

RECLAMATION

Managing Water in the West

FY 2016

President's Budget Stakeholders Briefing

February 2, 2015



U.S. Department of the Interior
Bureau of Reclamation

Mission

The FY 2016 budget continues to support Reclamation's mission...

'...to manage, develop, and protect water and related resources in an environmentally and economically sound manner in the interest of the American public.'

FY 2016 Budget

- **Reclamation's FY 2016 budget promotes:**
 - actions to address the Nation's fiscal challenges
 - robust support for Administration initiatives, such as
 - target investments to address drought and water sustainability
 - create jobs
 - support economic growth
 - strengthen the Nation's long-term competitiveness



Water released from the Glen Canyon Dam river outlet tubes during 2014 High Flow Experiment

RECLAMATION

Introduction

- **Reclamation's projects and programs play an important role in sustaining the economy and ecology of the American West.**
- **Addressing water resource challenges in 2016 and beyond will require continued investments in infrastructure and improved management to address water scarcity and climate variability.**
- **Leverage accomplishments through partnerships and stakeholder funding.**

FY 2016 Secretarial Initiatives and Other Top Priorities

- **Indian Water Rights Settlements**
- **Ecosystem Restoration & America's Great Outdoors**
- **Sustainable, Secure Water Supplies**
- **Building a Landscape Level Understanding**
- **Powering our Future**
- **Engaging the Next Generation**
- **California Water and Drought**
- **Infrastructure**

Reclamation Success

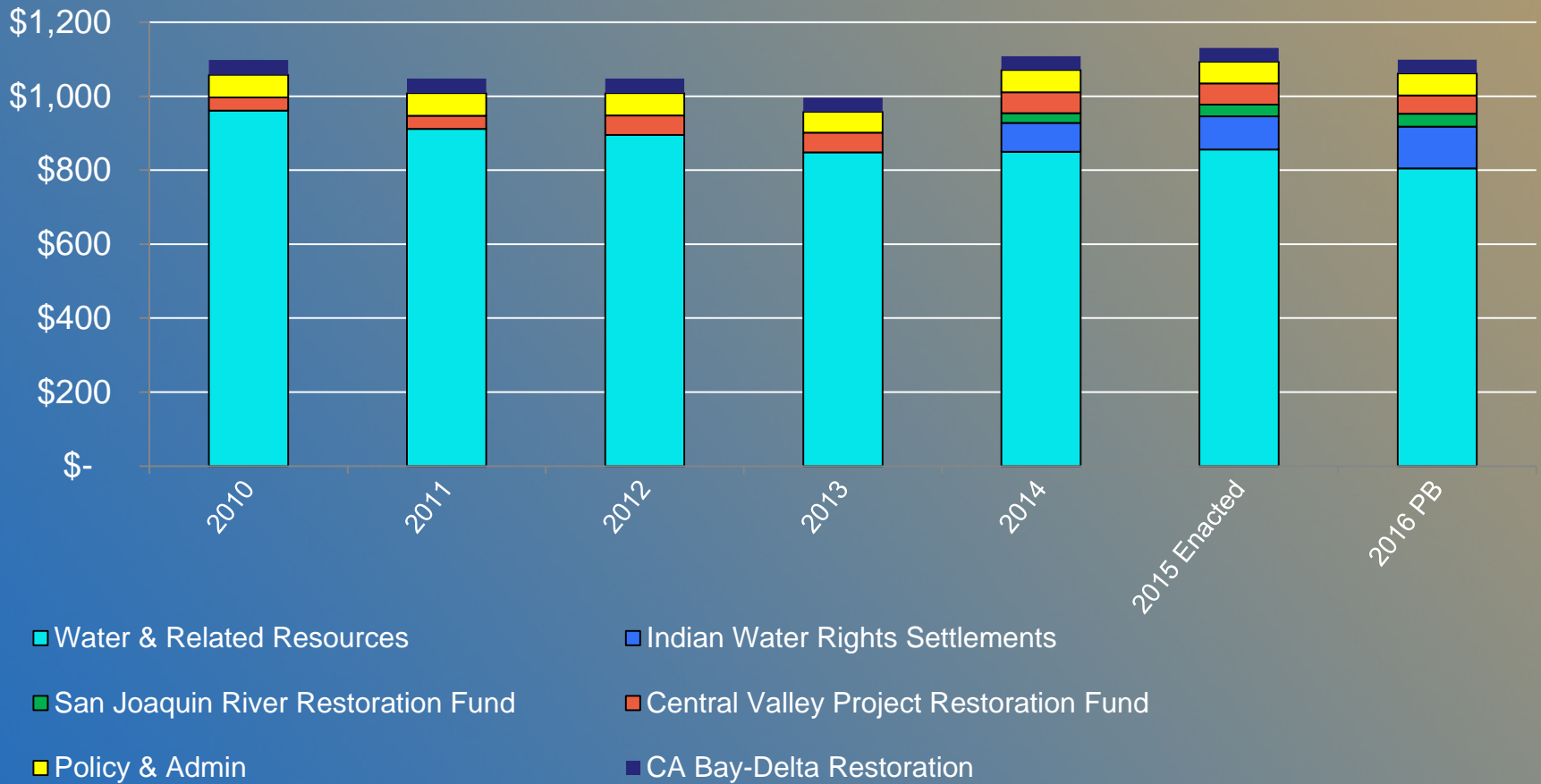
- **DOI Economic Report 2013 (July 2014)**
 - Reclamation activities are estimated to contribute approximately \$65.0 billion in economic output, and support nearly 403,000 jobs annually.
- **Many of Reclamation's dollars leverage non-Federal dollars**
- **Reclamation carries out the President's Climate Change Action Plan by reducing carbon pollution and developing adaptation strategies.**

Reclamation Success

- **Reclamation & Jobs**
 - **Western economies are built on Reclamation water projects.**
 - **Maintain and improve existing infrastructure**
 - **Help develop and construct new infrastructure**
 - **Environmental Restoration supports recreation based services**
 - **Hydropower supports new energy initiatives**

History of Appropriations

(in millions)

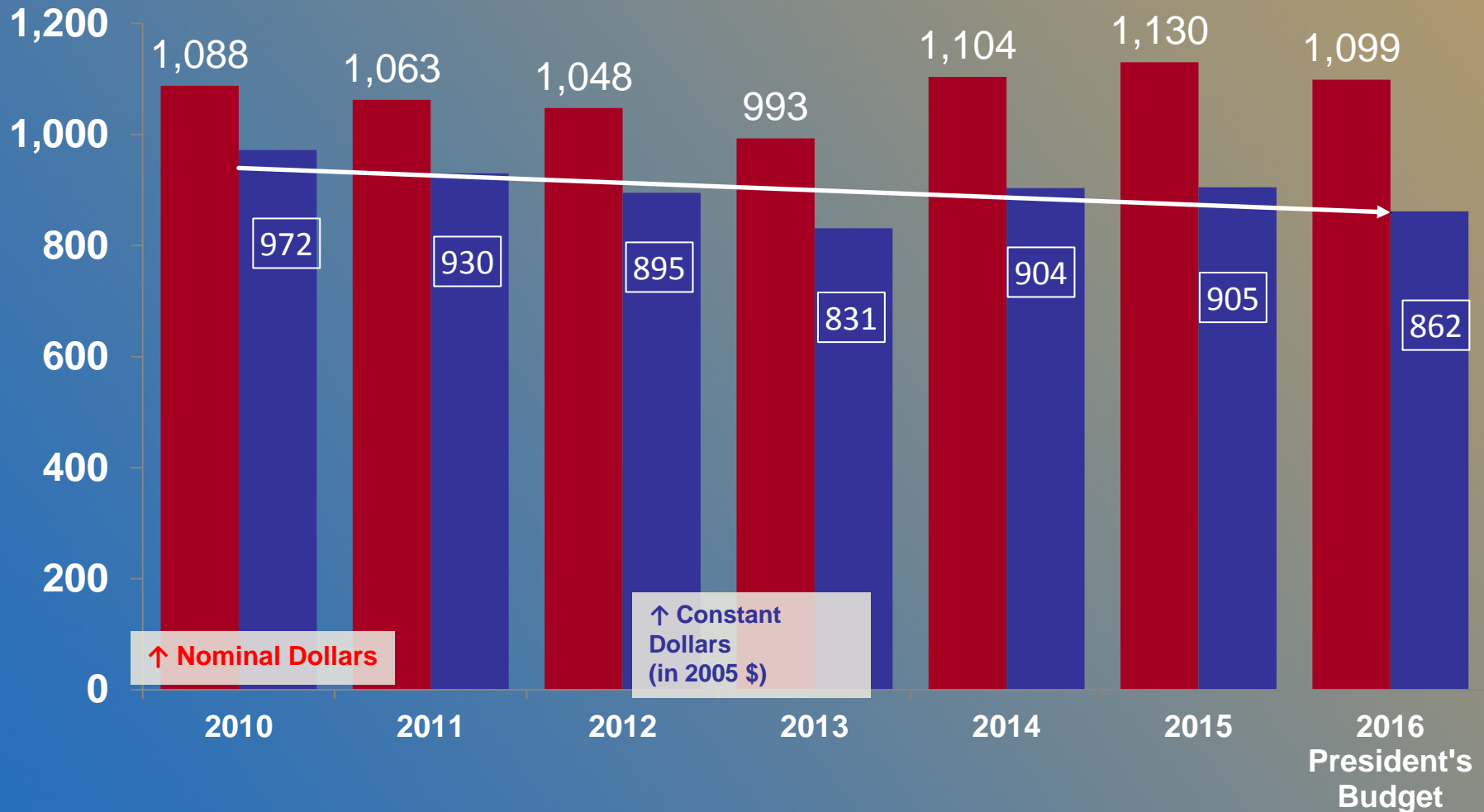


*Does not include Desert Terminal Lakes in 2014 (\$150M)

Significant Belt-Tightening Over Time

(FY 2010-2015 Appropriations and FY 2016 President's Budget)

(\$ in millions– Constant Dollars Decreasing)



*Does not include Desert Terminal Lakes in 2014 (\$150M)

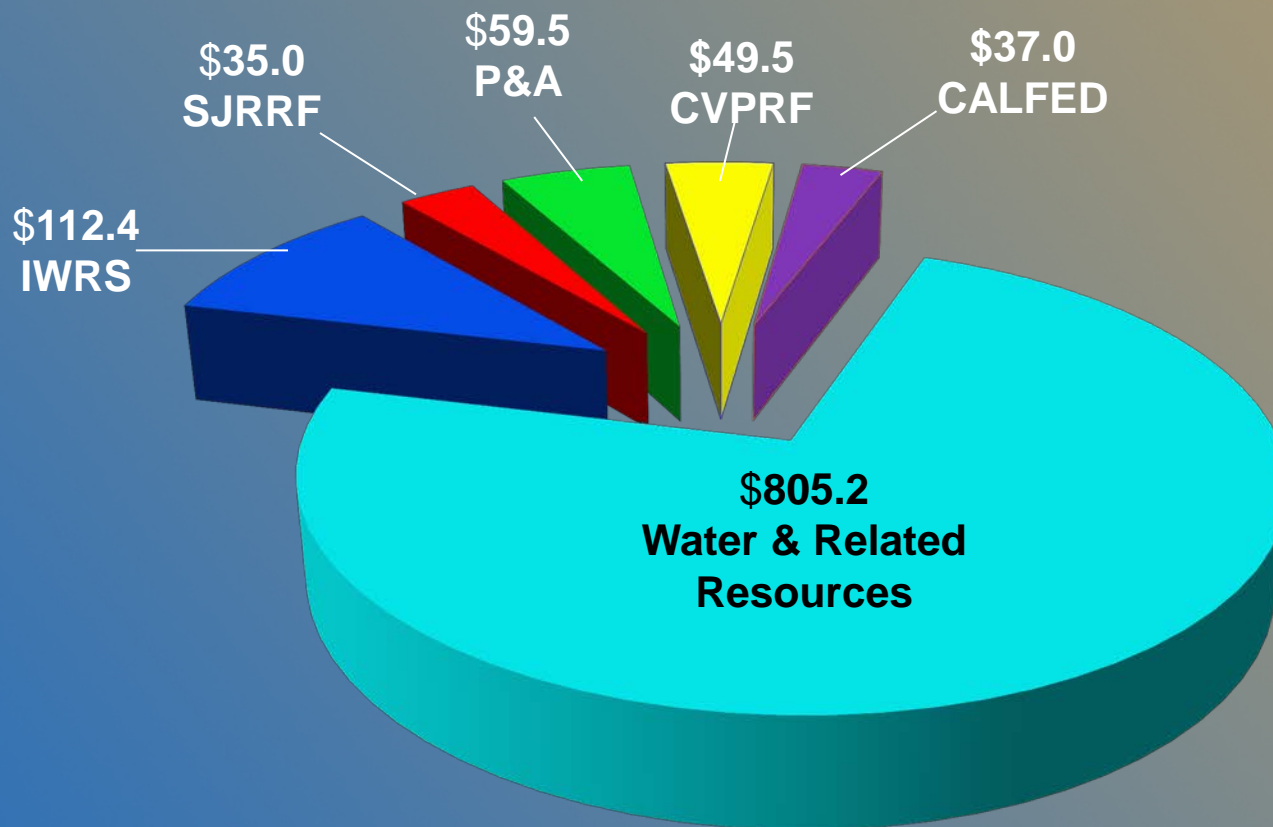
FY 2016 President's Budget

(in thousands)

Appropriation	FY 2014 Enacted	FY 2015 Enacted	FY 2016 President's Budget
Water & Related Resources	954,085	978,131	805,157
San Joaquin River Restoration Fund	[26,000]	[32,000]	35,000
Indian Water Rights Settlements	[78,661]	[90,000]	112,483
Loan Program Rescission		(500)	
Subtotal:	954,085	977,631	952,640
Policy and Administration	60,000	58,500	59,500
California Bay-Delta	37,000	37,000	37,000
Central Valley Project Restoration Fund	53,288	56,995	49,528
Total: Gross Current Authority	1,104,373	1,130,126	1,098,668
CVP Restoration Fund Offset	(53,288)	(56,995)	(49,528)
Total: Net Current Authority	1,051,085	1,073,131	1,049,140

FY 2016 President's Budget

Total = \$1,098.7 (in millions)



■ Water & Related Resources

■ San Joaquin River Restoration Fund

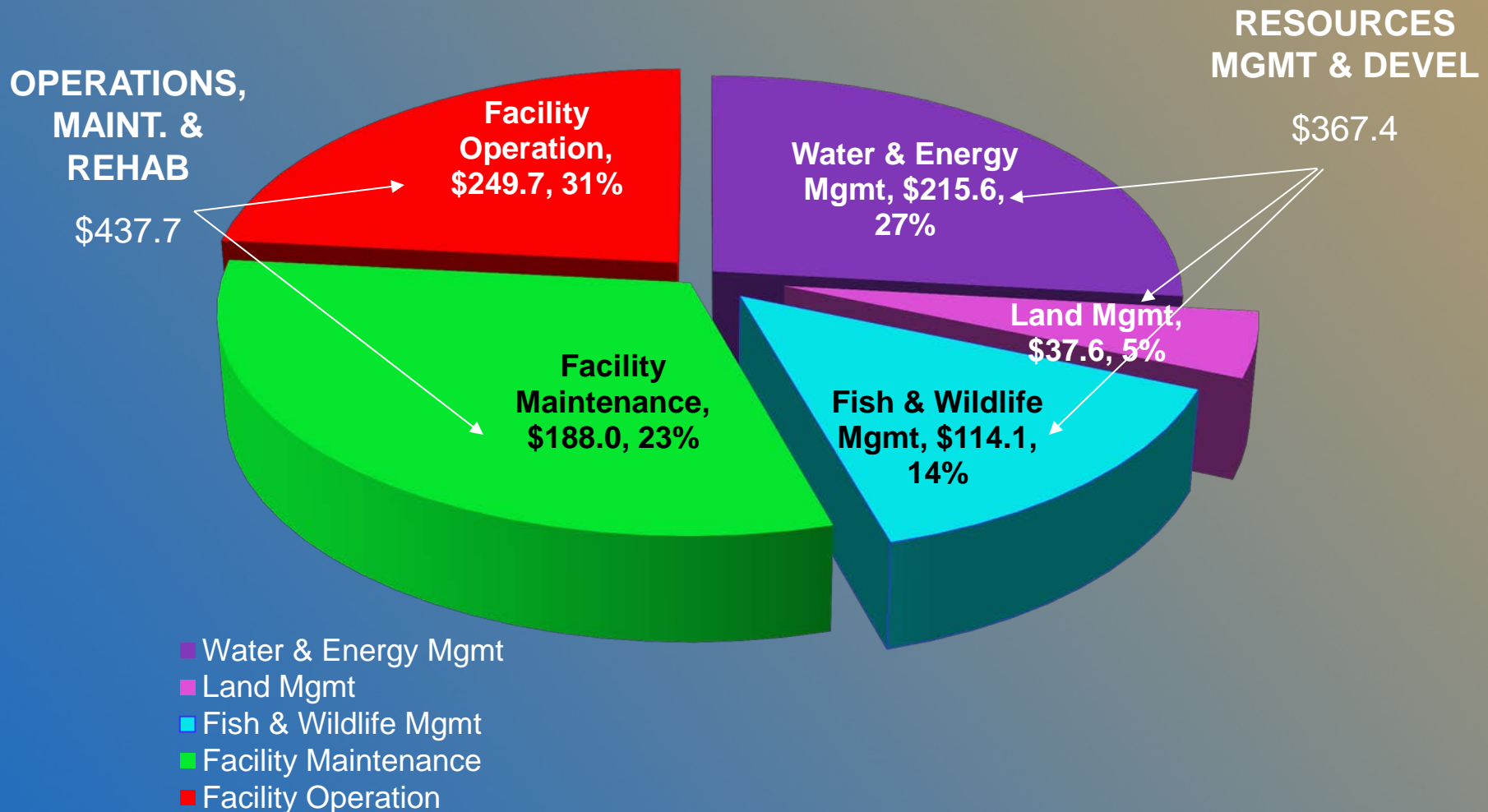
■ Central Valley Project Restoration Fund

■ Indian Water Rights Settlements

■ Policy and Administration

■ California Bay-Delta Ecosystem Restoration

FY 2016 President's Budget Water & Related Resources Total = \$805.2 (in millions)



Secretarial Initiatives

Strengthening Tribal Nations

- Funding Indian Water Rights Settlements (e.g., Navajo- San Juan, Crow, Aamodt, Taos) (\$112.5M)
- White Mountain Apache Water Rights Settlement (mandatory only)
- Restoring tribal fisheries (e.g., Trinity River)
- Native American Affairs tribal assistance
- Rural water projects with tribal features
- Navajo Gallup Water Supply Project



Secretary Jewell Signs
White Mountain Apache Water Rights Agreement

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FY 2016 Indian Water Rights Settlements Account (in thousands)

IWRS	FY 2014 Enacted ^{1/}	FY 2015 Enacted ^{1/}	FY 2016 President's Budget
White Mountain Apache	\$2,000	0 ^{2/}	0 ^{2/}
Crow Tribe Rights	7,500	2,000	12,772
Taos Pueblos	4,000	4,000	4,048
Aamodt Litigation Settlement	4,664	3,000	6,000
Navajo Gallup	60,497	81,000	89,663
Total: IWRS	\$78,661	\$90,000	\$112,483

1/ Congress provided funds for the IWRS in Water & Related Resources in FY 2014 and FY 2015

2/ White Mountain Apache - only mandatory funding in FY 2016

Secretarial Initiatives

Enhancing and Preserving America's Great Outdoors

- California Bay-Delta (\$37.0 million)
- Central Valley Project Restoration Fund (\$49.5 M - includes \$1.5M for Trinity & \$2M for SJRR in CVPRF)
- San Joaquin River Restoration (\$35.0M and \$2M in CVPRF)
- Trinity River Restoration (\$11.9M and \$1.5M in CVPRF)
- Platte River Recovery (\$17.5M)
- Upper CO River Endangered Recovery Program (\$4.2M)
- Columbia/Snake River Salmon Recovery (\$18.0M)
- Glen Canyon Dam Adaptive Management Program (1.9M)
- Middle Rio Grande ESA (\$9.5M)
- Multi-Species Conservation Program, Lower Colorado River Operations Prog. (\$16.7M)

Secretarial Initiatives

Sustainable, Secure Water Supplies and Climate Resiliency

- **Reclamation Water**
 - is delivered to one in every five western farmers
 - irrigates 10 million acres of farmland
 - is distributed to over 31 million people for municipal, rural, and industrial uses
- **The WaterSMART Program**
 - secures and stretches water supplies to benefit people, the economy, and the environment
 - identifies adaptive measures needed to address climate change and future demands

Secretarial Initiatives

Sustainable, Secure Water Supplies and Climate Resiliency

- The programs included in WaterSMART are collaborative in nature and work across jurisdictional boundaries to effectively achieve sustainable water management.



Secretarial Initiatives

WaterSMART Program

WaterSMART Program (in thousands)	FY 2015 Enacted	FY 2016 President's Budget
WaterSMART Grants	\$19,000	\$23,365
Title XVI - Water Reclamation and Reuse	21,500	20,000
Basin Studies	3,850	5,200
Water Conservation Field Services	4,457	4,239
Drought Response and Comprehensive Drought Plans (Climate) (New in FY 2015)	*	2,500
Resilient Infrastructure (Climate)	1,500	2,500
Cooperative Watershed Management	250	250
Program Total	\$50,557*	\$58,054

* Drought Response & Comprehensive Drought Plans is a new program in FY 2015. Congress instructed that this new program be considered for funding with some of the additional \$50M for "Western Drought Response," which will be allocated per Congressional direction.

Secretarial Initiatives

Building a Landscape Level Understanding of Our Resources

- **Open Water Data Initiative (\$2.0M)**
 - Provides Reclamation with the ability to proceed with its implementation of the Department's Open Data Policy, enhanced data stewardship, geo-referencing, and sharing of mission critical data.
 - All mission-critical data will be evaluated for sharing, with a special focus on future climate and hydrology projections

Secretarial Initiatives

Building a Landscape Level Understanding of Our Resources

- **Technology Challenges (\$3.0M)**
 - **Prize challenge competitions engage the innovative capacity of the American public and private sectors to solve water availability, water infrastructure sustainability, and ecosystem restoration related problems**
- **Reclamation supports the Department's Integrated strategy for responding to climate change impacts**
 - **\$5.2M to support Basin Studies, which includes 2 Landscape Conservation Cooperatives**

Secretarial Initiatives

Powering Our Future - Renewable Energy (\$1.3M)

- **Supports Administration's Renewables Development; Small federal investment leverages large non-federal investments**
- **The FY 2016 President's Budget allocates \$1.3M to support the New Energy Frontier initiative and Renewal Energy Priority goal**

Note: Entirety of Reclamation's hydropower generation funding is nearly \$500 million annually, of which approximately 80% is funded directly by power users. Reclamation generates over 40 million MW of electricity annually.



Grand Coulee

Secretarial Initiatives

Engaging the Next Generation

- **Expanding opportunities through existing programs like the 21st Century Conservation Corps to put young Americans and veterans to work protecting, restoring and enhancing America's Great Outdoors**
- **Reclamation engages individuals through temporary positions, as conservation interns, and as part of conservation work crews with a partnering organization**

California Water Bay-Delta Restoration (in millions)

FY 2016

Request

\$37.0

- Includes \$37 million for the continuation of the CALFED Bay-Delta Program consistent with the Record of Decision (ROD), P.L. 108-361 and current priorities.
- The Administration is committed to funding a long-term solution to water resource management issues in the California Bay-Delta.
- Focuses on the Bay-Delta Conservation Plan and interagency science efforts to address short & long-term water resource issues.
- Supports actions in the Interim Federal Action Plan.
- The authorized funding expires at the end of FY 2016 (Sep. 30, 2016). FY 2016 budget request includes language to extend the expiration date to Sep. 30, 2018.

California Water

San Joaquin River Restoration Fund

(in millions)

FY 2016

Request

\$35.0

- **Fund established by San Joaquin River Restoration Settlement Act, Title X, Sub-title A of P.L. 111-11, signed on March 30, 2009.**
- **In October 2006, a Federal court approved a settlement on the San Joaquin River by the DOI, Department of Commerce, Natural Resources Defense Council, and Friant Water Users Authority, ending 18 years of litigation.**
- **FY 2016 funding will continue activities for this purpose.**

1/ Congress provided funds for the San Joaquin River Restoration Fund in Water & Related Resources in FY 2014 and FY 2015

California Water

Central Valley Project Restoration Fund (in millions)

FY 2016
<u>Request</u>
\$49.5
<u>-\$49.5</u>
\$0

- Fund was established by the Central Valley Project Improvement Act (CVPIA), Title XXXIV (P.L. 102-575).
- Provide funds to assist in the protection, restoration and enhancement of fish and wildlife, and associated habitats in the Central Valley Project area of California.
- The Restoration Fund is based on a three-year rolling average.

Infrastructure

Dam Safety Program (in millions)

FY 2016

Request

\$88.1

- Request based on current Reclamation facility evaluation and modification needs. Funding focused on priority facilities based on identified risk to the public.
- Provides funding for: Safety Evaluation of Existing Dams, Initiate Safety of Dams Corrective Actions, DOI Dam Safety Program.
- Funding requested for several dam safety modifications, including major work at Folsom Dam as part of the Joint Federal Project. Additional modifications currently planned at Altus Dam, Stampede Dam, Hyrum Dam, Boca Dam and Bull Lake Dam.

Infrastructure

Replacement, Additions, and Extraordinary Maintenance (RAX) (in millions)

FY 2016

Request

\$58.3

- Funds major and non-routine maintenance, replacement and additions to existing infrastructure and structural facilities, including equipment.
- Critical to mission objectives of operating and maintaining projects to ensure delivery of water and power benefits.

FY 2016 & Beyond: Budget Challenges Requires Effective Program Management

- **Shared Responsibility – Securing non-Federal cost-share partners to meet project or program funding needs, and leveraging funding through these collaborative partnerships.**
- **Merit-Based Funding – Utilizing competitive processes for the awarding of grants, contracts, or other services based on criteria that reflect Interior priorities.**
- **Priority Setting – Conducting the management of Reclamation's water infrastructure and programs by setting priorities on a west-wide basis.**

FY 2016 & Beyond: Budget Challenges Requires Effective Program Management

- **Continued Belt-Tightening**
 - **Administrative Reductions (e.g., Campaign to Cut Waste, Freeze the Footprint, etc.)**
- **Indian Water Rights Settlements**
- **Infrastructure**
- **Environmental Obligations**

Out-Year Issues/Challenges

- **Indian Water Rights Settlements - (2015 – 2019: over \$100M/yr)**
- **San Joaquin River Restoration - (2015 – 2019: \$350M - \$500M total needed)**
- **California Bay-Delta (BDCP) – Significant Out-Year Obligations**
- **Klamath Basin Restoration – Legislation pending**
- **Infrastructure – total 5 year outlook: \$2.9B (36% appropriated vs. 64% non-appropriated)**
- **Rural Water (approx. \$1.3B)**
- **Climate Change – Adaptation**
- **Drought Challenges**
- **CVP, San Luis Drainage (\$400M - \$2.0B, absent a settlement)**

Challenges for Reclamation's Budget 2016-2020 Summary

- **Maintenance with Large Out-Year Needs Will Require All Tools**
- **Future Program Challenges Exceed Belt-tightening Capabilities**
- **Adaptation to Climate Variability and Impact on Infrastructure**
- **Legal Obligations; Settlements and Administration Initiatives (e.g., IWRS, SJRRF, San Luis Drainage, & others)**