

## Revenue Financed Programs

**LOCATION:** The Revenue Financed Programs in Reclamation are located in Arizona, California, Nevada, New Mexico, Utah, and Wyoming.

**DESCRIPTION/JUSTIFICATION:** The Revenue Financed Programs include the following: Lower Colorado River Basin Development Fund and the Upper Colorado River Basin Fund, Colorado River Storage Project. The Revenue Financed Programs fund the operation and maintenance, replacement, environmental studies, and other associated activities on projects where construction is complete and the facilities are operational and revenue producing.

**AUTHORIZATION:** See the individual fund summaries for authorizations.

<b>SUMMARIZED FINANCIAL DATA</b>				
<b>Program Financial Data</b>				
Fund / Project	FY 2004 Enacted		FY 2005 Request	
	Revenues	Total Program	Revenues	Total Program
<b>Lower Colorado River Basin Development Fund</b>				
<b>Colorado River Basin Project</b>				
Navajo Generating Station - O&M	\$89,800,000	\$89,800,000	\$89,800,000	\$89,800,000
Interest on repayment obligations	0	0	0	0
Environmental Commitments & O&M Oversight	1,506,000	1,506,000	1,506,000	1,506,000
Subtotal - Colorado River Basin Project	\$91,306,000	\$91,306,000	\$91,306,000	\$91,306,000
<b>Colorado River Basin Salinity Control Program (CRBSCP)</b>				
Contributions to Title II Basinwide	4,277,000	4,277,000	4,221,000	4,221,000
Contributions to USDA	8,197,000	8,197,000	8,197,000	8,197,000
Subtotal - CRBSCP	\$12,474,000	\$12,474,000	\$12,418,000	\$12,418,000
Total LCRBDF	\$103,780,000	\$103,780,000	\$103,724,000	\$103,724,000
<b>Upper Colorado River Basin Fund</b>				
<b>Consumptive Use Studies</b>	304,000	304,000	312,000	312,000
<b>Dolores</b>	424,000	424,000	436,000	436,000
<b>Emergency Funds</b>	500,000	500,000	500,000	500,000
<b>Endangered Species Recovery Implementation</b>	3,908,000	3,908,000	2,664,000	2,664,000
<b>Initial Units, Colorado River Storage Project (CRSP)</b>				
Initial Units, CRSP	50,666,000	50,666,000	50,267,000	50,267,000
CRBSCP, Contributions to Title II	687,000	687,000	745,000	745,000
CRBSCP, Contributions to USDA	1,446,000	1,446,000	1,446,000	1,446,000
Subtotal - Initial Units, CRSP	52,799,000	52,799,000	52,458,000	52,458,000
<b>Quality of Water Studies</b>	738,000	738,000	759,000	759,000
<b>Evaluation of Existing Dams</b>	50,000	50,000	50,000	50,000
<b>Seedskadee Project</b>	868,000	868,000	890,000	890,000
Total Program	\$59,591,000	\$59,591,000	\$58,069,000	\$58,069,000
Non-Federal	(110,000)	(110,000)	(110,000)	(110,000)
Total - UCRBF	\$59,481,000	\$59,481,000	\$57,959,000	\$57,959,000

**Lower Colorado River Basin Development Fund  
Central Arizona Project**

**LOCATION:** The Central Arizona Project (CAP) is located in central and southern Arizona, southern California, southern Nevada, western New Mexico, and southern Utah. The Navajo Power Project is located in northern Arizona.

**DESCRIPTION/JUSTIFICATION:** The Lower Colorado River Basin Development Fund collects revenues from the sale of surplus power to provide for CAP operations and maintenance, and to aid in the repayment of the CAP. The operation and maintenance program for the CAP covers completed portions of the project which remain a Federal responsibility; long-term environmental commitments; and interest payments to the Treasury. The water development features include the CAP Aqueduct and the New Waddell Dam portion of the regulatory storage. The power development facilities include Reclamation's entitlement to 546,750 kilowatts of power from the Navajo Generating Station, which is a 2,250 megawatt coal-fired steam plant operated by the Salt River Project.

The Lower Colorado River Basin Development Fund was established to collect revenues from the CAP and to collect certain revenues generated from the Boulder Canyon and Parker-Davis Projects, along with the contemplated Pacific Northwest - Pacific Southwest Power Intertie. These revenues are available without further appropriation for the following purposes only: defraying the costs of CAP operation and maintenance, payment of interest on the unamortized balance of the investment in commercial power and municipal and industrial water supply features of the CAP, repayment of the CAP construction costs to the general fund of the Treasury, and for the transfer of funds for payment of the Hoover deficiency to the Upper Colorado River Basin Development Fund. Payment of the Hoover deficiency was completed in FY 1999.

All appropriations made for construction of the CAP are to be credited to the Development Fund as advances from the general fund of the Treasury. (Justification of the funds appropriated for construction of the CAP are shown in the Water and Related Resources Appropriations section only.)

**AUTHORIZATION:** P.L. 90-537, The Colorado River Basin Project Act, September 30, 1968, as amended by P.L. 97-373, December 20, 1982.

**SUMMARIZED FINANCIAL DATA**

**Program Financial Data**

Activity	FY 2004	FY 2005
Facility Operations	\$91,306,000	\$91,306,000
Total Program	\$91,306,000	\$91,306,000
Applied Revenues	(91,306,000)	(91,306,000)
Total Reclamation Allotment	\$0	\$0

**OTHER INFORMATION:** As a result of Section 205 of P.L. 108-137, the Energy and Water Appropriations Act of FY 2004, the transfer of funds to the general fund of the Treasury for project repayment (normally the interest is an expense of the Revenue program), is suspended for 10 years beginning December 1, 2003. Section 205 states, "*LOWER COLORADO RIVER BASIN DEVELOPMENT FUND. (a) IN GENERAL.—Notwithstanding section 403(f) of the Colorado River Basin Project Act (43 U.S.C.*

*Lower Colorado River Basin Development Fund*

---

1543(f), no amount from the Lower Colorado River Basin Development Fund shall be paid to the general fund of the Treasury until each provision of the revised Stipulation Regarding a Stay for Ultimate Judgment Upon the Satisfaction of Conditions, filed in United States District Court on April 24, 2003, in Central Arizona Water Conservation District v. United States (No. CIV 95-625-TUC-WDB (EHC), No. CIV 95-1720-OHX-EHC (Consolidated Action)) and any amendment or revision thereof, is met. (b) PAYMENT TO GENERAL FUND.—If any of the provisions of the stipulation referred to in subsection (a) are not met by the date that is 10 years after the date of enactment of this Act, payments to the general fund of the Treasury shall resume in accordance with section 403(f) of the Colorado River Basin Project Act (43 U.S.C. 1543(f)). (c) AUTHORIZATION.—Amounts in the Lower Colorado River Basin Development Fund that but for this section would be returned to the general fund of the Treasury shall not be expended until further Act of Congress.” Additional information on the lawsuit cited in Section 204 is provided under the Appendix for Status of Repayment of the Central Arizona Project.

**WORK PROPOSED FOR FY 2005:**

**Facility Operations** - Continues the operation and maintenance functions of the Navajo Generating Station, long-term environmental commitments, and Federal oversight. **\$91,306,000**

**Revenues** **(91,306,000)**

**Reclamation Request** **\$0**

**Upper Colorado River Basin Fund  
Colorado River Storage Project  
Revenues**

**LOCATION:** The Colorado River Storage Project (CRSP) is located in northern Arizona, western Colorado, northwestern New Mexico, eastern Utah, and southwestern Wyoming.

**DESCRIPTION/JUSTIFICATION:** The Upper Colorado River Basin Fund provides for the operation and maintenance and related activities of the Colorado River Storage Project. Revenues are collected from the sale of power and storage water and are deposited in the Basin Fund. The components in this fund include: the four Initial Units (Glen Canyon Dam, Reservoir and Powerplant; Wayne N. Aspinall Storage Unit Dams, Reservoirs, and Powerplants; Flaming Gorge Dam, Reservoir, and Powerplant; and Navajo Dam and Reservoir), Consumptive Use Studies, Emergency Funds, Quality of Water Studies, Safety Examination of Existing Dams, the Seedskadee Project, salinity cost-share projects, and power features of the Dolores Project.

Special studies being performed with revenues include: endangered fish studies related to the Recovery Implementation Program, the Flaming Gorge Environmental Impact Statement, the Wayne N. Aspinall Environmental Impact Statement, the Navajo Reservoir Environmental Impact Statement, and the Glen Canyon Adaptive Management Program authorized by P.L. 102-575.

**AUTHORIZATION:** P.L. 84-485, The Colorado River Storage Project Act, April 11, 1956; P.L. 87-590, Fryingpan-Arkansas Project Act, August 16, 1962; P.L. 90-537, The Colorado River Basin Project Act, September 30, 1968; Grand Canyon Protection Act, Title XVIII of P.L. 102-575, October 30, 1992; P.L. 104-127, Federal Agriculture Improvement and Reform Act, April 4, 1996; and P.L. 106-392 To Authorize the Bureau of Reclamation to Provide Cost Sharing for the endangered Fish Recovery Implementation Programs for the Upper Colorado and San Juan River Basins, October 30, 2000.

**SUMMARIZED FINANCIAL DATA**

**Program Financial Data**

Activity	FY 2004	FY 2005
Water and Energy Management and Development	\$3,175,000	\$3,262,000
Land Management and Development	573,000	586,000
Fish & Wildlife Management and Development	22,903,000	20,708,000
Facility Operations	22,117,000	23,125,000
Facility Maintenance and Rehabilitation	10,823,000	10,388,000
<b>Total Program</b>	<b>\$59,591,000</b>	<b>\$58,069,000</b>
<b>Revenues</b>	<b>(59,481,000)</b>	<b>(57,959,000)</b>
Non Federal	(110,000)	(110,000)
<b>Total Reclamation Allotment</b>	<b>\$0</b>	<b>\$0</b>

**WORK PROPOSED FOR FY 2005:**

**Water and Energy Management and Development** - Continues compliance with P.L. 104-127 authorizing cost sharing in lieu of repayment for the Salinity Program which is 4.5 percent of the total Colorado River Basin Salinity Program. \$2,191,000

Provide continued support for the Quality of Water and Consumptive Use Studies. 1,071,000

Subtotal, Water and Energy Management and Development **\$3,262,000**

**Land Management and Development** - Continues land resources management and general liaison activities with land managing entities, Native Americans, other cooperating agencies, the public, and special interest groups. **586,000**

**Fish and Wildlife Management and Development -**

Initial Units - Continues work on environmental impact statements for Initial Units:  
Aspinall EIS 347,000

Support is also provided for the endangered fish studies which are part of the Recovery Implementation Programs for the Colorado and San Juan Rivers. 9,084,000

Endangered Species Recovery Implementation Program – See Water and Related resources for details of this program. 2,664,000

Grand Canyon Monitoring and Research Center - Glen Canyon Dam Adaptive Management Program - A key part of the Operations of Glen Canyon Dam EIS filed with the EPA in March 1995 was the establishment of the Glen Canyon Dam Adaptive Management Program (AMP). The AMP consists of an Adaptive Management Work Group (AMWG) comprised of appropriate stakeholders and chartered under the Federal Advisory Committee Act to oversee the AMP and its components such as the Technical Work Group, the Programmatic Agreement on cultural resources, the Grand Canyon Monitoring and Research Center (GCMRC), and Independent Review Panels.

Reclamation manages the AMP, but GCMRC was transferred in FY 2000 to the USGS. The Senate Committee Report 104-320 accompanying the FY 1997 Energy and Water Development bill required that costs associated with monitoring and research activities of this program be submitted in Reclamation's budget justification documents. As a result, the total AMP budget funded from power revenues for both agencies are shown in this document.

Program activities include monitoring and research associated with cultural, physical, biological, recreation and socioeconomic resources. Funding also provides for program administration and the participation of affected Native American tribes. Scientific investigations are managed by the GCMRC and are competitively awarded through federal procurement regulations. Experimentation using Glen Canyon Dam releases and other management actions provides increased understanding on how best to operate Glen Canyon Dam to meet statutory purposes, including the Grand Canyon Protection Act of 1992.

Estimated Costs:

FY 2003	\$8,175,000
FY 2004	\$8,363,000
FY 2005	\$8,613,000

Reclamation acknowledges the concern expressed in Senate Report 105-206 accompanying the 1999 Energy and Water Development Appropriation bill and the cap on power revenue funding imposed by the FY 2001 Energy and Water Development Appropriation bill. The increase each year following FY 2001 is limited to that expected due to inflation. The FY 2004 budget request presented below represents the costs for the overall AMP funded by power revenues. The AMP activities and budget levels proposed in the President's budget were reviewed and recommended to the Secretary by the AMWG for her support. They reflect the view of the AMWG on the prioritized work required to meet the AMP's statutory obligations. With respect to the experimental flow research, if hydrologic conditions preclude conducting these experiments, expenditure of these funds will be deferred to subsequent years.

USGS/GCMRC	6,805,000
USBR	<u>1,808,000</u>
TOTAL	8,613,000
 Subtotal, Fish and Wildlife Management and Development	 <b>20,708,000</b>

**Facility Operations** - Continues activities to ensure the continued operation and routine maintenance of the Initial Units, Seedska-dee, and Dolores power facilities and include the review of operating criteria and maintenance work associated with the operation of the projects. Continues to determine reservoir releases and to allow delivery of water. 23,125,000

Non-Federal - The State of Wyoming for Fontenelle Dam and Reservoir.	(95,000)
Farmington Power Operations of Farmington, NM for the Navajo Dam and Reservoir.	<u>(15,000)</u>

Subtotal, Facility Operations	<b>23,015,000</b>
-------------------------------	-------------------

**Facilities Maintenance and Rehabilitation** - Continues extraordinary maintenance and replacement of items associated with dams, reservoirs, and powerplants for the Initial Units and extraordinary maintenance and replacement of items associated with like features for the Seedska-dee and Dolores Projects. Includes purchase of heavy equipment and vehicles at each of the powerplants. Also includes tendon replacement at Morrow Point, turbine runners at Flaming Gorge and Glen Canyon, generator excitation system at Glen Canyon and miscellaneous replacements and extraordinary maintenance. 9,838,000

Safety Examination of Existing Dams - Continues activities for the Initial Units. 50,000

Emergency Funds - Continues funding of Initial Units activities which may be necessary to ensure continuous delivery of benefits in the event of an unusual or emergency situation. 500,000

Subtotal, Facility Maintenance and Rehabilitation	<b>10,388,000</b>
---	-------------------

Revenues	<u>(57,959,000)</u>
----------	---------------------

**Reclamation Request** **\$0**