

# RECLAMATION

*FY 2003*

## **Annual Report**



*United States Department of the Interior  
Bureau of Reclamation*



## **Bureau of Reclamation**

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

# RECLAMATION

---

# Annual Report

*Fiscal Year 2003*

*United States Department of the Interior  
Bureau of Reclamation*



# Table of Contents

---

Commissioner's Letter .....	v
MANAGEMENT DISCUSSION AND ANALYSIS .....	1
President Bush's Commitment .....	2
Reclamation's Commitment .....	3
The Heart of Reclamation's Mission (2003) Accomplishments .....	3
Commissioner's Over-Arching Goals .....	3
Water 2025: Planning for the Future Today .....	4
Delivering Water .....	5
Meeting Our Water Delivery Obligations .....	5
Operating, Maintaining, and Upgrading Facilities to Store and Deliver Water .....	7
Developing state-of-the-art materials .....	7
Restoring capacity by addressing safety .....	10
Promoting effective operation and maintenance .....	10
Thinking Outside the Box to Meet Water Demands .....	11
Improving Water Management Information to Provide Effective Water Deliveries .....	12
Improving Water Treatment Technology to Tap Currently Unused Water .....	14
Finding Ways to Enhance the Current Water Supply .....	15
Delivering Power .....	17
Meeting Our Power Delivery Obligations .....	18
Operating, Maintaining, and Upgrading Facilities to Deliver Power .....	18
Thinking Outside the Box to Meet Power Demands .....	19
Improving Power Management Information to Provide Effective Power Deliveries .....	21
Benchmarking to Identify Best Management Practices .....	21
Improving Technology to Tap Currently Unused Power Production Capabilities .....	22
Security, Safety, and Law Enforcement .....	23
Physical Security .....	23
Electronic Security .....	24
Safety .....	24
Safety of Dams .....	24
Law Enforcement .....	25
Other Benefits of Reclamation Projects .....	26
Providing Recreation Benefits .....	26
Planning and Designing to Manage Resources Effectively .....	26
Increasing Access to Let Everyone Enjoy Our Lakes .....	27
Working with Partners to Address Challenges and Opportunities .....	28

Legal and Administrative Obligations .....	30
Meeting Natural Resources Legal Requirements .....	30
Controlling Invasive Species to Preserve Water Quantity and Quality .....	32
Controlling Salinity to Help Meet Water Quality Requirements .....	33
Serving Native American Communities .....	34
Managing to Perform Our Mission More Effectively .....	36
Managing Human Capital to Maintain a Quality Workforce .....	36
Planning for tomorrow's workforce .....	36
Meeting tomorrow's workforce needs .....	37
Diversity accomplishments .....	38
Expanding E-Government to Facilitate Access to Information and Services .....	38
Providing one-stop recreation information to serve the public .....	39
Enhancing public access .....	40
Improving performance and efficiency .....	41
Enhancing strategic value .....	41
Using Competitive Sourcing to Obtain the Best Value .....	42
Integrating Budget and Performance Analyses to Quantify Results .....	43
Managing costs more effectively .....	44
Assessing performance .....	44
Aligning senior staff performance agreements to organizational performance goals .....	46
Integrating performance and cost data into future management decisions .....	46
Improving Financial Performance to Provide Access to Cost Information .....	47
Developing Interior's financial management system .....	47
Improving financial management in Reclamation .....	48
Ensuring Management Integrity and Accountability .....	49
Assurance Statement .....	50
CFO Act Requirements .....	51
Analysis of the Financial Statements .....	52
Net cost of operations .....	52
Revenues .....	53
Budgetary resources .....	54
Assets .....	54
Liabilities .....	56
 FINANCIAL SECTION .....	 57
Auditor's Report .....	58
Response to Auditor's Report .....	71
Financial Statements .....	81
Financial Notes .....	87
 SUPPLEMENTAL SECTION .....	 119
Bureau of Reclamation Organization Chart .....	120
Bureau of Reclamation Boundaries and Offices Map .....	121
Required Supplementary Information .....	122

Financial Resources .....	122
Working Capital Fund .....	123
Deferred Maintenance .....	129
Required Supplemental Stewardship Information .....	132
Stewardship Assets .....	132
Heritage Assets .....	132
Cultural Heritage Assets .....	132
Museum Property .....	133
Deferred Maintenance of Collections .....	134
Native American Graves Protection and Repatriation Act .....	135
Natural Heritage Assets .....	136
Stewardship Land .....	136
Stewardship Investments .....	136
Non-Federal Physical Property .....	137
Title Transfers to State and Local Governments .....	137
Research and Development .....	138
Investment in Human Capital .....	138
Other Supplementary Information .....	140
Internal Reviews and Audits of Reclamation Programs .....	140
Safety of Dams Program .....	140

# From the Commissioner

---

Fiscal Year 2003 has proven to be a challenging, yet rewarding year for the Bureau of Reclamation. We remain committed to our core mission of providing water and power to the western United States, despite prolonged drought, exploding populations and other increasing demands on an already limited supply. I am proud of the vital role that Reclamation plays in finding resolutions to these issues.

I am pleased to present to you Reclamation's *2003 Annual Report*, which describes our major accomplishments this past year. This report discusses Reclamation's continuing dedication to deliver water to our customers and meet project purposes, while simultaneously providing for the fish and wildlife and recreational purposes of our projects. It also outlines Reclamation's proactive approach to ensure safe, secure facilities at our more than 430 dams and reservoirs, which have a total storage capacity of 245 million acre-feet of water. This report also describes Reclamation's growing role in exploring desalination and other new technologies that could stretch and even increase water supplies. Finally, it discusses our unique contribution as a facilitator in bringing different groups together to find innovative, workable solutions to complex water issues.



Even though the future promises to be challenging, Reclamation is not alone in its commitment to respond in a proactive, responsible manner. Last summer, Interior Secretary Gale Norton announced *Water 2025*, a problem-solving initiative that will help manage scarce water resources, and develop partnerships to nourish a healthy environment and sustain a vibrant Western economy. *Water 2025* provides a basis for public discussion about the realities of the problems facing the West, so that decisions are made at the appropriate level in advance of water supply crises. Second, the initiative identifies those watersheds facing the greatest potential risk of water issues in the next 25 years, evaluates effective ways to address these risks, and recommends cooperative planning approaches and tools to successfully resolve these challenges.

I welcome your comments on Reclamation's *2003 Annual Report*. Even more importantly, I request that you actively work with Reclamation by providing input and ideas to help us continue to address water management issues. Secretary Norton's "four C's" communication, consultation, and cooperation, all in the service of conservation—say it best. We must work closely together in addressing present and future water supply challenges and help protect the important economies and environmental resources of the West.

*John W. Key, III*

