exceeds Target

Approximately 50 miles of instream or riparian habitat have been protected and maintained, established, restored or enhanced during FY 2003, slightly more than planned. The goal is being discontinued because the program is being eliminated from the budget.

In FY 2003, complete 47 technical assistance activities that will increase Tribal opportunities to develop, manage, and protect their water resources.

| Performance Measure | FY 2003 Target | FY 2003 Results |
|---------------------|----------------|-----------------|
| Number of technical | 47 | 50 |

assistance activities

FY 2003 Performance: Exceeds Target

Assistance activities mostly include water measurement and irrigation planning. The goal is being discontinued because it measures a work process rather than a result or outcome.

In FY 2003, conduct a customer satisfaction survey that both measures progress as compared with the original customer survey and sets baseline data for criteria that focus on missions-related products such as water and power delivery and meeting the Department's 4 C's.

| Performance Measure | FY 2003 Target | FY 2003 Results |
|--------------------------|----------------|-----------------|
| Percent survey completed | 75% | 60% |

FY 2003 Performance: Behind Target

Reclamation is behind target on this goal due to late appropriations and unforeseen delays obtaining contractor support. To date, Reclamation has obtained a contract to conduct the Customer Service Survey has been negotiated with the U.S. Geological Survey, Fort Collins Science Center. Reclamation has worked with the contractor to develop specific survey questions and is currently seeking the require OMB approval. A postcard with information on the survey and how to use it will be sent to customers by the end of the fiscal year. The survey results will be gathered and evaluated in early FY04. The goal is being discontinued because Interior will be implementing Department-wide surveys, which Reclamation's efforts will need to be coordinated.

Transfer title to one project(s)/facilities that are authorized by Congress.

| Performance Measure | FY 2003 Target | FY 2003 Results |
|----------------------|----------------|-----------------|
| # titles transferred | 3 | 2 |

FY 2003 Performance: Behind Target

In FY 2003, titles have been transferred to Loup Basin Reclamation District, Middle Loup Division, Farwell Sargent Units, NE; and the Northern Colorado Water Conservancy District, Colorado-Big Thompson Project, North Poudre Supply Canal and diversion works, Charles Hansen Supply Canal and Windsor Extension and Dixon Feeder Canal (all 3 transferred under 1 agreement). Reclamation anticipated completing one addition transfer. While all the paperwork is done to complete this transfer, the district currently does not have financing in place to pay for the facilities at this time. The legislatively required transfer amount must be paid in full prior to finalizing the transfers. The transfer will be complete early in FY 2004. The goal is being discontinued because it measures a work process rather than a result or outcome.

In FY 2003, continue implementation of an IT security program to assure Reclamation IT assets are managed in a consistent, secure manner by increasing by 95% the number of computers that are not directly accessible from the Internet (i.e., are protected by a security device).

| Performance Measure | FY 2003 Target | FY 2003 Results |
|----------------------------------|----------------|-----------------|
| Percent computers not accessible | 95% | 96% |

FY 2003 Performance: On Target

Over 96% of Reclamation's computers have been made inaccessible to the Internet as part of the IT security effort. The goal is close to completion and does not continue.

Implement 10 IT security directives.

| Performance Measure | FY 2003 Target | FY 2003 Results |
|---------------------------|----------------|-----------------|
| # IT directives completed | 10 | 17 |

FY 2003 Performance: Exceeds Target

17 IT directives and standards have been developed to date as part of the effort to improve IT security. The goal is being discontinued because it measures a work process rather than a result or outcome.

By the end of FY 2003, provide access by ensuring that Reclamation's places of employment meet universal accessibility standards (this goal is cumulative).

| Performance Measure | FY 2003 Target | FY 2003 Results |
|---------------------------------------|----------------|-----------------|
| Percent of workplace sites accessible | 32% | 22.3% |

FY 2003 Performance: Behind Target

22.3% of Reclamation places of employment are accessible. Reclamation is behind target because it had to set FY 2003 performance targets based on incomplete baseline data. Baseline data have now been set. The Department of the Interior has developed a new strategic plan for FY 2003 - FY 2008 that does not contain this measure in its present form. This measure will be discontinued in FY 2004.

Reclamation will show an improvement in its workforce population representation as compared with the diversity of these occupations in the relevant civilian workforce from a 9/30/99 baseline.

| Performance Measure | FY 2003 | FY 2003 |
|---------------------|---------|---------|
|---------------------|---------|---------|

| | Target | Results |
|---|---------------|----------------|
| Percent improvement in representativeness | 10% | 9.98% |

FY 2003 Performance: On Target

For the fourth quarter of FY 2003, the population percentage change in the diversity of the permanent workforce was +9.98%. Minorities were +6.84%; White women were +3.14%; resulting in an overall change of +9.98%. This percentage change covers all occupations.

The Department of the Interior has developed a new strategic plan for FY 2003 - FY 2008 that contains this measure in a revised form that will be reported by the Department as a whole.

Section III - President's Management Agenda and Department of Interior's Management Goals

President's Management Agenda

In August 2001, the Office of Management and Budget (OMB) released the President's Management Agenda (PMA), a five-point plan to improve Federal management and program performance. The PMA targets the Administration's perception of the most apparent deficiencies in core management capabilities and identifies where to improve performance. It applies to every Department and agency. The five elements of the PMA are:

- Strategic Management of Human Capital
- Competitive Sourcing
- Improved Financial Performance
- Expanded Electronic Government
- Budget and Performance Integration

Each of these shares a goal of enhancing citizen-centered governance focused on delivering results that matter to the American public.

Budget and Performance Integration – In particular, Budget and Performance Integration is a key component of the PMA since “improvements in the management of human capital, competitive sourcing, improved financial performance, and expanding electronic government will matter little if they are not linked to better results.” To facilitate this, Reclamation develops, tracks, and reports performance and relates that information to budget and cost data to demonstrate what was achieved with the resources provided. This integration links data and systems for budget, cost, and performance to paint a complete picture of what we are achieving, how much it costs to obtain these results, and what performance is expected for the resources provided.

However, more progress is needed to meet the high standards in the President's Management Agenda for budget and performance integration. As such, Reclamation is working to instill a culture that effectively uses accurate cost and performance data to improve program management. To accomplish this, Reclamation will:

- Make goal development and performance review the first step in planning and integrating goal development in budget and cost activities.
- Ensure performance information is useful and relevant to managers in their day-to-day work activities.
- Provide the necessary training to managers to help them realize the benefits of using performance information in their every-day processes.
- Continue to work with Interior to refine the implementation of ABC and other budget and performance integration efforts, and implement the Management Information System.

Scorecards: Getting to Green – OMB has established an Executive Branch Management Scorecard to monitor the status and progress of agencies and Departments in attaining PMA goals. The Scorecard strengthens the accountability on the part of agencies. The scorecard is updated annually. Interior has adapted this concept and developed a DOI Bureau Scorecard as a tool for monitoring progress within the five components of the PMA in the Department.

Status is assessed against the standards for success that have been developed for each initiative as follows:

- ? Green: meets all of the criteria
- ? Yellow: achieved some, but not all, of the criteria
- ? Red: has made little progress

Criteria specific to Interior and its bureaus are developed through a cross-departmental effort. The criteria were combined with rating scales from 0-10 to visually indicate progress and status scores. Interior bureaus and offices conduct a self-assessment of their status and progress in realizing PMA goals every six months, with the first of the assessments conducted in May 2002. Based on the self-assessments, the Department identifies the next actions that need to be taken by individual bureaus and offices to “get to green.”

Reclamation’s latest self-assessment was completed in November 2003 and reflects progress in its previous ratings. Currently, Reclamation is rated as “green” in the PMA areas of Human Capital, and Financial Management , and “yellow” in its eGov and Budget and Performance Integration efforts. Actions plans are developed for these areas to continue to demonstrate progress.

| Initiative | Composite Score | Score Ranking |
|---|------------------------|----------------------|
| Competitive Sourcing | 8 | ● |
| Human Capital | 7.3 | ● |
| E-Government | 5.8 | ● |
| Performance and Budget Integration | 6.1 | ● |
| Financial Management | 18 | ● |

Department of Interior’s Strategic Management Goals

Interior's strategic plan includes a section related to Management. The Management Goals are derived from the President's Management Agenda and Secretary of Interior's four key business principles: customer value, accountability, integration, and modernization.

- **Value** – Reclamation's activities will be customer-centered, designed to add value for citizens, partners, public land users, other agencies, Tribes, States, and local governments and focus on efficiency through the application of best practices in competitive reviews and human capital management.
- **Accountability** – Reclamation's managers and employees will be held responsible for performance results measured against clear gauges, with budgets linked to performance and sound financial management.
- **Integration** – Managers will identify opportunities to avoid duplication and achieve economies to enhance customer service and efficiency, with employees focused on working together, looking at the big picture and building human and technology bridges
- **Modernization** – Reclamation will use technology to work smarter, including providing single points of access to our services and other expanded E-Government opportunities. It will give its employees the skills, technologies, systems, and practices needed to meet the future.

The following section outlines the end and intermediate management goals. Many of these goals are reflected in the scorecard criteria. These goals, along with the scorecards, will be reported directly to the Department by the applicable programs within Reclamation and are not part of the coordinated reporting process for other GPRA goals.

Management End Outcome Goal:

Workforce has Job-related Knowledge and Skills Necessary to Accomplish Organizational Goals

Management End Outcome Measures:

Accountability

- Percent of managers who indicate that their workforce has the job-relevant knowledge and skills necessary to accomplish the organizational goals
- Percent of managers satisfied with the availability and relevance of financial performance data

Modernization

- *IT Management* – Improve the IT Management Process to reach Level 2 along GAO's ITIM framework by FY 2005 and Level 3 by FY 2008. This consists of documenting

and implementing policies and standards, and creating repeatable practices in the nine key processes, according to GAO requirements

- *Security* – Percent of systems that will be certified by 2005, and will maintain certification and accreditation for 3 consecutive years
- Percent of time that networks are operational for all users

Integration

- Percent of cost avoidance or efficiency improvement demonstrated in programs or work processes
- Percent of business lines with shared processes, systems, to eliminate redundancy and/or inefficiency

Customer Value

- Percent of external customers satisfied with services provided by the Bureau (survey results)

Management Intermediate Outcome Measures:

Strategy 1: Human Capital Management

- *Diversity* – Percent of workforce participation of women, minorities and persons with disabilities over baseline for FY 2003
- *Safety* – Number of fatalities and serious injuries per 10,000 employees at DOI
- Percent reduction in the average number of days the employees are off the job on workmen's compensation

Strategy 2: Improved Financial Management –

Corrective Actions:

- Percent of Federal Managers Financial Integrity Act (FMFIA) material weaknesses that are corrected within one year
- Improve financial and business management system capabilities to eliminate all identified weaknesses
- Percent of charge card accounts of current employees that are delinquent 60 days or more

Strategy 3: Performance-Budget Integration

- *Enterprise Architecture* - All enterprise architecture models are developed in concert with the Federal Enterprise Architecture by FY 2006 and maintained current through FY 2008
- *IT Investment Management* – Percent of IT investment expenditures for which actual costs are within 90% of cost estimates established in the project or program baseline
- Percent of IT investments expenditures reviewed/approved through the CPIC process
- *Implement Records Management Strategy:*
 - (1) establish and implement a records disposition schedule for the Office of the Secretary by FY 2005
 - (2) develop consistent records management policy in all bureaus and offices by FY 2006
 - (3) implement electronic records systems by FY 2008

Strategy 6 – Performance/Process Improvement

- *Facilities Management* – Percent of facilities that have a calculated Facilities Condition

| | | | | |
|--|--|---|---|---|
| | | <p>Facilities Reliability Rating (FRR)</p> <ul style="list-style-type: none"> -Percent of Dams with baseline data^{1**} - Percent of dams with a good to fair reliability rating -Percent of associated facilities with baseline data** - Percent of associated facilities with a good to fair reliability rating <p>UIM 5.1.02 - Facilities Condition: Facilities (exclusive of FRR facilities) are in fair to good condition as measured by the Facilities Condition Index (FCI); simultaneously covers both water and hydropower</p> | <p>100%</p> <p>97%</p> <p>100%</p> <p>95%</p> <p>Set baseline data in FY 2004</p> | <p>Complete</p> <p>97%</p> <p>Complete</p> <p>97%</p> |
| | | | | |
| | | <p>Strategy 2: Effective Water Management to Optimize Supply</p> <p>Number of agreements, partnerships and management options exercised resulting in improved water supply</p> | <p>59</p> | <p>55</p> |
| | | <p>Strategy 3: Address Environmental/Resource Stewardship Concerns</p> <p>Requirements: Percent of environmental audit findings and reviews addressed (results pertain to both water and hydropower facilities)</p> | <p>84%</p> | <p>84%</p> |
| | | <p>Strategy 4: Complete</p> | | |

¹ ** Denotes goals only tracked and reported internally to Reclamation.

| | | | | |
|---|--|---|--------------------------------|--|
| | | Construction Projects to Increase Delivery Infrastructure and Water Availability Increased Supply: Potential acre-feet made available through completion of projects | 102,109 AF | 42,900 AF Total FY 2004 – FY2008 325,259 |
| Resource Use – Hydropower Generate Hydropower, Consistent with Applicable State and Federal Law, in an Environmentally Responsible and Cost-Efficient Manner | Achieve Cost Efficient Power Generation: Achieve the top quartile of lowest cost hydropower producers: Percentile of lowest cost hydropower producers, comparing cost per megawatt of installed capacity | | Upper 25 th percent | Upper 25 th percent |
| | Assure Reliability of Reclamation Generation: Achieve the Industry Average or Lower Forced Outage Rate: Percent of time in forced outage equal to or better (lower) than the industry average | | 2.5% | 2.5% |
| | Percent of power facilities that do not receive notice of violations under environmental requirements as defined by Federal and State law | | 94% | 96% |
| | | Strategy 1: Operate and Maintain Reliable, Safe and Secure Power Facilities Facilities Reliability: Hydropower facilities are in fair to good condition as measured by the Facilities Reliability Rating Facilities Condition: (FCI measure under water simultaneously covers both water and hydropower) | 96% | 96% Set targets based on FY 2004 baseline |

| | | | | |
|--|--|---|---|---------------------------------------|
| | | Strategy 2: Improve Power Generation Management to Maximize Supply | | |
| | | Percent of time that Bureau of Reclamation hydroelectric generating units are available to the interconnected Western electrical system during daily peak summer demand periods | 91.5% | 92.6% |
| | | Strategy 3: Address Environmental/Resource Stewardship Concerns | (Environmental measure under water simultaneously covers both water and hydropower) | |
| Recreation | | Strategy 1: Improve Capacities to Provide Access to Recreation Where Appropriate | | |
| Provide for a Quality Recreation Experience, including Access and Enjoyment of Natural and Cultural Resources on DOI Managed and Partnered Lands and Waters | | Universal Access: Percent of universally accessible facilities in relation to the total number of recreation areas | 16% | 34% |
| | | Strategy 3: Manage Recreation Activities Seamlessly | | |
| | | Enhance Partnerships: percent of recreation areas with community partnerships | 66.6% | 66.6% |
| | | Strategy 4: Enhance the Quality of Recreation Opportunities | | |
| | | Facilities Condition: Facilities are in fair to good condition as measured by the Facilities Condition Index | Set baseline data in FY 2004 | Set targets based on FY 2004 baseline |
| Provide for and Receive Fair Value in Recreation | | Strategy 1: Promote Quality Services for Recreation | | |

| | | | | |
|--|--|---|--|---|
| | | Increase Competition: Percent of concession activities with performance-based contracts | 6% only one contract up for renewal in FY 2004 | 39% 7 contracts will be performance-based |
| Resource Protection Improve Health of Watersheds, Landscapes, and Marine Resources that are DOI Managed or Influenced in a Manner Consistent with Obligations Regarding the Allocation and Use of Water | | Strategy 1: Restore and Maintain Proper Function to Watersheds and Landscapes Salinity Control: Tons of salt loading prevented | 25,000 Tons additional salt loading prevented | 25,000 Tons Total FY 2004 – FY2008 = 100,000 additional tons of salt loading prevented |
| Sustain Desired Biological Communities on DOI Managed and Influenced Lands and Waters in a Manner Consistent with Obligations Regarding the Allocation and Use of Water | Percent change from baseline in the number of acres infested with invasive plant species | | 84% of acres controlled out of number targeted for control in FY 2004. | 62% of acres controlled out of number targeted for control in FY 2008. |
| Protect Cultural and Natural Heritage Resources | Percent of collections in DOI inventory in good condition | | 10.2% Set baseline for remaining facilities | Set targets based on FY 2004 baseline |