

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.

SUMMARIZED FINANCIAL DATA

Program Financial Data

Fund / Project	FY 2006 Enacted		FY 2007 Request	
	Revenues	Total Program	Revenues	Total Program
Lower Colorado River Basin Development Fund				
Colorado River Basin Project				
Navajo Generating Station - O&M	\$90,800,000	\$90,800,000	\$94,700,000	\$94,700,000
Interest on repayment obligations	0	0	0	0
Environmental Commitments & O&M Oversight	1,506,000	1,506,000	1,510,000	1,510,000
Subtotal - Colorado River Basin Project	\$92,306,000	\$92,306,000	\$96,210,000	\$96,210,000
Colorado River Basin Salinity Control Program (CRBSCP)				
Contributions to Title II Basinwide	4,356,000	4,356,000	4,259,000	4,559,000
Contributions to USDA	8,015,000	8,015,000	8,197,000	8,197,000
Subtotal - CRBSCP	\$12,371,000	\$12,371,000	\$12,456,000	\$12,456,000
Total LCRBDF	\$104,677,000	\$104,677,000	\$108,666,000	\$108,666,000
Upper Colorado River Basin Fund				
Consumptive Use Studies	320,000	320,000	329,000	329,000
Dolores	436,000	436,000	498,000	498,000
Emergency Funds	500,000	500,000	500,000	500,000
Initial Units, Colorado River Storage Project (CRSP)				
Initial Units, CRSP	51,190,000	51,190,000	52,306,000	52,306,000
CRBSCP, Contributions to Title II	770,000	770,000	752,000	752,000
CRBSCP, Contributions to U SDA	1,414,000	1,414,000	1,446,000	1,446,000
Subtotal - Initial Units, CRSP	53,374,000	53,374,000	54,504,000	54,504,000
Quality of Water Studies	780,000	780,000	805,000	805,000
Evaluation of Existing Dams	50,000	50,000	50,000	50,000
Seedskadee Project	928,000	928,000	1,384,000	1,384,000
Total Program	\$56,388,000	\$56,388,000	\$58,070,000	\$58,070,000
Non-Federal	(110,000)	(110,000)	(110,000)	(110,000)
Total - UCRBF	\$56,278,000	\$56,278,000	\$57,960,000	\$57,960,000

**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 Participating Power Project is located in northern Arizona.

DESCRIPTION/JUSTIFICATION: The Lower Colorado River Basin Development Fund allows for the collection of 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 of the CAP include the aqueduct system and the New Waddell Dam portion of the regulatory storage division. 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 purposes defined in the Colorado River Basin Act as amended by the Title I of P.L. 108-451, the Arizona Water Settlements Act. These purposes include defraying the costs of CAP operation and maintenance. The Arizona Water Settlements Act also authorizes the use of revenues that would have been returned to Treasury for repayment of the CAP construction costs to be retained in the Fund and invested. The earnings from these investments will also be retained in the Fund. Beginning no earlier than January 2010, pending full enforceability of the Arizona Water Settlements Act, funds are to be made available without further appropriation for a multitude of specified purposes identified in the Arizona Water Settlements Act.

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 is 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 and P.L. 108-451, The Arizona Water Settlements Act, December 10, 2004.

SUMMARIZED FINANCIAL DATA

Program Financial Data

Activity	FY 2006	FY 2007
Facility Operations	\$92,306,000	\$96,210,000
Total Program	\$92,306,000	\$96,210,000
Applied Revenues	(92,306,000)	(96,210,000)
Total Reclamation Allotment	\$0	\$0

OTHER INFORMATION: Under 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 was suspended for 10 years beginning December 1, 2003. This was in anticipation of enactment of the Arizona Water Settlements Act, P.L. 108-451, which was signed on December 10, 2004. P.L. 108-451 revised Section 403 of the Colorado River Basin Project Act on the “additional uses of revenue funds”. Accordingly, revenues from project repayment are retained in the Fund and available for use, beginning in January 2010 for the purpose defined in the Arizona Water Settlements Act. Additional information is provided under the Appendix for Status of Repayment of the Central Arizona Project.

WORK PROPOSED FOR FY 2007

Facility Operations - Continues the operation and maintenance functions of the Navajo Generating Station, long-term environmental commitments, and Federal oversight.	\$96,210,000
Revenues	<u>(96,210,000)</u>
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 Seedskaadee 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.

Reimbursable costs for guards and patrols for CRSP Initial Units dams and powerplants are funded by CRSP power revenues and are included in the Upper Colorado River Basin Fund, Colorado River Storage Project budget request.

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 2006	FY 2007
Water and Energy Management and Development	\$3,284,000	\$3,332,000
Land Management and Development	550,000	597,000
Fish & Wildlife Management and Development	16,052,000	16,467,000
Facility Operations	25,692,000	26,508,000
Facility Maintenance and Rehabilitation	10,807,000	11,166,000
Total Program	\$56,388,000	\$58,070,000
Revenues	(56,278,000)	(57,960,000)
Non Federal	(110,000)	(110,000)
Total Reclamation Allotment	\$0	\$0

WORK PROPOSED FOR FY 2007:

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. \$2,198,000

Provide continued support for the Quality of Water and Consumptive Use Studies. 1,134,000

Subtotal, Water and Energy Management and Development **\$3,332,000**

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. **\$597,000**

Fish and Wildlife Management and Development -

Initial Units - Continues work on environmental impact statements for Initial Units:
Aspinall EIS 337,000

Support is also provided for the endangered fish studies which are part of the Recovery Implementation Programs for the Colorado and San Juan Rivers. 6,886,000

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 2006	\$8,975,000
FY 2007	\$9,244,000
FY 2008	\$9,522,000

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 2007 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		8,319,000
USBR		<u>925,000</u>
TOTAL		9,244,000
Subtotal, Fish and Wildlife Management and Development		\$16,467,000
Facility Operations - Continues activities to ensure the continued operation and routine maintenance of the Initial Units, Seedskaadee, 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.		26,508,000
Non-Federal - The State of Wyoming for Fontenelle Dam and Reservoir.		(95,000)
Public Service Company of New Mexico for the Navajo Dam and Reservoir.		<u>(15,000)</u>
Subtotal, Facility Operations		\$26,398,000
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 Seedskaadee and Dolores Projects. Includes purchase of heavy equipment and vehicles at each of the powerplants. Also turbine runners at Glen Canyon, generator excitation system at Glen Canyon and miscellaneous replacements and extraordinary maintenance.		10,616,000
<u>Safety Examination of Existing Dams</u> - Continues activities for the Initial Units.		50,000
<u>Emergency Funds</u> - 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		\$11,166,000
Revenues		<u>(57,960,000)</u>
Reclamation Request		\$0