

# The Water Supply Business Program

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First, the 2004 water supply database

(<http://www.iwr.usace.army.mil/iwr/pdf/IWRReport05-PS-1.pdf>) has been updated to 2005 numbers. A 57 page report on the updated data has been developed by the Institute for Water Resources (IWR) and published as IWR Report 06-PS-1, "Water Supply Database 2005 Update," dated April 2006.

- 1<sup>st</sup> option. This report is available on the IWR reports web page at: <http://www.iwr.usace.army.mil/iwr/pdf/WSDatabaseFinal2005.pdf>.
- 2<sup>nd</sup> option. This report will soon be available on the IWR reports web under Water Use at: <http://www.iwr.usace.army.mil/index.htm>.

The database shows there are 136 Corps reservoir projects that contain a total of 9.76 million acre-feet of storage space for municipal and industrial (M&I) water supply with a repayment value of \$1.46 billion. This storage space is covered by 307 water supply agreements administered by 23 of the Corps 38 districts. Of the total storage space, about 7.19 million acre-feet are under a present use agreement, another 2.17 million acre-feet are under a repayment agreement for future use and another 400,000 acre-feet were included under only an assurance. These "future" payment options were an integral part of the 1958 Water Supply Act, but through law and policy, are no longer permitted for Corps projects. The 136 reservoir projects are located in 25 states plus Puerto Rico. The report also updates the 2004 data on reallocations, type of non-Federal sponsor and the personal and household needs that could be met by our present use water supply agreements.

The updating of the 2004 database was the outcome of a separate "Water Supply Availability" initiative. This initiative was an attempt by the water supply business program manager to get a better understanding of the 2.57 million acre-feet of storage space covered by future use agreements and assurances for which costs are not being recovered. The reasoning behind this initiative was an attempt to respond to Office of Management and Budget examiners who always question this "unpaid" storage. By memorandum dated 15 March 2005, HQUSACE requested the MSCs and districts begin a four-phase "Water Supply Available" study to: 1) check the accuracy of the amount of storage space assigned to the two categories of future use, describe to the best of their ability what this storage space is currently being used for and a value of that use; 2) confirm the cost assigned to the storage space; 3) contact the local entities responsible for these costs to determine their plans for use of the storage; and 4) for that storage for which the local sponsor had no immediate plans, determine if the sponsor would release their right to that storage and then for the storage that would be released, for the Corps to try to market that storage space to others. While the results of the first phase of this initiative permitted the updating of the 2004 data, the first phase attempt to determine the use and value of this storage in many cases proved

unsuccessful as the districts could not determine these values with any accuracy. But more importantly, many responses reported that efforts to “market” this storage would be time consuming, prove futile and could result in legal issues difficult to resolve. This initiative was further complicated in that funding to districts to carry out the actions required was not available. For these reasons, the “Water Supply Availability” initiative was not continued into the second phase and the study has been terminated. Additional information on this initiative is contained in IWR Report 06-PS-1.

The second major undertaking by the water supply business program is **an effort just recently initiated to integrate water supply into the Operations and Maintenance Business Information Link (OMBIL)** (<https://ombil.usace.army.mil/>). An initial meeting to accomplish this task was held during the week of 20 March 2006 in Carbondale, IL between the Corps of Engineers (represented by the IWR and the Ft. Worth District) and the contractor (CDM). The contractor is currently preparing the database tables and developing a draft design of the data entry forms. A session to train Corps employees on how to load the water supply data into OMBIL and learn how to keep the data updated on a yearly basis is currently scheduled for mid-November 2006. Training will be by Dave Lichy and Margaret Moses of IWR. The training session will be held in the Tulsa District and will be hosted by Janet Hotubbee.

The third major activity was **the development of the Corps input to the Office of Management and Budget’s (OMB) Program Assessment Rating Tool (PART)**. This is the first year that water supply has become a part of PART. PART is a major tool utilized by OMB to rate Federal programs. Information on PART can be found at the following OMB web site: <http://www.whitehouse.gov/omb/part/index.html>. The details of this program are at: [http://www.whitehouse.gov/omb/part/fy2006/2006\\_guidance\\_final.pdf](http://www.whitehouse.gov/omb/part/fy2006/2006_guidance_final.pdf). The latter reference is a 92 page document that must be followed by all 1,000 or so Federal responders to this exercise (including ten other Corps programs). The Corps of Engineers water supply input to this program has been titled “Corps of Engineers: Water Storage for Water Supply 2006 Assessment” and was determined to be a Direct Federal Program. As shown in this document, it is necessary to not only answer the questions yes, no or not applicable, but also provide an explanation and evidence. Program performance measures (outcome or output) and targets are also required. The schedule for PART required the draft PART to be submitted to OMB by 14 April (that suspense was met). The initial Assessment Scores were: Program Purpose & Design 100%, Strategic Planning 88%, Program Management 84% and Program Results/Accountability 58%). The PART however is a work in progress and the final will not be complete until September 15<sup>th</sup>. The detailed schedule for the 2006 PART can be found on page vii of the 2006 Guide to the Program Assessment Rating Tool and as you can see, there is a lot of give and take over the next five months between OMB and the Corps.

And finally, **the water supply portion of the 2006 Planning Associates Program is currently being developed** under the leadership of Andrea Walker of the Northwestern Division. The class this year will be held in Kansas City, MO on 12 July and will be hosted by Valerie Hansen. Presenters will be Peter Shaw (SWD – National Perspective and Center of Expertise), Jim Fredericks (NWD – Economic Analysis), John Grothaus (NWK – Reallocation and Case Study/Exercise) and Ted Hillyer (IWR - Authorities, Policies, Procedures, Database, Model Agreements and Processing and Water Supply Business Program).