

INTERNATIONAL BOUNDARY AND WATER COMMISSION  
UNITED STATES AND MEXICO  
UNITED STATES SECTION



ACCOUNTABILITY REPORT  
FISCAL YEAR 2011

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**MISSION, VISION AND PHILOSOPHY**

MISSION

Provide binational solutions to issues that arise during the application of United States - Mexico treaties regarding boundary demarcation, national ownership of waters, sanitation, water quality, and flood control in the border region.

VISION

Through binational partnerships with Mexico, preserve the international boundary and improve the quality, conservation, and utilization of transboundary water resources in the border region.



PHILOSOPHY

- I - Integrity and Accountability
- B - Binational Diplomacy
- W - Working towards Excellence
- C - Commitment to Stakeholders and the Public

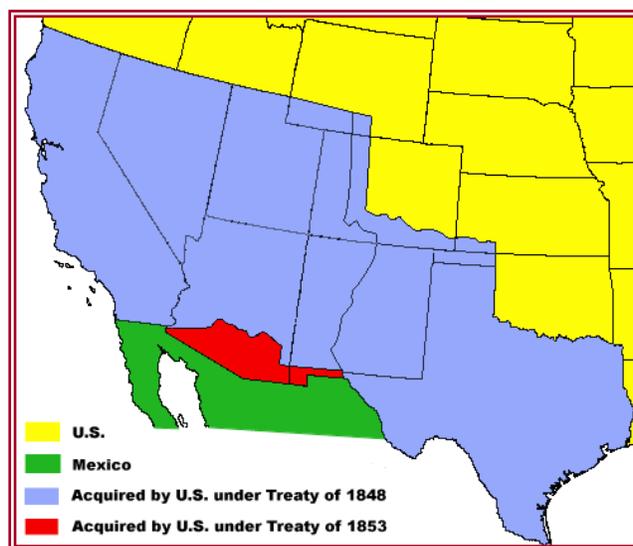
## ABOUT THE INTERNATIONAL BOUNDARY AND WATER COMMISSION

The International Boundary and Water Commission (IBWC) is a binational organization, established to apply boundary and water treaties and agreements between the United States (U.S.) and Mexico. The IBWC consists of a U.S. Section and a Mexican Section. Each Section is administered independently of the other, and is headed by an Engineer Commissioner, who is appointed by his respective President. The U.S. Section receives foreign policy guidance from the U.S. Department of State, while the Mexican Section is administratively linked to the Secretariat of Foreign Relations of Mexico.

The U.S. and Mexican Sections maintain their respective headquarters in the adjoining cities of El Paso, Texas and Ciudad Juárez, Chihuahua. Each Section is responsible for maintaining its own legal counsel, engineering staff, and administrative staff, and has field offices situated along the border to operate and maintain joint works. The Commissioner, two principal engineers, a legal adviser, and a secretary, designated by each Government as members of its Section, are entitled to the privileges and immunities appertaining to diplomatic officers. The Commission meets on a regular basis, alternating the place of meetings, and the staffs of the two Sections are in frequent contact. Pursuant to the 1944 Treaty, decisions of the IBWC are recorded in the form of Minutes that, following approval by the U.S. and Mexican governments, enter into force as binding international agreements of the U.S and Mexico.

## HISTORY

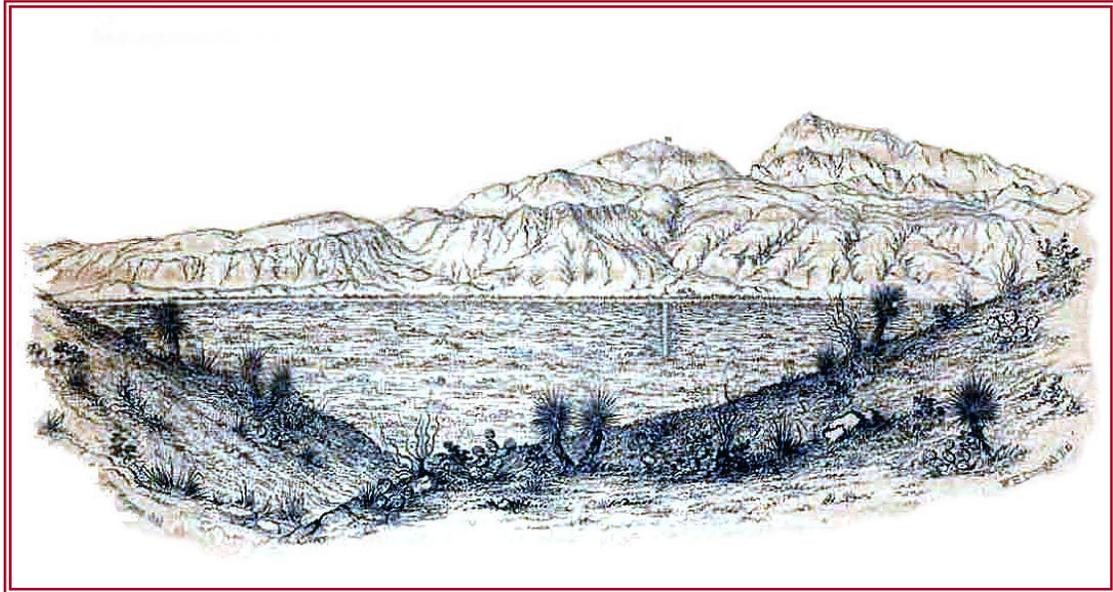
The IBWC traces its roots to the Guadalupe Hidalgo Treaty of 1848 and the Gadsden Treaty of 1853. The *Guadalupe Hidalgo Treaty of February 2, 1848* ended the Mexican-American War and provided for a new international boundary. The resulting boundary extended east in a straight line from the California coast, south of the port of San Diego, to and along the Gila River, and east along the Rio Grande to the Gulf of Mexico. However, disputes over the boundary lingered and a proposal for a southern railroad south of the Gila River added to the turmoil. Therefore, in 1853 the U.S., represented by James Gadsden, negotiated and acquired the necessary land from Mexico for \$10 million U.S. dollars. Known as the Gadsden Purchase, the *Treaty of December 30, 1853* redefined the U.S. – Mexico boundary further south along New Mexico and Arizona to current location.



### Historic U.S. – Mexico Boundaries

*This map illustrates the land that the U.S. acquired from Mexico as a result of the Guadalupe Hidalgo Treaty of 1848 (blue), and the Gadsden Treaty of 1853 (red).*

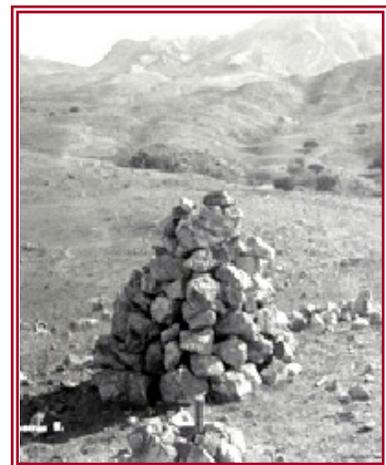
Joint Commissions, which were precursors of the IBWC, were temporarily established by the U.S. and Mexico between 1849 and 1857 to survey, map, and demarcate with ground landmarks the new boundary concluded under the 1948 and 1853 Treaties. Under the direction of U.S. Commissioners John Bartlett and William Emory, borderline surveys and demarcation efforts were initiated in 1849 and concluded in 1855. The resulting set of boundary survey maps were completed in 1857.



***Sketch of Territory acquired by the Treaty of 1853***

*View of the initial point on the Rio Grande, looking west along the boundary line on parallel 31° 47' N latitude. The flag on the mountain and the boundary monument, situated on the west bank of the Rio Grande, indicate the boundary line west of the Rio Grande.*

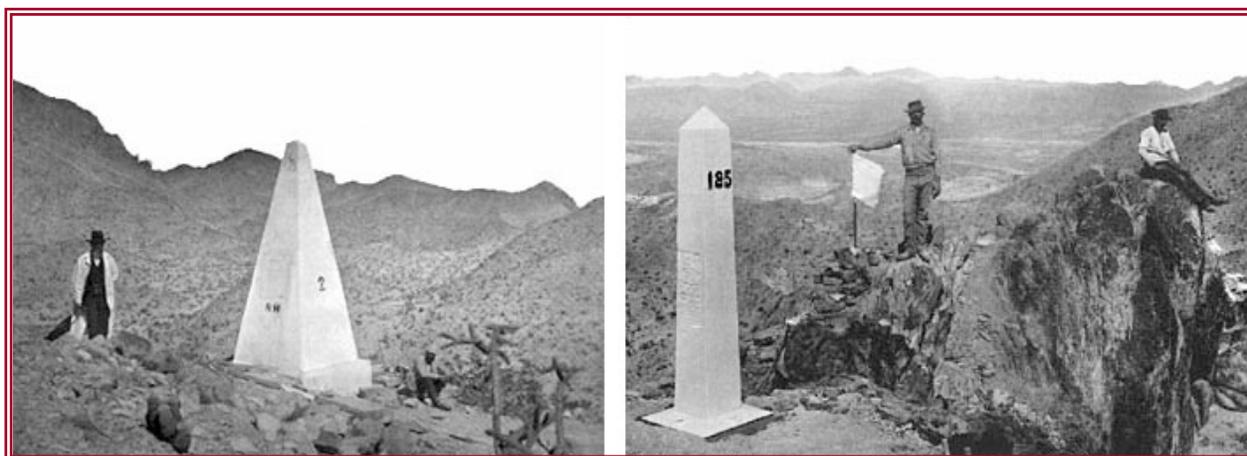
As the settlements grew along the Rio Grande and Colorado River in the late 1800's, settlers began developing adjoining lands for agriculture. In the late Nineteenth Century, questions arose as to the location of the boundary and the jurisdiction of lands when the boundary rivers changed their course and transferred land from one side of the river to the other. Therefore the U.S. and Mexico adopted certain rules designated to deal with these river boundary issues during the Convention of November 12, 1884. To apply the rules of this 1884 Convention, the two countries formed a temporary joint commission. An interim International Boundary Commission (IBC), consisting of a U.S. Section and a Mexican Section, was created by the Convention of March 1, 1889.



***Old Monument No. 16***

*Stone Monument built in the early 1850's to mark the U.S. – Mexico border.*

between the boundary monuments coupled with the occasional destruction of a monument made it difficult to determine the physical location of the international border. To resolve this problem, U.S. Commissioner John W. Barlow and Mexican Commissioner Jacobo Blanco embarked on a quest to resurvey and demarcate the western boundary. The survey started at the El Paso, Texas – Ciudad Juárez, Chihuahua border in 1891 and concluded at the San Diego, California – Tijuana, Baja California border in 1894. During this survey, IBC crews reconstructed old monuments and erected new ones; thus increasing the number of monuments from 52 to 258.



**Western Land Boundary Monuments**

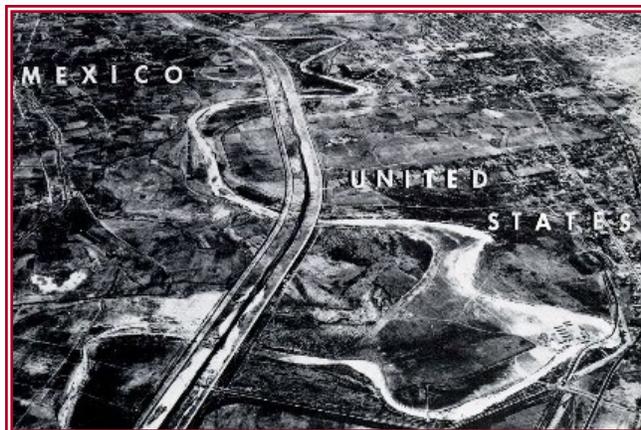
*Stone and iron monuments were erected during the resurvey expedition in the early 1890's to demarcate the international boundary. Monument No. 2 (left), composed of stone, was set at the summit of the Mulero Mountains known today as Mount Christo Rey, in Sunland Park, New Mexico adjacent to El Paso, Texas. Monument No. 185, made of iron, was placed on a high, rough peak of the Tule Mountains in southwestern Arizona.*

As border populations increased between the years of 1906 and 1968, the Commission constructed 18 additional boundary monuments for a total of 276. The IBWC later erected 442 smaller concrete markers to enhance demarcation along the western boundary from 1976 to 1986.

In the year 1900, both Governments agreed to make the interim IBC a permanent binational entity by indefinitely extending its existence under the Convention of November 21, 1900. It is this 1889 IBC that is considered to be the direct predecessor to the modern day IBWC. The International Boundary Commission was renamed to the International Boundary and Water Commission in 1944

During the early to mid 1900's as border populations increased, the IBC was faced with more challenges. These challenges included the equitable and efficient distribution of Rio Grande and Colorado River waters between the U.S. and Mexico, Rio Grande flood control and channel stabilization, and border sanitation.

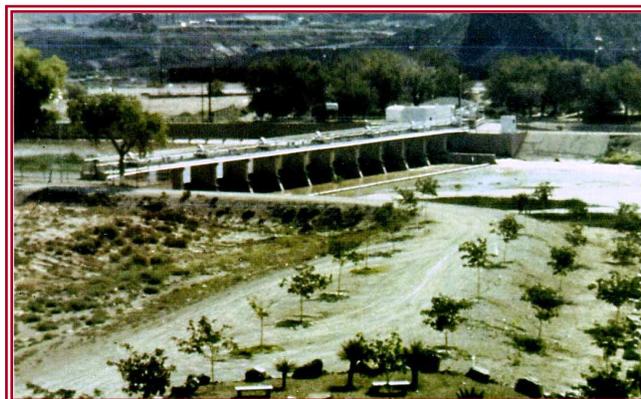
Historically, the Rio Grande was a meandering stream carrying heavy sediment loads through and below the El Paso – Juárez Valley. Channel aggrading occurred due to the flat gradient and low flow velocities, and during flood flows a new channel often formed on lower ground. In the late 1920's, the IBC formulated plans to rectify the Rio Grande and stabilize the boundary line between El Paso, Texas and Little Box Canyon in such a manner that the total areas to be cut from each country were equal. The IBC constructed the rectified Rio Grande channel with necessary grade control works and within a leveed floodway from 1934 to 1938. Thirty years later, the IBWC relocated and concrete-lined 4.35 miles of the Rio Grande channel to resolve a century old boundary dispute, known as the Chamizal Dispute, at El Paso, Texas - Ciudad Juárez, Chihuahua.



**Rio Grande Rectification**

*Photo showing the rectification of the Rio Grande along the El Paso – Ciudad Juárez Valley in 1938 for the purpose of stabilizing the U.S. – Mexico boundary.*

The U.S. Section of the IBC built the American Diversion Dam and Canal immediately upstream of the Rio Grande boundary in El Paso, Texas from 1937 to 1938. The purpose of this project was to separate Rio Grande waters allocated to the U.S. from those allocated to Mexico in the El Paso – Juárez Valley. To convey these waters more efficiently and protect U.S. lands from Rio Grande floods, the U.S. Section constructed the Rio Grande Canalization Project. This project provided for a normal-flow, rectified river channel within a leveed floodway from Percha Diversion Dam, located two miles downstream of Caballo Storage Dam, to American Diversion Dam during 1938 to 1943.



**American Diversion Dam**

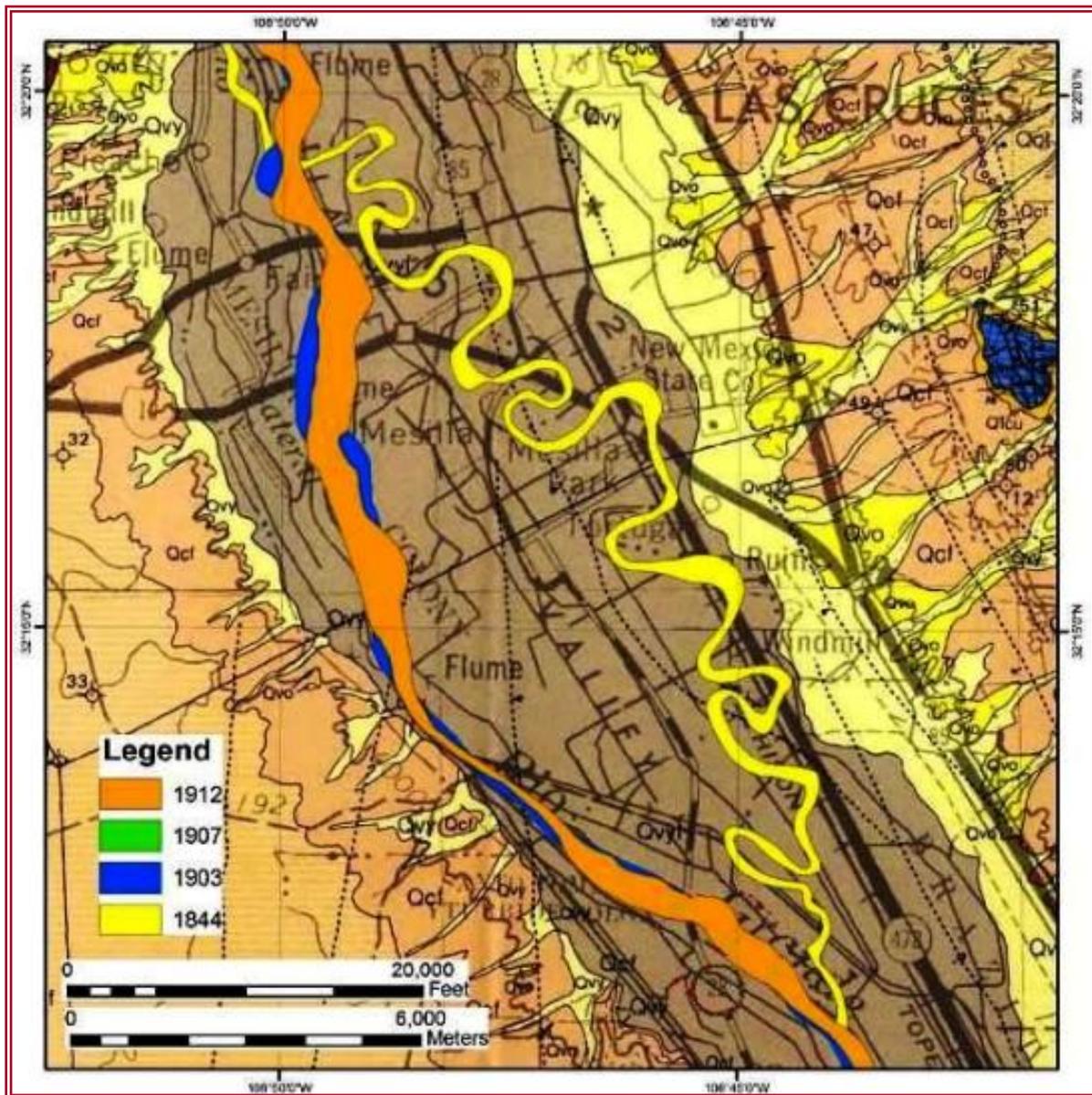
*View of American Diversion Dam in El Paso, Texas, which diverts Rio Grande waters allocated to the U.S. under the Convention of 1906.*



**Resolution of the Chamizal Boundary Dispute**

*Territory returned to Mexico, in accordance with the Convention of 1963, by relocation of the Rio Grande was relocated northward.*

Two decades later, the IBWC relocated a section of the Rio Grande in El Paso, Texas – Ciudad Juárez, Chihuahua to resolve a century old boundary dispute with Mexico. This dispute, known as the Chamizal Dispute, arose when the Rio Grande moved southward, causing Mexico to lose territory in the 1860's. To resolve this issue, the IBWC constructed the Chamizal Project from 1966 to 1969 and returned 437 acres of territory to Mexico. Through this project, the agency relocated and stabilized 4.35 miles of the Rio Grande channel near Cordova Island. It also extended the flood control levees upstream from Cordova Island to immediately below American Dam to protect U.S. lands from river floods.



***Historical courses of the Rio Grande in the Mesilla Valley***

The historical courses of the Rio Grande, prior to its “straightening” during the Canalization Project from 1938 to 1943, are shown on this geology map. Note the smaller size of river channel between the 1844 course and later channels.

The U.S. and Mexican Governments directed the IBC in 1930 to address the flood control problems in the Lower Rio Grande Valley located in far south Texas. As a result, the IBC extended, raised, and straightened levees of the Rio Grande and its interior floodways in 1933. The IBWC later constructed Anzalduas Diversion Dam between 1956 and 1960 to allow for controlled diversion of floodwaters into the U.S. interior floodway. However, the 1958 flood demonstrated that certain improvements to the system were needed, so the IBWC raised some levee reaches and extended the river levee eight miles upstream to Peñitas, Texas from 1958 to 1961. Unfortunately, Hurricane Beulah struck the region in 1967, devastating the Lower Rio Grande watershed with up to 35 inches of rain and causing major damage in both the U.S. and Mexico. The IBWC quickly responded by performing emergency repairs to the flood control system in 1968 and 1969. Soon thereafter in September 1970, the two Governments agreed to further increase the flood conveyance capacity of the system from 187,000 cfs to 250,000 cfs at the head of the valley. Beginning in 1970, the IBWC completed all the necessary flood control improvements by 1977; including levee raising, interior floodway modifications, and construction of Retamal Diversion Dam.

During the 1940's, the Commission conducted joint studies and investigations to determine the most feasible sites for the construction of major international reservoirs and hydroelectric power plants on the Rio Grande. Construction of international storage dams and power plants would provide flood control, water conservation, recreational, and electrical power benefits to both countries. Since the U.S. and Mexico concluded that two such combinations on the Rio Grande would be feasible, the IBWC proceeded with the construction of the Falcon and Amistad International Storage Dams and Power Plants. The Falcon International Storage Dam and Power Plant was built in 1950 to 1954. Unlike Falcon, the Amistad project was constructed in two separate phases. The storage dam and reservoir was built in 1963 to 1969, and the U.S. and Mexican power plant facilities were constructed from 1980 and 1987.



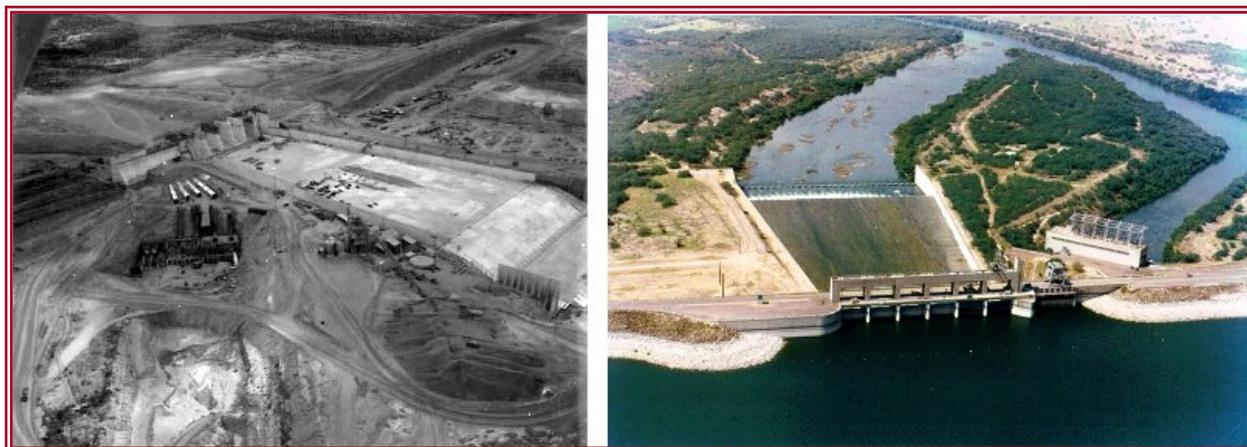
***Lower Rio Grande U.S. Main Floodway***

*Construction of the south levee along the Main Floodway in the Lower Rio Grande Valley of south Texas during 1934*



***Hurricane Beulah Flooding***

*Aerial photograph of a flooded community in Harlingen, Texas after Hurricane Beulah hit the Lower Rio Grande Valley in 1967. Note that only the rooftops were visible.*



***Falcon International Storage Dam and Hydroelectric Power Plant***

*Falcon International Dam and the U.S. power plant during construction in 1952 (left), and in operation thirty-nine years later in 1993 (right). The storage dam and power plants provide water conservation, flood protection, power production, and recreational benefits to both the U.S. and Mexico. (Mexican power plant is not shown.)*

The U.S. and Mexico, through the IBWC, have worked together to address sanitation issues and improve the environment along the international boundary. Since the 1930's, the IBWC has jointly developed and implemented defensive sanitary works at various locations along the border. The most notable IBWC accomplishments include the construction and operation of three international wastewater treatment plants and related infrastructure on the border region to treat sewage from Mexico. The IBWC built the original Nogales International Wastewater Treatment Plant (NIWTP) at Nogales, Arizona in 1951. The IBWC operated this facility until it constructed, jointly with the City of Nogales, a larger secondary sewage treatment plant outside of the city limits in 1972, to treat both U.S. and Mexican wastewater. Also during the 1990's, the IBWC constructed the Nuevo Laredo International Wastewater Treatment Plant (NLIWTP) at Nuevo Laredo, Tamaulipas, Mexico, and the South Bay International Wastewater Treatment Plant (SBIWTP) at San Diego, California. Construction of the NLIWTP, which began in 1992, was substantially completed and placed into operation 1996. The IBWC started construction of the SBIWTP in 1993, and completed the advanced primary wastewater treatment facilities in 1997. However, wastewater treatment and effluent discharge operations did not commence until completion of the South Bay Ocean Outfall (SBOO) in 1999.



***Nuevo Laredo Int'l Wastewater Treatment Plant***

*This plant, with a capacity of 31 million gallons per day, treats Mexican sewage that would otherwise pollute the Rio Grande to U.S. secondary standards.*

## International Boundary and Water Commission, United States Section

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The IBWC is charged with applying the rights and obligations that the Governments of the U.S. and Mexico assume under various boundary and water treaties and agreements, and to settle disputes that arise in the application of these agreements. The IBWC is committed to exercising this authority in an environmentally sound manner that benefits the social and economic welfare of both countries, and improves U.S. – Mexico relations. The IBWC is entrusted with the responsibility of diplomatically addressing boundary preservation, accounting of the national ownership of transboundary surface waters, border sanitation and water quality problems, and affording flood control protection to millions of people on both sides of the 1,952-mile U.S. – Mexico border. This is accomplished through the joint construction, operation, and maintenance of four flood control systems (Tijuana River, Upper Rio Grande, Presidio Valley, and Lower Rio Grande) with approximately 500 miles of levees in the U.S. alone, five diversion dams (Morelos, International, American, Anzalduas, and Retamal), two international storage dams and hydroelectric power plants (Amistad and Falcon), three international wastewater treatment plants (South Bay, Nogales, and Nuevo Laredo), and over 700 monuments and markers to demarcate the land boundary.



### **1944 Treaty Signing**

*Signing of the 1944 Treaty in Washington, DC on February 3, 1944. U.S. Secretary of State Cordell Hull, seated at the center, is signing the Treaty. Mexican Foreign Relations Secretary F. Castillo Najera is seated to his right.*



### **1970 Treaty Signing**

*Signing of the 1970 Treaty in Mexico City on November 23, 1970. Signing the Treaty are U.S. Ambassador Robert H. McBride (left) and Mexican Secretary of Foreign Affairs Antonio Carrillo Flores (right).*

THE UNITED STATES – MEXICO BOUNDARY



As established by Treaties in 1848, 1853, and 1970, the boundary between the U.S. and Mexico extends 1,954 miles, excluding the maritime boundaries of 18 miles in the Pacific Ocean and 12 miles in the Gulf of Mexico. Beginning at the Gulf of Mexico, the U.S. – Mexico continental boundary follows the centerline of the Rio Grande a distance of 1,255 miles from the Gulf to a point in El Paso, Texas and Ciudad Juárez, Chihuahua. From this point, the boundary follows a westward alignment marked by monuments and markers overland below New Mexico and Arizona a distance of 534 miles to the Colorado River. The boundary continues northward along the centerline of the Colorado River for 24 miles, where it once again follows a westward alignment marked by monuments and markers overland below California to the Pacific Ocean a distance of 141 miles.

The region along the boundary is characterized by deserts, rugged mountains, abundant sunshine, and by two major rivers. These rivers, which make up approximately two-thirds of the international boundary, are the Colorado River and the Rio Grande. The rivers provide life-giving waters to the largely arid, but fertile lands along the rivers in both countries.

Although sparsely settled at the time of the 1848 and 1853 Treaties, the region rapidly developed with the emergence of the railroads in the 1880s and the development of irrigated agriculture after the turn of the century. In 2003, approximately 2.7 million acres of crop land was irrigated with the waters of the Rio Grande (1.6 million acres) and Colorado River (1.1 million acres) on both sides of the border. In addition, the Rio Grande provided 302.1 thousand acre-feet (13.16 million cubic feet) of water for municipal needs, which served over 3.7 million border residents in 2003.

Today the boundary is characterized by fifteen pairs of sister cities sustained by agriculture, import-export trade, service and tourism, and by a growing manufacturing sector. The U.S. Section estimates that between 12 and 13 million people presently live and/or work in the U.S. – Mexico border region.

## THE BOUNDARY AND WATER TREATIES

### Treaty of February 2, 1848

The Treaty of February 2, 1848, commonly known as the “Guadalupe Hidalgo Peace Treaty,” ended Mexican – American War and established the U.S. – Mexico boundary from San Diego, California east along the Gila River, and the Rio Grande.

### Treaty of December 30, 1853

The Treaty of December 30, 1853, also referred to as the “Gadsden Treaty,” reestablished the U.S. Mexico boundary after the U.S. purchased the area south of the Gila River from Mexico, which is now southwestern New Mexico and southern Arizona.

### Convention of July 29, 1882

The Convention of July 29, 1882 established another temporary commission to resurvey and place additional monuments along the western land boundary from El Paso, Texas – Ciudad Juárez, Chihuahua to San Diego, California-Tijuana, Baja California.

### Convention of November 12, 1884

The Convention of November 12, 1884 established the rules for determining the location of the boundary when the meandering rivers transferred tracts of land from one bank of the river to the other.

### Convention of March 1, 1889

The Convention of March 1, 1889 established the International Boundary Commission (IBC) to apply the rules in the 1884 Convention. It was later modified by the “Banco Convention” of March 20, 1905 to retain the Rio Grande and the Colorado River as the international boundary.

### Convention of May 21, 1906

The Convention of May 21, 1906 provided for the distribution of Rio Grande waters between the U.S. and Mexico for the Rio Grande from El Paso to Fort Quitman, Texas. This Convention allotted to Mexico 60,000 acre-feet annually of the waters of the Rio Grande to be delivered in accordance with a monthly schedule at the headgate to Mexico's Acequia Madre or irrigation canal above Ciudad Juárez, Chihuahua. To facilitate such deliveries, the U.S. constructed, at its expense, the Elephant Butte Dam in its territory. The Convention includes the proviso that in case of extraordinary drought or serious accident to the irrigation system in the U.S., the amount of water delivered to the Mexican Canal shall be diminished in the same proportion as the water delivered to lands under the irrigation system in the U.S. downstream of Elephant Butte Dam.

Convention of February 1, 1933

In the Convention of February 1, 1933, the two Governments agreed to jointly construct and maintain works, through the IBC, to straighten and stabilize the Rio Grande, which serves as the international boundary, from International Dam in the El Paso – Ciudad Juárez Valley to Little Box Canyon below Fort Quitman, Texas. The 1933 Convention required reducing the length of the meandering river from approximately 155 miles to about 88 miles and confining the channel between two parallel levees.

Treaty of February 3, 1944

The Treaty of February 3, 1944 entitled, “Utilization of Waters of the Colorado and Tijuana Rivers and of the Rio Grande” distributed the waters of the Colorado River and of the Rio Grande below Fort Quitman, Texas between the U.S. and Mexico. This Treaty, also referred to as the “Water Treaty”, changed the name of the International Boundary Commission (IBC) to the International Boundary and Water Commission (IBWC), and expanded its authority by entrusting the IBWC to address all border sanitation problems. The 1944 Treaty provided for joint construction, operation, and maintenance of storage dams, diversions dams, and hydroelectric power plants on the Rio Grande. It also provided provisions for flood control works to protect adjacent lands from flood waters of the Rio Grande, Colorado River, and Tijuana River.

Convention of August 29, 1963

The Convention of August 29, 1963, referred to as the “Chamizal Convention,” resolved a century-old boundary problem at El Paso, Texas – Ciudad Juárez, Chihuahua, known as the Chamizal Dispute, involving some 600 acres of territory which were transferred from the south to the north bank of the Rio Grande by movement of the river during the latter part of the Nineteenth Century. By this Convention, the two Governments gave effect to a 1911 arbitration award under 1963 conditions. It provided for the relocation by the IBWC of 4.35 miles of Rio Grande channel as to transfer a net amount of 437 acres from the north to the south side of the river. President Lyndon Johnson met Mexican President Adolfo Lopez Mateos in El Paso, Texas on September 24, 1964 to commemorate the ratification of the Chamizal Convention.

Treaty of November 23, 1970

The Treaty of November 23, 1970 resolved all pending boundary differences and provided for maintaining the Rio Grande and the Colorado River as the international boundary between the U.S. and Mexico. This Treaty, known as the “Boundary Treaty,” superseded the Conventions of 1884 and 1905. The 1970 Treaty reestablished the Rio Grande as the boundary throughout its 1,254-mile limitrophe section and provided a different method for resolving changes in the boundary and transfers of territory due to changes in the course of the river. The Treaty includes provisions for restoring and preserving the character of the Rio Grande and the Colorado River as the international boundary where that character has been lost, to minimize changes in the channel, and to resolve problems of sovereignty that might arise due to future changes in the channel of the Rio Grande. It provides for procedures designed to avoid the loss of territory by either country incidental to future changes in the river's course due to causes other than lateral movement, incident to eroding one of its banks and depositing alluvium on the opposite bank. This Treaty, too, charged the IBWC with carrying out its provisions.

## PROCEDURES FOR SOLUTION OF BOUNDARY AND WATER PROBLEMS

Prior to addressing a problem, the U.S. Section must ensure that the necessary authorities are in place to execute a solution. Implementation of broad provisions of treaties and other international agreements frequently require specific agreements by the IBWC for planning, cost sharing, construction, and operation and maintenance of joint works. IBWC decisions are subject to the approval of the two Governments and are recorded in the form of Minutes. Once approved by both Governments, the Minutes enter into force as binding obligations of the U.S. and Mexican Governments.

When a new or anticipated boundary or water problem is identified, the U.S. and Mexican Commissioners make recommendations to their respective Governments for its resolution. Early detection and evaluation of the problem and the development of measures for resolution are a part of the mission of the IBWC. Most problems are resolved by the development of new projects. The need for development of new cooperative projects may also be brought to the attention of the IBWC by one or both Governments, or by state or local authorities through their respective Section of the IBWC. If the findings of the IBWC joint investigations, often recorded in a joint report of the Principal Engineers of the two Sections, show that a cooperative project is needed, is feasible and can be justified as an international project, the IBWC may endorse the findings in a Minute and recommend the project to the two Governments.

Once the project is authorized and funded by both Governments, each Government through its Section proceeds to perform under the joint supervision of the IBWC, its share of the works, as determined in the approved agreement.

The two Governments generally share the total costs of the projects in proportion to their respective benefits in cases of projects for mutual control and utilization of the waters of a boundary river, unless the Governments have predetermined by treaty the division of costs according to the nature of a project. In cases of man-made works in one country or operations in one country causing or threatening to cause damage in the other country, the cost is borne by the Government in whose territory the problem originated. The U.S. Section prepares its assigned part of the plans for works or contracts for their preparation with other federal agencies or with private consulting engineers, awards contracts for, and supervises its part of the construction of a project under the overall supervision of the IBWC. The United States Section operates and maintains the part of the project assigned to the U.S. Government.

## ORGANIZATION

### OVERVIEW OF ORGANIZATIONAL STRUCTURE

The International Boundary and Water Commission (IBWC) is a binational organization, established to apply boundary and water treaties, and related international agreements between the U.S. and Mexico. The IBWC consists of a U.S. Section and a Mexican Section. Each Section is administered independently of the other, and is headed by an Engineer Commissioner, who is appointed by his respective President. The U.S. Section receives foreign policy guidance from the U.S. Department of State, while the Mexican Section is administratively linked to the Secretariat of Foreign Relations of Mexico.

The U.S. Section and Mexican Section maintain their respective headquarters in the adjoining cities of El Paso, Texas and Ciudad Juárez, Chihuahua. Each Section maintains its own legal counsel, engineering staff, and administrative staff, and has field offices situated along the border to operate and maintain joint works. The Commissioner, two principal engineers, a legal adviser, and a secretary, designated by each Government as members of its Section, are entitled to the privileges and immunities appertaining to diplomatic officers. The Commission meets on a regular basis, alternating the place of meetings between the two countries and the staffs of the two Sections are in frequent contact.

The U.S. Section consists of the U.S. Commissioner, Executive Offices, and three Departments: Operations, Engineering, and Administration. The Executive Offices are comprised of the Compliance, Human Capital, Legal Affairs, Foreign Affairs, Washington DC Liaison, and Public Affairs Offices. The Operations and Engineering Departments carry out and address the core mission requirements of the U.S. Section. Like the Commissioner, the heads of the Engineering and Operations Departments are engineers. The Administration Department performs the necessary support functions for the agency, whereas the Executive Offices provide executive, legal, and foreign policy guidance to the Commissioner. The Heads of the Executive Offices and the three Departments make up the U.S. Section's Executive Staff. The roles of the Executive Offices and Departments are summarized below.

### EXECUTIVE OFFICES

The Executive Offices consist of the following offices: Office of the Commissioner, Human Capital, Legal Affairs, and Foreign Affairs. In addition to the Commissioner and his executive assistant, The Office of the Commissioner administers the Washington DC Liaison, Public Affairs, Internal Audit, and Equal Employment Opportunity function of the agency. The Office of the Commissioner addresses binational issues, responds to public concerns, and updates the public about U.S. Section projects and initiatives through citizens' forums, press releases, newsletters, or other publications. This office also oversees agency policies and practices to ensure compliance with all respective laws, regulations, agency directives, and other requirements.

The Human Capital Office is responsible for recruiting, maintaining and updating personnel information, analyzing positions, and administering employee benefit programs (retirement, insurance, etc.). This office develops and implements policies, programs, and

## International Boundary and Water Commission, United States Section

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standards for effective management, utilization, and development of human resources in accordance with applicable laws, executive orders, rules and regulations.

The Legal Affairs Office is the in-house counsel that provides all general legal services for the agency, including contracting, realty, employment, and environmental matters. It also provides legal guidance on bi-national issues, and interprets international law as part of the implementation of the Agency's Foreign Policy Program.

The Foreign Affairs Office is headed by the U.S. Section Secretary, who serves as an expert adviser on Treaty and Minute interpretations, and, in cooperation with the Washington, DC Liaison Office at the Department of State, serves as a policy adviser on international relations. The Foreign Affairs Office also provides language interpretation services, maintains all diplomatic communication records, and prepares the formal binational agreements called IBWC Minutes.

### THE OPERATIONS DEPARTMENT

The Operations Department is headed by the Principal Engineer of Operations. The Principal Engineer of Operations provides technical and policy advice to the U.S. Commissioner, and oversees all U.S. Section operations and maintenance activities to assure adherence with treaty requirements. The Operations Department consists of the following Division: Water Accounting, Planning and Integration, and Operations and Maintenance. The Operations and Maintenance Division, through its eight field offices, operates and maintains roughly 100 hydrologic gaging stations, 500 miles of levees, 14,650 acres of floodplains, four diversion dams, two International storage dams and associated hydroelectric power plants, over 500 hydraulic structures, two International wastewater treatment plants, and one-half of all boundary monuments and markers on the land boundary and at ports of entry. The Water Accounting Division coordinates and performs the water accounting functions to determine the national ownership of Rio Grande and Colorado River waters jointly with the Mexican Section. The Planning and Integration Division administers the security, safety and health, boundary and realty, graphic information systems, and project planning programs.

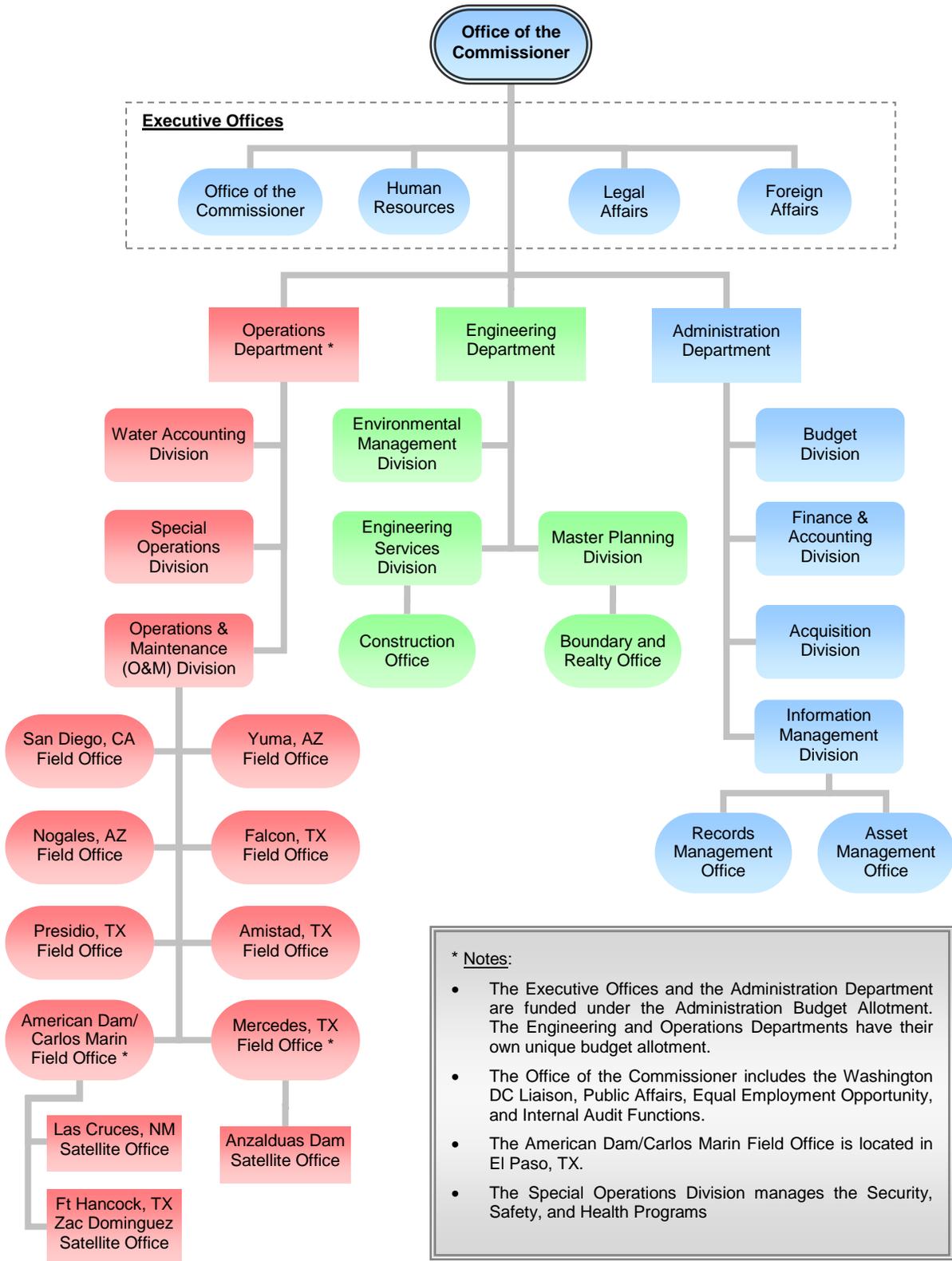
### THE ENGINEERING DEPARTMENT

The Engineering Department is headed by the Principal Engineer of Engineering. Like the Principal Engineer of Operations, the Principal Engineer of Engineering also provides technical and policy advice to the U.S. Commissioner. The Engineering Department provides technical support in planning, engineering, environmental management, construction management, geographical information system, and real property administration to meet agency requirements. The Engineering Department conducts and reviews environmental and cultural studies, water quality monitoring, hydraulic studies, geotechnical investigations, and develops design plans and specifications for construction and renovation of buildings, hydraulic and flood control structures, hydroelectric power plant infrastructure, and wastewater treatment plant infrastructure.

THE ADMINISTRATION DEPARTMENT

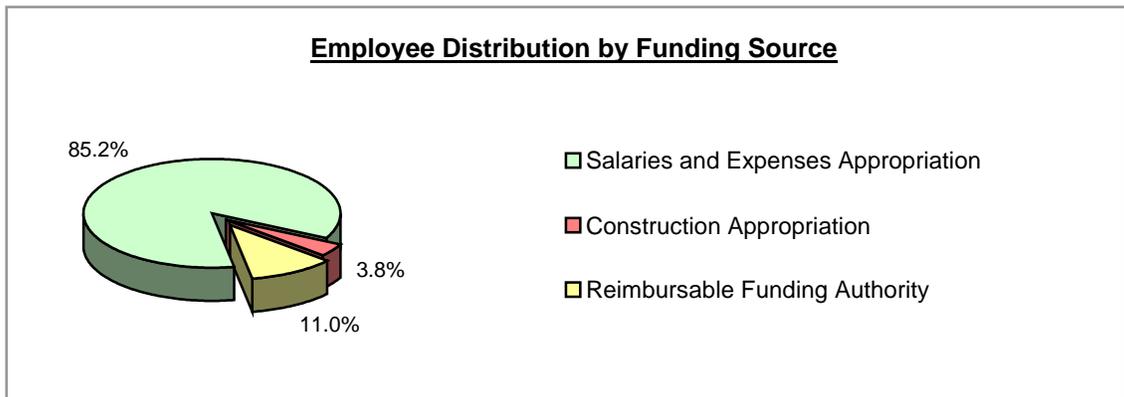
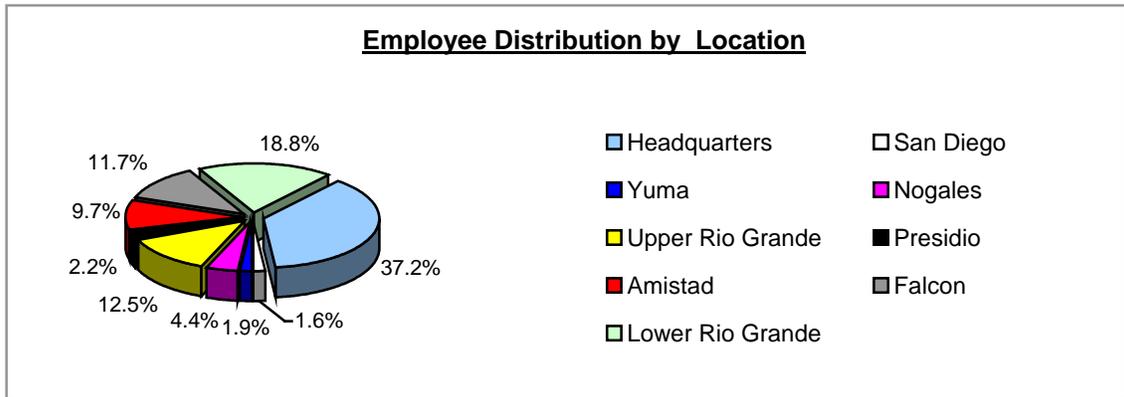
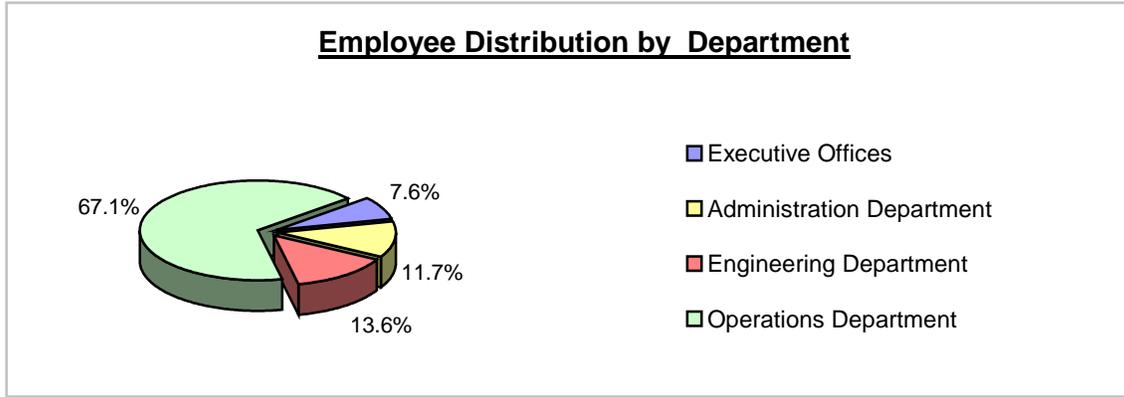
The Administration Department is headed by the Chief Administrative Officer. It provides administrative support to all agency functions through its four Divisions: Acquisitions, Budget, Finance and Accounting, and Information Management. The Administration Department will lead the way to implement the President's Management Agenda with the following action plans: (1) identifying potential improvements to eliminate superfluous or overlapping responsibilities in agency programs; (2) instituting an organizational structure that allows for a well coordinated and efficient organization that emphasizes public needs while meeting requirements and empowering employees; (3) developing a performance based budget process that evaluates the effectiveness of all activities to establish successful mission-oriented programs, determine funding requirements and identify efficiencies to eliminate mismanagement, waste, or duplication of efforts. The Department is committed to helping its customers achieve desired results instead of placing impediments to progress. All this will be accomplished by placing utmost importance to achieving agency priorities, and the professional and personal development of each staff member.

**ORGANIZATIONAL STRUCTURE**



**EMPLOYEE DISTRIBUTION**

The U.S. Section employed a workforce that was equivalent to 267.7 full time employees in FY 2011. Shown below is the average annual employee distribution by department, location, and funding source. These figures account for hire lag and consist of all U.S. Section personnel, including part-time employees.



**OFFICE LOCATIONS AND GENERAL RESPONSIBILITIES**

The headquarters of the U.S. Section is located midway along the U.S. – Mexico border in El Paso, Texas. Likewise, the Mexican Section’s operates its headquarters in the sister city of Ciudad Juárez, Chihuahua; just across the border from El Paso, Texas. U.S. Section headquarters houses the diplomatic, legal, administrative and engineering functions of the agency, including oversight of its field operations. In addition, the U.S. Section maintains a liaison office in the Office of Mexican Affairs at the Department of State in Washington DC. The U.S. Section has eight field offices and three satellite offices strategically located along the U.S. – Mexico boundary to operate and maintain its works. Below is a map identifying the locations and jurisdictional limits of all U.S. Section Field Offices.



**U.S. SECTION FIELD OFFICES**

**SAN DIEGO FIELD OFFICE**

Located in San Diego, California, the primary functions of this field office are wastewater treatment and flood control. The San Diego Office addresses boundary and water issues from Boundary Monument No. 230 located west of Calexico, California to and including the Pacific Ocean coastal environment. This field office administers the operations of the South Bay International Wastewater Treatment Plant, which treats an average of 25 million gallons per day of Mexican sewage to advanced primary standards and discharges the effluent into the Pacific Ocean 3.5 miles off the San Diego coast. In addition, it maintains the Tijuana River flood control system (i.e. levees, floodplains, and channel).

**YUMA FIELD OFFICE**

Situated in Yuma, Arizona, the jurisdiction of this field office extends from Boundary Monument No. 230 located west of Calexico, California to the Lukeville, Arizona International Port of Entry, which includes the 24-mile international stretch of the Colorado River. The Yuma Office works closely with the U.S. Bureau of Reclamation (USBR) to ensure the delivery and quality of Colorado River waters to Mexico in accordance with the 1944 Treaty and IBWC Minute No. 242. The field office performs water accounting activities, including maintenance of water gaging facilities, and conducts water quality assessments of Colorado River waters. The Yuma Office also works jointly with Mexico and the USBR to properly operate and maintain the international segment of Colorado River flood control system, which includes Morelos Dam. Other responsibilities include water quality assessments of the New River, and maintenance of land boundary monuments within their jurisdiction.

**NOGALES FIELD OFFICE**

Located in Nogales, Arizona, this office's primary function is wastewater treatment. The City of Nogales, Arizona and the U.S. Section are co-owners of the Nogales International Wastewater Treatment Plant (NIWTP), which treats sewage from both countries. In addition to operating and maintaining the NIWTP, the Nogales Office maintains the land boundary monuments and addresses other transboundary water issues within their jurisdiction, which spans from the Lukeville, Arizona International Port Of Entry to the Arizona – New Mexico Stateline.

**UPPER RIO GRANDE FIELD OFFICE**

The Upper Rio Grande Field Office consists of a base station with two satellite offices. The primary office is situated along the Rio Grande at American Dam in El Paso, Texas. One satellite office is located in Las Cruces, New Mexico, approximately 40 miles north-northwest of American Dam, and the other is about 60 miles south-southeast in Fort Hancock, Texas. This field office addresses the international boundary matters along New Mexico and all issues concerning the Rio Grande from Caballo, New Mexico to the Presidio – Hudspeth – Jefferson Davis tri-county line in Texas. The primary functions of the Upper Rio Grande Field Office are to ensure the distribution of Rio Grande waters between Mexico and the U.S. in accordance with the Convention of 1906, and to provide flood protection to U.S. residents against Rio Grande floods. This is accomplished through the regular operation and maintenance of American Dam and Canal, and an array of water gaging facilities and flood control works along this 197-mile stretch of the Rio Grande. This Upper Rio Grande Office occasionally provides assistance to other western region U.S. Section field offices to restore or repair structures or facilities.

**PRESIDIO FIELD OFFICE**

Situated in Presidio, Texas, the jurisdictional limits of this field office extends along the Rio Grande from the Presidio – Hudspeth – Jefferson Davis tri-county line to Heath Canyon immediately downstream of Big Bend National Park. The main purpose of the field office is to protect the town of Presidio, Texas by maintaining flood control works along a 15-mile stretch of the Rio Grande. Other responsibilities include preserving the international river boundary, collecting water quality samples, and performing water accounting activities, including operation and maintenance of water gaging facilities, along the Rio Grande within their jurisdiction.

**AMISTAD DAM FIELD OFFICE**

Located in Del Rio, Texas, the primary function of this field office is to effectively operate and maintain Amistad international storage dam and hydroelectric power plant. These operations provide electric power, flood control, and water conservation benefits to both the U.S. and Mexico. The field office also operates and/or maintains water gaging facilities, the boundary demarcation buoys on the reservoir, and performs water quality sampling and accounting of Rio Grande waters. The Amistad Dam Office addresses all Rio Grande boundary and water issues from Heath Canyon, just below Big Bend National Park, to the Maverick – Webb county line.

**FALCON DAM FIELD OFFICE**

Like its upstream counterpart, the core role of this field office is to effectively operate and maintain the Falcon international storage dam and hydroelectric power plant for welfare of the U.S. and Mexico. In conjunction with irrigation, municipal, and flood releases, the field office operates of the hydroelectric power plant and generates electricity. The field office also operates and/or maintains water gaging facilities, and performs water quality sampling and accounting of Rio Grande waters. The Falcon Dam Office is situated in Falcon Heights, Texas, and its jurisdiction extends between the Maverick – Webb county line and Rio Grande City, Texas.

**LOWER RIO GRANDE FIELD OFFICE**

The Lower Rio Grande Field Office consists of a base station and a satellite office. The primary office is located nearly 40 miles upstream of Brownsville, Texas in Mercedes, Texas. The satellite office is situated south of Mission, Texas at Anzalduas Dam. The primary functions of the Lower Rio Grande Office are to ensure the allocation of U.S. waters in accordance with 1944 Treaty and to protect south Texas residents from Rio Grande floods. This is accomplished through the regular operation and maintenance of Anzalduas and Retamal international dams, river and floodway gaging facilities, irrigation structures, and flood control works along the Rio Grande and its interior floodways from Peñitas to Brownsville, Texas. The office also performs water accounting and water quality sampling activities on the Rio Grande, oversight of Morillo drain operations in Mexico, and is responsible for all other Rio Grande boundary and water issues between Rio Grande City, Texas and the Gulf of Mexico.

**MISSION ACCOMPLISHMENTS AND PLANS**

**STRATEGIC GOAL 1 – BOUNDARY PRESERVATION**

**Preserve the U.S. – Mexico boundary, through binational cooperation, in accordance with international agreements.**

The 1848 Treaty of Guadalupe Hidalgo, which ended the Mexican – American War, and the 1853 Gadsden Treaty established the international boundary between the U.S. and Mexico. In addition, both Conventions established temporary joint Commissions to designate and demarcate the boundary line with ground landmarks. A binational survey and demarcation effort undertaken from 1849 to 1855 established the land boundary with 52 obelisk and stone mound monuments between the Pacific Ocean and the Rio Grande. The International Boundary Commission was established under the Convention of 1889 to apply the rules adopted under an 1884 Convention for resolving boundary issues resulting from the meandering of the Rio Grande and the Colorado River. It was made a permanent body in 1900. Pursuant to the 1882 Convention that addressed the land boundary, the Barlow – Blanco Survey resurveyed the borderline from 1891 to 1894 and increased the number of boundary monuments from 52 to 258. Later, as border populations increased during the 1900's, the Commission installed 18 additional boundary monuments for a total of 276.

The 1944 Treaty expanded the jurisdiction and responsibilities of the Commission and allocated the waters of the Rio Grande from Fort Quitman, Texas to the Gulf of Mexico and the Colorado River. The Convention of 1933 rectified the Rio Grande channel and provided a new river boundary between El Paso, Texas and Fort Quitman, Texas. The Chamizal Convention of 1963 relocated approximately 4.35 miles of the Rio Grande boundary to resolve boundary issues resulting from the southward movement of the river in the El Paso, Texas – Ciudad Juárez, Chihuahua Valley from 1852 to 1895. The 1970 Treaty, which superseded the 1884 Convention, resolved all pending boundary differences between the two countries, and provided for maintaining the Rio Grande and the Colorado River as the international boundary by authorizing works to protect against bank erosion. The 1970 Treaty also provided procedures to avoid the loss of territory by either country incident to future changes in a river's course.

IBWC Minute No. 244, signed in December 1973, provided for a permanent maintenance program for boundary monuments. Later in July 1975, IBWC Minute No. 249 concluded the boundary monumentation program by providing for smaller, intermediate concrete markers to be placed to better demarcate the international boundary. Records indicate that 442 markers were erected, mostly around areas experiencing population growth. IBWC Minute No. 302 in December 1999 provided for enhanced boundary demarcation at border ports of entry.

The 1970 Treaty mandated the delineation of the international boundary on maps or aerial mosaic photos for the Rio Grande and Colorado River Boundary. It also established the frequency to update these maps at intervals not greater than 10 years. IBWC Minute No. 278, dated March 1989, jointly approved the current boundary maps developed from photographic surveys conducted in 1982 and 1983.

ACCOMPLISHMENTS

During the past year, the U.S. Section continued its efforts to map and demarcate the Land and Colorado River Boundaries between the United States and Mexico. The U.S. and Mexican Sections initiated the mapping process in November 2010, and produced a draft digital map template, including the map elements, of the land boundary. The Commission also continued to work on resolving issues regarding differences between the 1972 and current locations of the Colorado River boundary.

Due to safety/security concerns along the border, the U.S. Section did not perform any restoration on U.S.-maintained land boundary monuments this fiscal. However, the U.S. Section repainted and replaced demarcation markers at Del Rio International Bridge No. 1. In addition, the agency rehabilitated all twenty-eight (28) demarcation buoys at the Amistad International Storage Dam, and rehabilitated the fourteen (14) demarcation monuments at Falcon International Storage Dam, which identify the jurisdictional line at the International Reservoirs.

The Commission collectively worked to resolve all international boundary encroachments issues, including Mexican encroachments into the United States at Nogales, Arizona in the path of a planned U.S. border security fence. The encroachments at Nogales included high-voltage electric lines, parking lots, and paved streets. In other areas, a U.S. border security fence was detected in Mexican territory at Agua Prieta, Sonora; Mexican encroachments, such as signs and guy wires, were detected in U.S. territory at Douglas, Arizona; and two Mexican chain link fences were found in U.S. territory to the west of Santa Teresa, New Mexico. The Commission made arrangements with the responsible parties in each country to remove the encroachments.

PLAN

The U.S. Section will collaborate with the Mexican Section to resolve the issues concerning the location of the Colorado River boundary. Once this is done, the Commission can proceed with the development of the draft and final sets of photomaps delineating the Western Boundary, which includes the Land and Colorado River boundaries. The agency will approve the final set of Western Boundary maps via an IBWC Minute. Mexico's National Institute of Statistics and Geography (INEGI) will assist with the preparation of the maps.

Currently, border violence is at a very high level. If the situation improves, the U.S. Section will proceed with its plan to refurbish about 10 boundary monument along the Arizona border. The Commission will also continue to make a reasonable effort to maintain all boundary plaques and pavement markers at all border ports of entry. The U.S. Section will continue to inspect and maintain the buoys and markers, which identify the jurisdictional line at Amistad and Falcon International Reservoirs. If the water level at Falcon International Reservoir permits, the agency will replace the lanterns atop of the jurisdictional monuments.

The U.S. Section will also continue to work diplomatically with the Mexican Section to resolve all and any international boundary issues.

## STRATEGIC GOAL 2 – WATER QUANTITY OPERATIONS

**Provide flood protection to U.S. residents and ensure the efficient conveyance, utilization, and accounting of boundary and transboundary river waters through the operation and maintenance of dams, reservoirs, power plants, and flood control projects in accordance with domestic law and international agreements.**

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The Convention of 1906 provided for the distribution of Rio Grande waters between the U.S. and Mexico in the international segment of the river from El Paso to Fort Quitman, Texas. Barring extraordinary drought or serious accident to the U.S. irrigation system, the U.S. agreed to deliver 60,000 acre-feet of water annually to Mexico at the Acequia Madre head works, adjacent to the International Dam in El Paso, Texas. To facilitate compliance with the 1906 Convention, the U.S. Congress passed the Acts of August 29, 1935 and June 4, 1936. The 1935 Act provided for the construction and operation of the American Dam and Canal for the purpose of diverting U.S. waters and releasing Mexican waters. The 1936 Act shortened the Rio Grande to reduce the conveyance losses of irrigation waters by straightening the channel between Caballo Storage Dam and American Dam.

The 1944 Treaty distributed the waters of the Colorado River, and the Rio Grande from Fort Quitman to the Gulf of Mexico. Under this Treaty, the U.S. was allotted all waters from the Pecos River, Devils River, and five other U.S. tributaries reaching the Rio Grande, as well as one-third of the flow reaching the Rio Grande from the Conchos River and five other named Mexican tributaries, provided that this third is not less than 1,750,000 acre-feet over a 5-year cycle (annual average of 350,000 acre-feet). The Treaty further provided one-half of the flows of the Rio Grande below the lowest storage dam, and one-half of the flows from the unmeasured tributaries to the U.S. In regards to the Colorado River, the U.S. agreed to provide an annual volume of 1,500,000 acre-feet to Mexico, unless extraordinary drought or accident to the irrigation system in the U.S. make it difficult to deliver the guaranteed quantity. In years of surplus waters in excess of the amount necessary to supply uses in the U.S., the Treaty guarantees up to an additional 200,000 acre-feet to Mexico. The distribution of Tijuana River waters was not concluded between the two countries in the 1944 Treaty, but was to be subject to the study and investigation of the IBWC.

The Convention of 1933 not only provided for rectification of the Rio Grande, but also entrusted the IBWC with the construction, operation, and maintenance of river structures and flood control levees between El Paso and Fort Quitman. The 1944 Treaty and subsequent IBWC Minutes authorized the U.S. and Mexico to construct, operate and maintain works for storage and conveyance of water, flood control, and stream gaging on the Tijuana and Colorado Rivers, and on the Rio Grande from Fort Quitman to the Gulf of Mexico. In addition, the treaty authorized the joint construction, operation, and maintenance of up to three large storage dams and hydroelectric power plants on the Rio Grande, two of which have been built. The 1970 Treaty requires the IBWC to maintain the conveyance of established normal flows and design flood flows by prohibiting obstructions within the international segments of the Rio Grande and Colorado River.

ACCOMPLISHMENTS

Throughout the period, the U.S. Section regularly operated and maintained its hydrologic gaging stations and telemetry system equipment; used to collect, measure, transmit, compile, and account for the allocation of Rio Grande and Colorado River waters between the U.S. and Mexico. The U.S. Section collaborated with the Mexican Section to allocate, compute and account for the delivery of Rio Grande and Colorado River waters in accordance with the 1906 and 1944 Treaties.

The U.S. Section continued its efforts to evaluate and improve deficient levee segments and associated structures in the Upper Rio Grande, Presidio, and Lower Rio Grande Flood Control Systems. In addition to initiating and/or continuing the required environmental, engineering, permitting, and design work, the agency performed the following construction work:

- Completed improvements in the Lower Rio Grande to Structures #172 & #413 on the south levee of the Arroyo Colorado, and on the river levee near Mission, Texas at three crossings (railroad, canal, road) totaling 0.2 mile.
- Completed improvements in the Upper Rio Grande to Riverside Canal and Wasteway #1 Crossing on the river levee at Ysleta near El Paso, Texas.
- Continued construction of improvements in the Upper Rio Grande on the following levee segments:
  - Hatch: 13.7 miles
  - Mesilla Phases 1 & 2: 53.0 miles
  - Canutillo Phase 1: 27.6 miles
  - Sunland Park: 11.9 miles
  - Fabens-Tornillo and Fort Hancock 15.4 miles
- Continued construction of 9.0 miles of improvements on the upstream river levee to address capacity requirements in the Presidio Valley.
- Continued construction of improvements in the Lower Rio Grande on the following levee/floodwall segments:
  - Edinburg Pumphouse Channel Crossing: 0.2 miles
  - Lateral A to Retamal Dam: 13.5 miles
  - Hidalgo Loop Levee: 1.1 miles
  - Main Floodway: 13.5 miles
  - North Floodway Phases 1 & 2: 13.5 miles
- Initiated construction of 6.4 miles of improvements on the downstream river levee in the Presidio Valley.

In addition to levee improvement efforts, the agency maintained the capacities of its Rio Grande Flood Control Systems by mowing approximately 12,650 acres of floodplain, removing about 300,000 cubic yards of sediment in the river and floodway channels, and resurfaced

roughly ten miles of levee.<sup>1</sup> The Upper Rio Grande Flood Control System protects one million U.S. residents in the metropolitan statistical areas of Las Cruces, New Mexico and El Paso, Texas with its 223 miles of levees. The fifteen-mile long Presidio Valley Flood Control System provides flood protection to nearly 5,000 people in Presidio, Texas. The Lower Rio Grande Flood Control System, with its 270 miles of river and interior floodway levees, protects one million U.S. residents in the following metropolitan statistical areas of Brownsville-Harlingen and McAllen-Edinburg-Mission in south Texas.

The agency continued its daily operation and maintenance of its diversion and storage dams, and hydroelectric power plants. The Commission conducted the five-year safety inspection of American, Anzalduas and Retamal Diversion Dams. In addition, the Commission completed a quantitative risk analysis and initiated a dam modification study at the Amistad Storage Dam to devise structural recommendations that will reduce the risk of dam failure. The Commission also started the preliminary evaluation and quantitative risk analysis at the Falcon Storage Dam to identify potential risks. These studies are being performed by a panel of experts from both countries.

PLAN

The U.S. Section will continue to maintain its flood control levees, floodplains, and channels to ensure proper conveyance of river waters within the established flood control parameters. Levee maintenance will consist of grading, spot repairs, and resurfacing. The agency will maintain its floodplains and channels through mowing and sediment removal activities. The U.S. Section will acquire the necessary permits and environmental documentation prior to commencing any of the silt removal activities.

The Commission will continue to operate and maintain its dams for the purpose of diversion, conservation, flood control, and generation of hydroelectric power. Safety inspections of dams will be conducted as required to identify deficiencies. The IBWC will implement corrective measures and/or construct improvement to reduce the risk of operational failure and comply with the requirements of the Federal Safety of Dams Program.

The agency will continue to improve deficient levee segments and structures in the Upper Rio Grande, Presidio, and Lower Rio Grande Flood Control Systems. Deficient levee segments will be improved in order of priority by risk, population, and development. The U.S. Section will continue its close coordination with its stakeholders to address conveyance, storage and diversion issues concerning the waters of the Rio Grande, Colorado River, and Tijuana River.

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<sup>1</sup> Floodplain mowing was performed on about 6,250 acres in the Upper Rio Grande, 400 acres in Presidio, and 6,000 acres in the Lower Rio Grande. Volume of sediment removed included approximately 68,000 cubic yards from the river along the Chamizal National Park, 117,000 cubic yards from the river near the Guayuco Arroyo, and 115,000 cubic yards from the Banker Floodway.

**STRATEGIC GOAL 3 – WATER QUALITY MANAGEMENT**

**Improve the quality of boundary and transboundary waters, in concert with Mexico, to address salinity and border sanitation problems pursuant to international agreements and applicable U.S. law.**

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The 1944 Treaty directed the IBWC to give preferential attention to the solution of all border sanitation problems concerning boundary and transboundary waters, and granted authority to provide any necessary sanitary measures or works to satisfy that requirement. Under IBWC Minute No. 261, dated September 1979, both governments agreed to identify border sanitation problems and solutions. This applied to waters crossing the border, including coastal waters, as well as those flowing along the Rio Grande and Colorado River boundary. Subsequent IBWC Minutes individually addressed specific border sanitation issues at many border communities including: San Diego/Tijuana, Calexico/Mexicali, Naco/Naco, Nogales/Nogales, Del Rio/Ciudad Acuña, Eagle Pass/Piedras Negras, Laredo/Nuevo Laredo, Hidalgo/Reynosa, and Brownsville/Matamoros.

In an effort to resolve the border sanitation problems in San Diego, California and Tijuana, Baja California, the IBWC concluded IBWC Minutes No. 270, 283 and 311. These Minutes provide the framework for treatment of sewage inflows from Tijuana, Mexico to U.S. secondary standards. The *Tijuana River Valley Estuary and Beach Cleanup Act of 2000*, further authorized the U.S. Section to provide secondary treatment of Tijuana sewage. The U.S. Section has constructed and is operating the advanced primary treatment facilities at the South Bay International Wastewater Treatment Plant (SBIWTP), and is currently developing options for secondary treatment of the advanced primary effluent.

By authority of the 1944 Treaty, the IBWC constructed the Nogales International Wastewater Treatment Plant (NIWTP) in 1951 at Nogales, Arizona to address sewage treatment needs on both sides of border. The Commission jointly operates and maintains this plant in accordance with IBWC Minute No. 206. The IBWC later relocated the NIWTP to Rio Rico, Arizona as agreed upon under IBWC Minute No. 227. The NIWTP is co-owned by the City of Nogales, Arizona and IBWC.

The Commission agreed under IBWC Minute No. 279 to improve the quality of the Rio Grande waters at the sister cities of Laredo, Texas and Nuevo Laredo, Tamaulipas. This was accomplished through the joint construction of the Nuevo Laredo International Wastewater Treatment Plant (NLIWTP) at Nuevo Laredo, Tamaulipas, Mexico. IBWC Minute No. 297 provides the operation and maintenance obligations of both Sections.

In 1993, the U.S. and Mexico established the Border Environment Cooperation Commission (BECC) and the North American Development Bank to assist states, localities, and private entities in development of border environmental infrastructure projects. The IBWC agreed in IBWC Minute No. 299 to provide support to BECC for development of projects to resolve border sanitation issues.

The 1944 Treaty is the primary authority that grants the IBWC the right to address and resolve water quality issues at boundary and transboundary rivers and streams. IBWC Minutes No. 241 and 242 provided for measures to improve the quality of Colorado River water made available to Mexico at the Northernly International Boundary. Furthermore, the U.S. agreed in

IBWC Minute No. 242 to deliver flows to Mexico upstream of Morelos Dam having an annual average salinity of no more than 115+/-30 parts per million U.S. count over the flow-weighted annual average salinity of Colorado River waters that arrive at Imperial Dam.

In an effort to address growing water quality issues along the border, the IBWC concluded Minutes No. 279 and No. 289. The adoption of these Minutes facilitated the development of binational multi-phase and multi-agency efforts to characterize the extent of contamination within both countries' shared water resources. The following studies were conducted in the Rio Grande, Colorado River, and New River to identify the level of contamination in areas of concern such as expanding urban areas that depend on these water resources for multiple uses such as a domestic water supply, agriculture, and recreation.

- Binational Study Regarding the Intensive Monitoring of the Rio Grande Waters in the vicinity of Laredo/Nuevo Laredo Along the Boundary Portion Between the United States and Mexico (July 1997). A follow-up study was conducted after the completion of the Nuevo Laredo International Wastewater Treatment Plant in November 2000.
- Binational Study Regarding the Presence of Toxic Substances in the Rio Grande/Rio Bravo and its Tributaries Along the Boundary Portion Between the United States and Mexico (1992), Second Phase (1997), Third Phase (1998).
- Binational Study Regarding the Presence of Toxic Substances in the Lower Colorado and New Rivers (1995).

The Texas Legislature passed the Texas Clean Rivers Act and established the Texas Clean Rivers Program in 1991. The goal of the program is to maintain and improve the quality of water within each river basin in Texas through an ongoing partnership involving the Texas Commission on Environmental Quality, river authorities (program partners), other agencies, regional entities, local and state governments, industry, and citizens. The program uses a watershed management approach to identify and evaluate water quality issues, establish priorities for corrective actions, and work to implement those actions. Due to the international nature of the Rio Grande, the State of Texas contracted with the U.S. Section in October 1998 to administer the Texas Clean Rivers Program for the Rio Grande Basin.

#### ACCOMPLISHMENTS

The U.S. Section continued its efforts to improve and sustain the water quality of boundary and transboundary rivers by collaborating with stakeholders to monitor, compile, and exchange water quality data on the mouth of the Tijuana River (Pacific Ocean) and on the Rio Grande, Colorado, and New Rivers. In addition, the agency continued to work with stakeholders to develop and implement solutions to reduce the discharge of untreated wastewater into the New River. Both Sections continued conducting binational technical meetings to jointly evaluate water quality sampling, and measurement and data collection procedures to address salinity issues on the Colorado River. The IBWC convened over 230 experts from both countries at a Binational Border Sanitation and Water Quality Summit to identify activities and resources, and provide recommendations to improve sanitation and water quality in border communities.

The U.S. Section operated and maintained the South Bay International Wastewater Treatment Plant (SBIWTP) and Nogales International Wastewater Treatment Plant (NIWTP) on

a daily basis to treat wastewater from Mexico and prevent unsanitary conditions along the border. The U.S. Section treated an average of 25 million gallons per day (Mgd) of sewage from the city of Tijuana, Baja California at the SBIWTP. The agency also treated an average of 11.6 Mgd of sewage from the city of Nogales, Sonora at the NIWTP, which is 1.7 Mgd above Mexico's allotted capacity of 9.9 Mgd. Furthermore, the U.S. Section also continues to provide technical assistance and financial support to the Mexican Section to ensure the proper operation and maintenance of the Nuevo Laredo International Wastewater Treatment Plant (NLIWTP), which discharges into the international reach of the Rio Grande.

The U.S. Section upgraded the SBIWTP from an advanced primary wastewater treatment plant to a secondary wastewater treatment plant to improve the quality of the effluent discharged at the plant. Construction of the secondary treatment components were completed in August 2011. Furthermore, the agency initiated construction of an administration and maintenance building at the NIWTP to support operations.

PLAN
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The U.S. Section will continue to work with its stakeholders to monitor, compile, and exchange water quality data along the Rio Grande, Colorado, Tijuana and New Rivers and related tributaries. In addition, the Commission expects to finalize the capital improvement plan for the Morillo Drain conveyance system. The agency will continue to operate and maintain the SBIWTP and NIWTP, and provide support to the Mexican Section for operation and maintenance of the NLIWTP. Lastly, the agency will complete construction of the administration and maintenance building at NIWTP and will begin preliminary planning efforts for design and construction of an administration building at SBIWTP to support operations.

## STRATEGIC GOAL 4 – RESOURCE AND ASSET MANAGEMENT

### **Maximize organizational effectiveness through innovative management and accountability of human, physical, and fiscal resources.**

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To ensure that scarce public resources are wisely invested, federal agencies must manage their allocated resources and portfolio of capital assets in the most effective and efficient manner possible. Agencies must follow a capital programming process that integrates the planning, acquisition, and management of capital assets into the budget decision-making process. Capital programming is intended to assist agencies in improving asset management and in complying with all mandatory and regulatory requirements.

In today's world, agencies must abide by many results-oriented Acts. Some of the most commonly referenced include:

- The Government Performance and Results Act of 1993
- The Federal Managers Financial Integrity Act of 1982
- Chief Financial Officers Act of 1990
- Federal Financial Management Improvement Act of 1996
- The Energy Policy Act of 1992
- The Paperwork Reduction Act of 1995
- The Clinger-Cohen Act of 1996
- The Federal Acquisition Streamlining Act of 1994, Title V (FASA V)
- The Federal Information Security Management Act
- The E-Government Act of 2002 (P.L. 107–347)

For example, the Government Performance and Results Act establishes the foundation for federal agencies to be successful, by creating a performance planning and accountability process in which agencies clarify their mission, develop goals, measure performance, and submit annual progress reports. The Federal Managers Financial Integrity Act, Chief Financial Officers Act, and the Federal Financial Management Improvement Act require accountability of financial and program managers for financial results of actions taken, control over the Federal Government's financial resources, and protection of Federal assets. The Energy Policy Act requires each federal agency to reduce their dependence on petroleum products and install, to the maximum extent practicable, all energy and water conservation measures with payback periods of less than 10 years in U.S. government owned buildings. The Paperwork Reduction Act directs agencies to perform their information resource management activities in an efficient, effective, and economical manner. The Clinger-Cohen Act mandates agencies to use a disciplined capital planning and investment control process to acquire, use, maintain and dispose of information technology. The Federal Acquisition Streamlining Act, Title V requires agencies to establish cost, schedule and measurable performance goals for all major acquisition programs, and achieve on average 90 percent of those goals. The Federal Information Security Management Act directs agencies to integrate IT security into their capital planning and enterprise architecture processes, conduct annual IT security reviews of all programs and systems, and report the results of those reviews to OMB. The E-Government Act mandates agencies to develop performance measures and implement initiatives utilizing Internet-based

technology to improve customer service, save taxpayer dollars, and streamline citizen-to-government communications. The Act also requires agencies to support government-wide E-Gov initiatives and to leverage cross-agency opportunities to further E-Gov.

There are also numerous laws, regulations, executive orders, and other mandates with which federal agencies must comply. Many requirements are direct, while others indirect. For instance, agencies must ensure that their employees, as well as contractors, follow Occupational Safety and Health Administration (OSHA) regulations. Agencies are also obligated to operate in an environmentally friendly manner, and must apply the requirements set forth in the National Environmental Policy Act of 1969 (NEPA) and the National Historic Preservation Act of 1966 (NHPA) to any action involving federal resources or assets. The U.S. Section will comply with all applicable requirements, and keep the public and its stakeholders informed of its intentions and progress.

#### ACCOMPLISHMENTS

The U.S. Section continued developing policy and implementing the necessary measures to meet new and updated federal mandates. In response to the Hiring Reform Act of 2010, the Human Resources Office (HRO) prepared and submitted an action plan to the U.S. Office of Personnel Management (OPM) for concurrence. To increase efficiency in human resource management, the agency initiated the migration from a paper-based storage system of Official Personnel Folders (OPF) to an electronic database system by beginning the document imaging process. This migration to an electronic OPF system will continue through FY 2012.

The Information Management Division (IMD) expanded its video teleconferencing and mobile device capabilities by installing new VTC endpoints, implementing a blackberry enterprise server (BES) and providing iPads to our mobile work force. We completed full, off-site backup capability and deployed collaboration technology (Vibe) to improve project management and the dissemination of internal resources and data to our employees. The IBWC network was fully transitioned to an MPLS network through our Networx contract, improving its efficiency, security and establishing connectivity to our continuity of operations facilities at the Upper Rio Grande satellite office in Las Cruces, New Mexico. We made great strides towards full compliance with HSPD-12, adding logical access capabilities and had a favorable outcome to an intense Department of State Inspector General inspection resulting in no major findings. In addition, the agency utilized Geographic Information System (GIS) resources to improve its emergency response planning by compiling LiDAR survey and imagery data to develop flood inundation maps at Amistad International Storage Dam under various scenarios.

The Asset Management Office (AMO) conducted a comprehensive property inventory at headquarters and at each field office to accurately identify and record all “accountable” property as well as 100% of all capitalized property. The AMO also completed a full Networx transition from Sprint to Qwest telecommunication services and successfully handled the maintenance of an increased fleet due to ARRA requirements. The Records Management Office (RMO), in cooperation with our local Federal Records Center, provided basic and advanced Records Management training to several field office records liaisons and staff and inventoried and retired over 500 cubic feet of records. RMO staff developed and created around 175 historical artifacts, photos and documents that were placed on display during the International Border Sanitation and Water Quality Summit in San Antonio, Texas to educate and inform the public about our border sanitation and water quality mission objectives, challenges, and opportunities.

The agency continued its coordination and information exchange with stakeholders by conducting periodic Citizens' Forums at four regional areas (San Diego, Lower Colorado River, El Paso/Las Cruces, and Lower Rio Grande Valley). The U.S. Section held Commission meetings with the Mexican Section on a recurring basis (usually every 4 to 8 weeks) to surface binational concerns, address issues, and resolve problems, and sent regular reports (typically every 2 to 8 weeks) to the U.S. Department of State.

The U.S. Section prepared and implemented an annual audit plan to examine internal policies and procedures for compliance with the Federal Information Security Management Act (FISMA), processing of contractor claims, and execution of ARRA resources. The agency addressed various legal issues, and produced and submitted all annual compliance reports.

PLAN

The U.S. Section will continue to develop policy and take the necessary steps to comply with current federal requirements. To increase efficiency in human resource management, the agency will continue the migration process from a paper-based OPF storage system to an electronic OPF database system. The HRO plans to improve productivity and security of information during the recruitment process by migrating to an electronic software system for the processing of personnel actions. The U.S. Section will continue to address all legal and compliance related issues, and submit required compliance reports. The U.S. Section will prepare and implement an annual audit plan that will focus on ARRA related activities and contracts with Mexico.

The IMD will continue the strict application of Federal IT system security standards to its General Support System in order to achieve re-certification and accreditation of its IT System. The recent inspection by the DOS IG department provided recommendations and a road map for IMD staff to achieve improvement of its current IT security posture. Those recommendations include enhancing our internal policy and procedures, upgrading existing security appliances and conducting risk assessments and documentation of existing SCADA systems within our agency. The agency will also compile LiDAR survey and imagery data in GIS to develop flood inundation maps at Falcon International Storage Dam for emergency response planning.

The AMO will strive to continue improving the agency personal property program and maintain the agency fleet in line with challenging fuel efficiency and fleet reduction requirements. They will take necessary steps to establish a centralized supply office by consolidating all HQ supply purchase line items and continuing to provide building, shipping and office machine maintenance essential to the success of HQ personnel. The RMO will aggressively carry on with the inventory of records within the HQ building; retiring or disposing of records that have reached their retention limits and continue to provide training and guidance to the agency on Records Management.

The U.S. Section will continue to increase public awareness and involvement by conducting periodic Citizens' Forum meetings at the following five regional areas: San Diego, Lower Colorado River, Southeastern Arizona, El Paso/Las Cruces, and Lower Rio Grande Valley. It will also continue to surface binational concerns, address issues, and resolve problems with the Mexican Section by conducting Commission meetings on a regularly. The agency will improve collaboration with its stakeholders by conducting a binational summit to evaluate the planning and effectiveness of sanitation projects along the U.S. – Mexico border region.

**BUDGET**

The U.S. Section receives funding for its programs, projects, and initiatives through direct Congressional appropriations or indirectly through its reimbursement authority with other sources. The agency typically receives these funds under two separate appropriations – the Salaries and Expenses (S&E) Appropriation and the Construction Appropriation. The S&E and Construction Appropriations consist of direct and indirect funds. Indirect funds, commonly referred to as “reimbursable funds,” are provided to the agency to fund mission requirements and support for the Mexican Section and other federal, state, and local agencies. Reimbursable funding offsets the additional costs incurred by the U.S. Section to provide the increased level of support and services.

In addition to normal appropriations and reimbursement funds, the U.S. Section received additional funding through direct Supplemental Appropriations from Congress in FY 2008 and FY 2009. The Disaster Relief and Recovery Supplemental Appropriations Act of 2008 (DRRSA) provided additional funds for the emergency repair and rehabilitation of the flood-damaged, Rio Grande flood control levee system in Presidio County, Texas. The American Recovery and Reinvestment Act of 2009 (ARRA) provided additional funds for the improvement of the existing the Rio Grande flood control systems in New Mexico and Texas.

Over the previous four years, the total direct and indirect funding provided to the U.S. Section is as follows:<sup>2</sup>

 FY 2008

◆ S&E Direct Appropriation:	\$30.18 Million
◆ Construction Direct Appropriation:	\$87.71 Million
◆ Reimbursement Authority:	\$12.95 Million
◆ Supplemental Direct Appropriation (DRRSA):	\$37.50 Million
◆ Total Fiscal Resources:	\$168.34 Million

 FY 2009

◆ S&E Direct Appropriation:	\$32.56 Million
◆ Construction Direct Appropriation:	\$43.25 Million
◆ Reimbursement Authority:	\$8.53 Million
◆ Supplemental Direct Appropriation (ARRA):	\$220.00 Million
◆ Total Fiscal Resources:	\$304.34 Million

 FY 2010

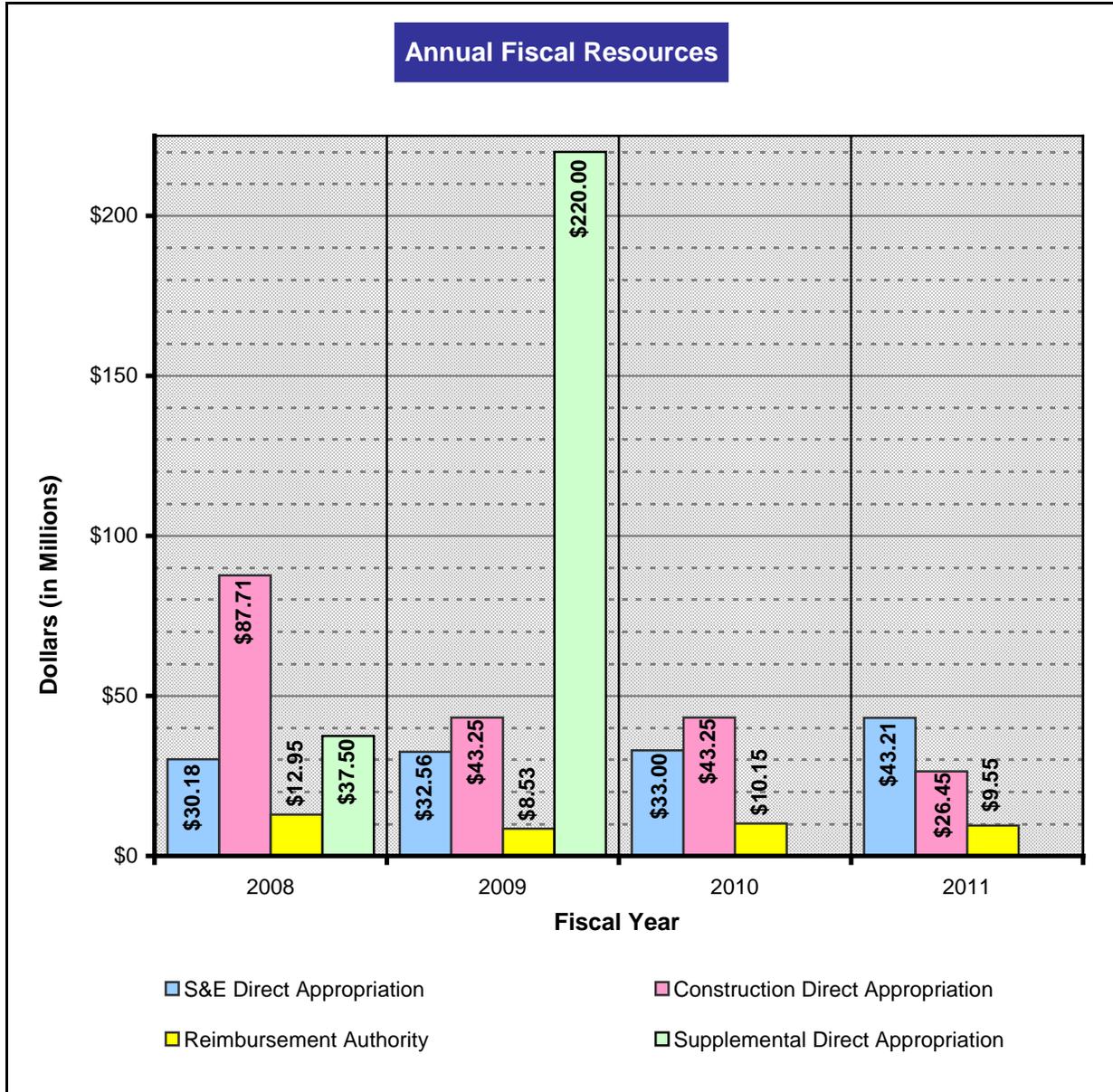
◆ S&E Direct Appropriation:	\$33.00 Million
◆ Construction Direct Appropriation:	\$43.25 Million
◆ Reimbursement Authority:	\$10.15 Million
◆ Total Fiscal Resources:	\$86.40 Million

<sup>2</sup> Figures of direct appropriations include applicable rescissions.

FY 2011

- ◆ S&E Direct Appropriation: \$43.21 Million
- ◆ Construction Direct Appropriation: \$26.45 Million
- ◆ Reimbursement Authority: \$9.55 Million
- ◆ Total Fiscal Resources: \$79.21 Million

The graph below illustrates the various fiscal resources granted to the U.S. Section.



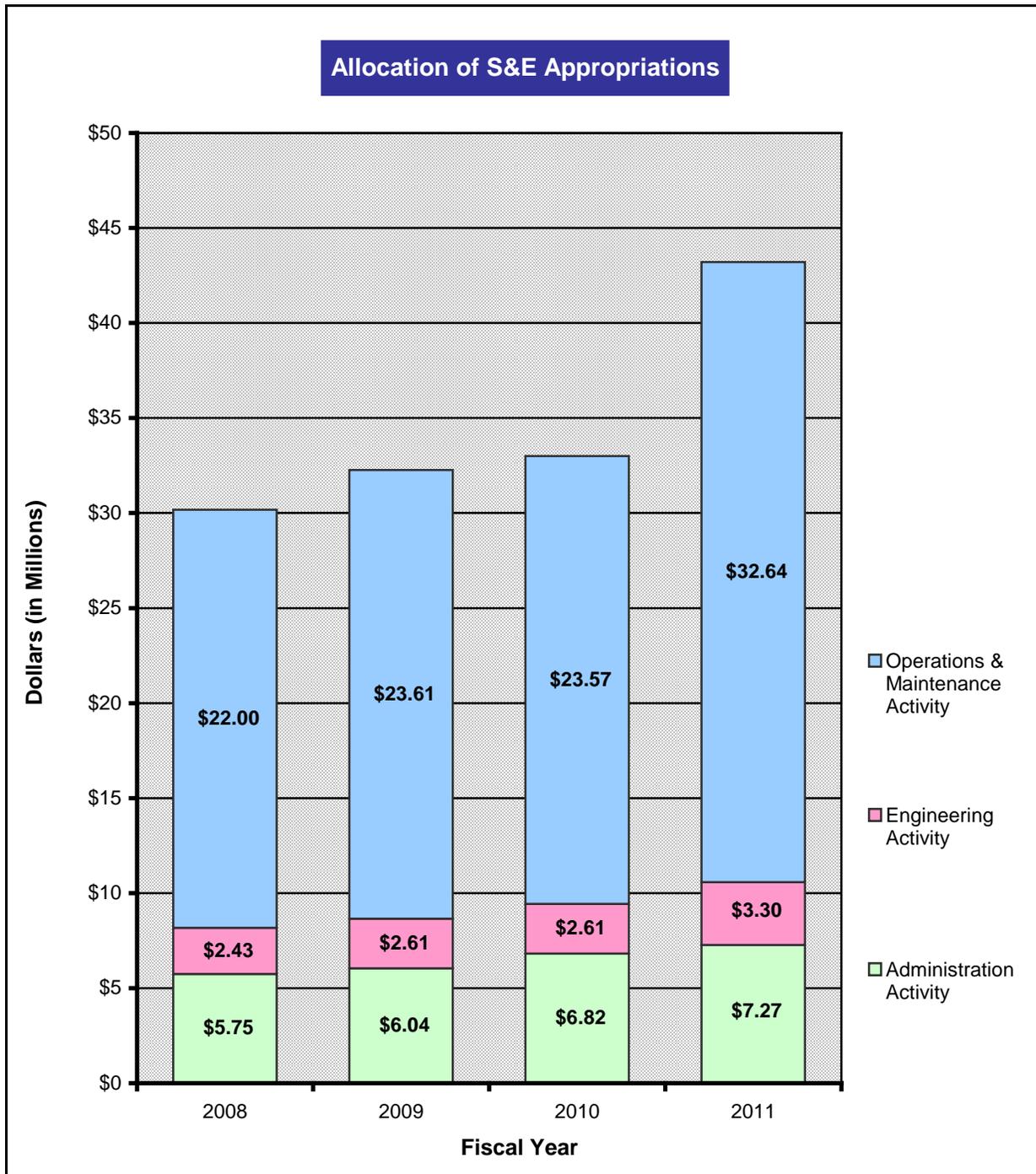
**SALARIES AND EXPENSES APPROPRIATION**

The U.S. Section's normal operating expenses, including labor, are funded through the S&E Appropriation. The S&E Appropriation is a one-year appropriation provided to fund annual steady-state requirements. This means that unobligated funds cannot be carried forward for use the following fiscal year. Remaining unobligated funds, directly appropriated by Congress, are returned to the U.S. Treasury's General Fund for redistribution.

The S&E Appropriation is distributed among three primary agency activities – Administration, Engineering, and Operations & Maintenance. The Administration Activity provides the budget for the U.S. Section's policy and administrative functions. The Commissioner, the Executive Offices, and the Administration Department are all funded within the Administration Activity. Funding for the agency's engineering and technical support roles are secured within the Engineering Activity. This activity provides the resources for planning and environmental studies, water quality assessments, geotechnical and structural investigations, and engineering studies and designs to meet mission requirements. The Operations & Maintenance Activity represents over two-thirds of the S&E Appropriation. It provides the resources for operation and maintenance of all agency works and facilities, including water gaging stations, water storage and diversion dams, flood control levees, floodplains and channels, hydroelectric power plants, wastewater treatment plants, and field office facilities.

S&E Direct Appropriation:

- ✚ FY 2008: \$30.18 Million
- ✚ FY 2009: \$32.26 Million
- ✚ FY 2010: \$33.00 Million
- ✚ FY 2011: \$43.21 Million



## CONSTRUCTION APPROPRIATION

The U.S. Section's major construction or rehabilitation projects are funded by Congress through the Construction Appropriation. The Construction Appropriation provides the resources for the agency to acquire capital assets such as land, structures, equipment, intellectual property (i.e. software), and information technology (including IT service contracts) with an estimated life of 2 years or more to meet its mission requirements. Most commonly, capital assets may be acquired through purchase, construction, manufacturing, and exchange, and may include environmental remediation of land, and leasehold improvements and land rights. The U.S. Section cannot utilize this appropriation to fund grants to other entities (i.e. local governments, universities) for acquiring capital assets, or for intangible assets such as the knowledge resulting from research and development (R&D), or the human capital resulting from education and training.

In addition to normal appropriations and reimbursement funds, the U.S. Section received supplemental funding in FY 2008 and FY 2009. The Disaster Relief and Recovery Supplemental Appropriations Act of 2008 provided additional funds for the emergency repair and rehabilitation of the flood-damaged, Rio Grande flood control levee system in Presidio County, Texas. The American Recovery and Reinvestment Act of 2009 provided additional funds for the improvement of the existing the Rio Grande flood control systems in New Mexico and Texas.

The Construction Appropriation is a no-year appropriation, meaning that unobligated balances can be carried forward for use the following fiscal year. However, Congress reserves the right to redistribute or remove any unobligated funds the next budget session. This appropriation is extremely helpful because most, if not all, of the U.S. Section's construction projects take more than one-year to plan, design and construct. In addition, unanticipated issues occasionally arise during the development or construction of the project that can impact its completion date.

The Construction Appropriation is allocated among various construction or capital asset projects that support the agency's four strategic goals:

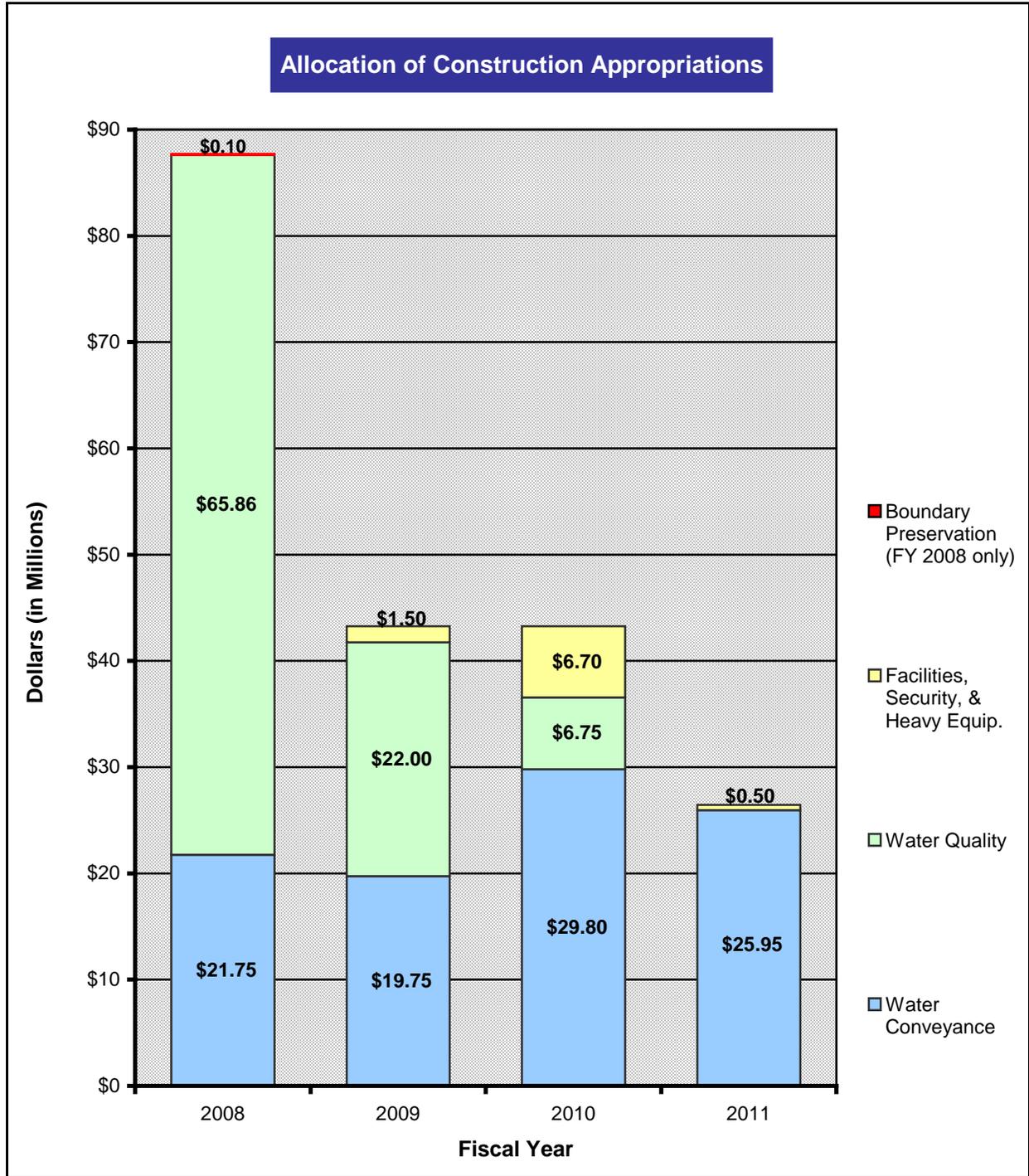
- Strategic Goal 1: Boundary Preservation
- Strategic Goal 2: Water Conveyance
- Strategic Goal 3: Water Quality
- Strategic Goal 4: Resource and Asset Management

Some capital asset projects such as: *Facilities Renovations Project*, *Critical Infrastructure Protection Project*, and the *Heavy Equipment Replacement Project*, support to multiple strategic goals. However, other capital asset projects like: *Safety of Dams Project*, *Rio Grande Flood Control Rehabilitation Project*, and the *Secondary Treatment of Tijuana Sewage Project* apply to only one strategic goal. Thus, authorized projects are organized into the following program categories:

- Boundary Preservation – Only apply to Strategic Goal 1
- Water Conveyance – Only apply to Strategic Goal 2
- Water Quality – Only apply to Strategic Goal 3
- Facilities, Security and Heavy Equipment – Support all four Strategic Goals.

Construction Direct Appropriation:

- ✚ FY 2008: \$87.71 Million
- ✚ FY 2009: \$43.25 Million
- ✚ FY 2010: \$43.25 Million
- ✚ FY 2011: \$26.45 Million



## SUPPLEMENTAL APPROPRIATIONS

The U.S. Section may receive supplemental appropriations from Congress in addition to the regular, S&E and Construction, or continuing appropriations to avoid shutdowns of government services. A supplemental appropriation provides additional budget authority, while the fiscal year already is in progress, to fund unanticipated, critical requirements that are too urgent to postpone until the next regular annual appropriations act. Hence, the agency may receive supplemental appropriations for emergency operations and projects. As previously noted, the U.S. Section received supplemental appropriations in FY 2008 and FY 2009.

The Disaster Relief and Recovery Supplemental Appropriations Act of 2008 (DRRSAA) provided additional funds to address immediate and emergency repair and rehabilitation requirements of the Rio Grande flood control levee system in Presidio, Texas. The Presidio levee system was damaged and breached when floodwaters originating in Mexico entered flooded the Rio Grande through the Rio Conchos. This supplemental appropriation was a no-year appropriation, because the additional amount provided for construction of the emergency levee works is to remain available until expended.

The American Recovery and Reinvestment Act of 2009 (ARRA) provided additional funds during an economic recession to stimulate the U.S. economy by investing in infrastructure improvements, among other things, and creating jobs in the process. The American Recovery and Reinvestment Act provided the agency with supplemental funds for immediate rehabilitation and improvement of existing, high-priority levee segments along the Rio Grande in Texas and New Mexico. This supplemental appropriation was passed on February 17, 2009 and funds remained available for obligation through September 30, 2010.

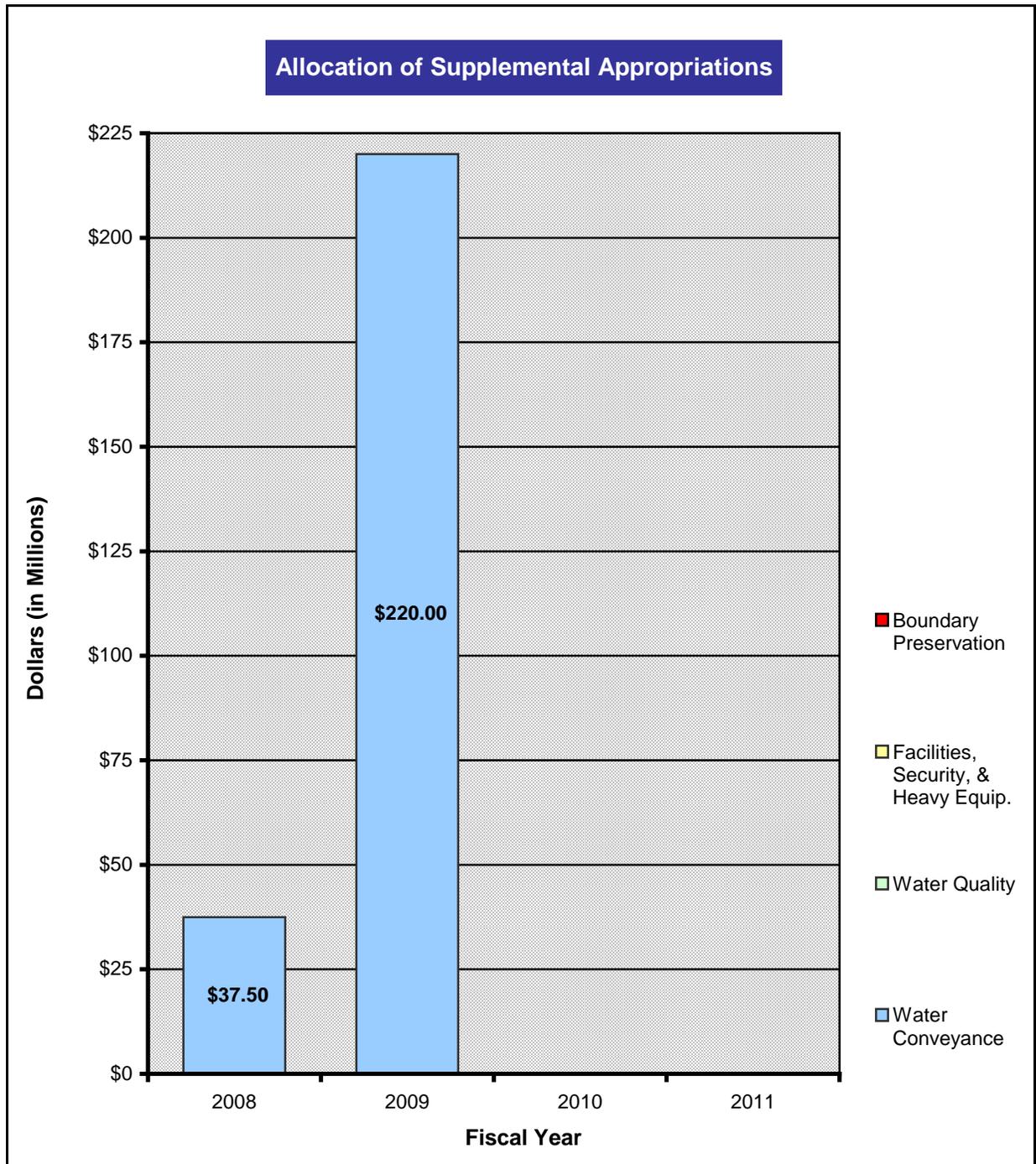
Like the Construction Appropriation, the FY 2008 and FY 2009 supplemental appropriations provided additional funding for construction of capital improvement projects. Therefore, the same program categories defined in the Construction Appropriation apply to these Supplemental Appropriations.

- Boundary Preservation – Only apply to Strategic Goal 1
- Water Conveyance – Only apply to Strategic Goal 2
- Water Quality – Only apply to Strategic Goal 3
- Facilities, Security and Heavy Equipment – Support all four Strategic Goals.

The DRRSAA and ARRA Supplemental Appropriations funding for projects categorized under the Water Conveyance Program.

Supplemental Direct Appropriation:

-  FY 2008: \$37.5 Million
-  FY 2009: \$220.0 Million
-  FY 2010: \$0.0 Million
-  FY 2011: \$0.0 Million



## REIMBURSEMENT FUNDING

As previously stated, the U.S. Section receives reimbursable funding for services and improvements it provides to Mexico or other domestic governmental entities. Although these reimbursable services and improvements directly support the mission of the funding entity, the U.S. Section also shares an interest in these initiatives. These reimbursable resources are utilized to fund both labor and non-labor requirements. All support and capital generated with reimbursable funds are limited to the extent of the U.S. Section's authority, and the amount received from the funding entity in accordance with the allotment provided by Department of State.

The primary sources of reimbursable funding consist of the following:

- Mexican Section – for equipment purchases and expenses applied to Mexico for operation and maintenance of the international wastewater treatment plants, power plants, and dams.
- State of Texas – to sample and assess the water quality of the Rio Grande at established sites under the Texas Clean Rivers Program.
- Western Area Power Administration, U.S. Department of Energy – to operate and maintain the Falcon and Amistad international hydroelectric power plants for the production of power in conjunction with water supply releases at their respective storage dams.
- U.S. Environmental Protection Agency – to fund water quality improvements for sanitation projects along the border.
- Department of Homeland Security – to incorporate border security features during construction of flood control levees and floodwalls improvements.

It should be noted that the Reimbursement Authority allotted to the U.S. Section indicates the ceiling of reimbursable funding that may be expended and obligated in a fiscal year. Over the last four years, actual reimbursements ranged between a 74% of the allotted authority in FY 2011, to 89% of the allotted authority in FY 2009. Each fiscal year, reimbursement authority for the U.S. Section must be apportioned by the Office of Management and Budget (OMB) and allocated by the Department of State (DOS).

### Reimbursement Authority (Allotment):

#### FY 2008

◆ S&E Reimbursement Funds:	\$6.67 Million
◆ Construction Reimbursement Funds:	\$6.27 Million
◆ <i>Total Fiscal Resources:</i>	<i>\$12.94 Million</i>

#### FY 2009

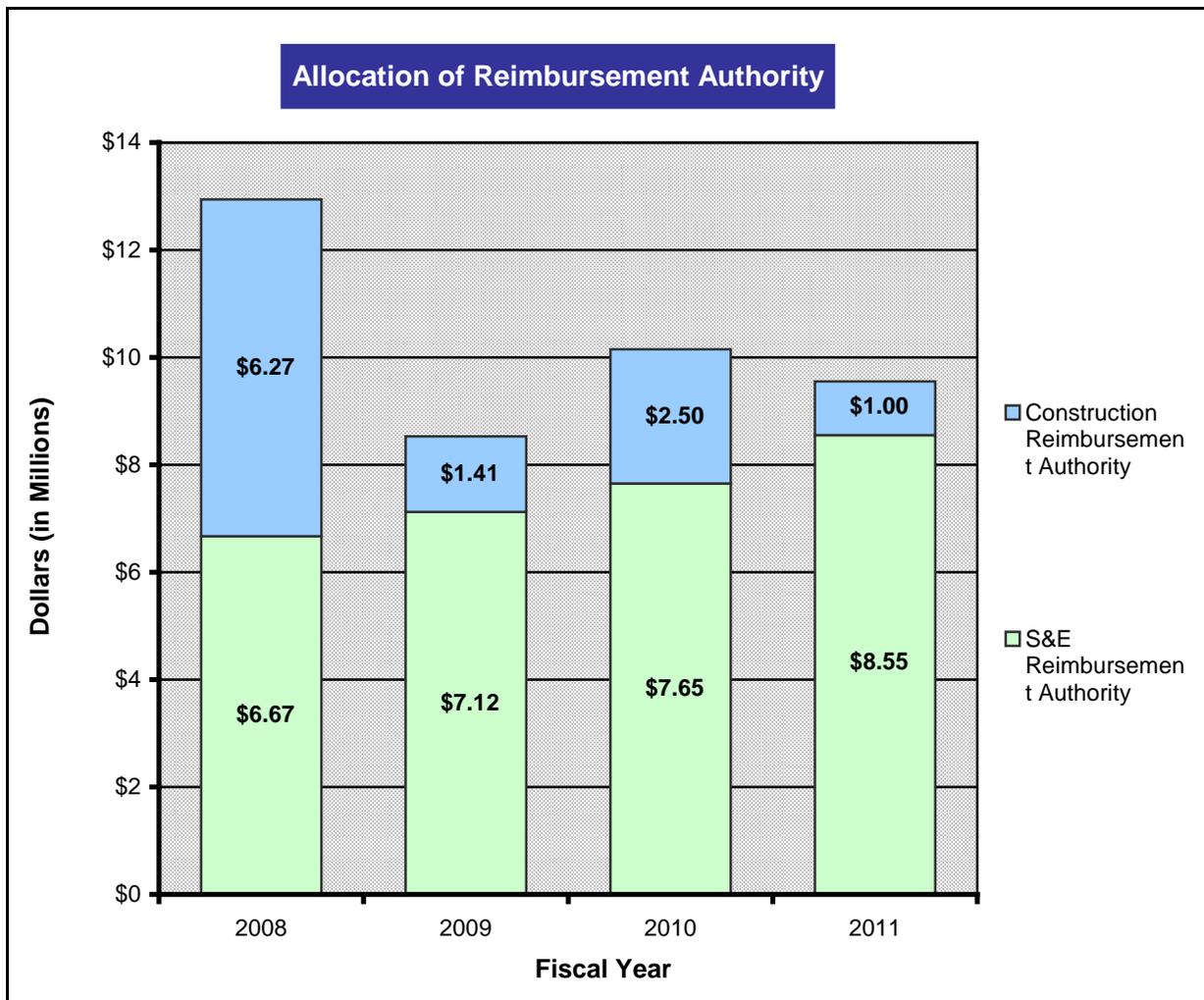
◆ S&E Reimbursement Funds:	\$7.12 Million
◆ Construction Reimbursement Funds:	\$1.41 Million
◆ <i>Total Fiscal Resources:</i>	<i>\$8.53 Million</i>

✚ FY 2010:

- ◆ S&E Reimbursement Funds: \$7.65 Million
- ◆ Construction Reimbursement Funds: \$2.50 Million
- ◆ *Total Fiscal Resources:* \$10.15 Million

✚ FY 2011:

- ◆ S&E Reimbursement Funds: \$8.55 Million
- ◆ Construction Reimbursement Funds: \$1.00 Million
- ◆ *Total Fiscal Resources:* \$9.55 Million



## FUNDING AMONG MISSION PROGRAMS

In addition to tracking fiscal resources among the agency's administration, engineering, operations and maintenance, and construction activities, the U.S. Section tracks the utilization of funds against its mission areas. These areas consist of:

- Strategic Goal 1: Boundary Preservation – Includes activities associated with the preservation and demarcation of the U.S. – Mexico border.
  - Erection, replacement, and/or restoration of monuments, markers, and buoys to demarcate the international boundary.
  - Demarcation of the boundary line at international bridges and ports of entry.
  - Mapping of the Rio Grande and Colorado River boundaries.
- Strategic Goal 2: Water Conveyance – Involves the control, containment, and utilization of the boundary and transboundary river waters.
  - Measurement and accounting of river waters and tributaries, including operations and maintenance of water gaging stations.
  - Operation of diversion and storage dams.
  - Construction and maintenance of flood control works and related water conveyance structures.
  - Operation and maintenance of the hydroelectric power plants to ensure uninterrupted power generation.
  - Construction, renovation, and maintenance of facilities that support “water conveyance” operations.
  - Acquisition and maintenance of heavy mobile equipment and tractor-mowers used in support of “water conveyance” operations.
- Strategic Goal 3: Water Quality – Involves all water quality efforts activities.
  - Water quality monitoring of the Rio Grande, Colorado, and Tijuana Rivers, their tributaries, and the Pacific Ocean coastal waters.
  - Construction, operation and maintenance of wastewater treatment facilities and associated infrastructure.
  - Construction, renovation, and maintenance of facilities that support “water quality” operations.
  - Acquisition and maintenance of heavy mobile equipment and shop equipment used in support of “water quality” operations.
- Strategic Goal 4: Resource and Asset Management – Entails the strategic management of assets and human and fiscal resources to support agency functions and ensure compliance with all mandatory requirements.
  - Maintenance of building facilities, heavy mobile equipment, tractors/mowers, shop equipment, etc.

- Operations and maintenance of land and mobile radio communication systems, financial systems, information technology computer systems, etc.
- Development and maintenance of the enterprise geographic information system.
- Execution of stakeholder outreach, foreign affairs, and administrative support functions.

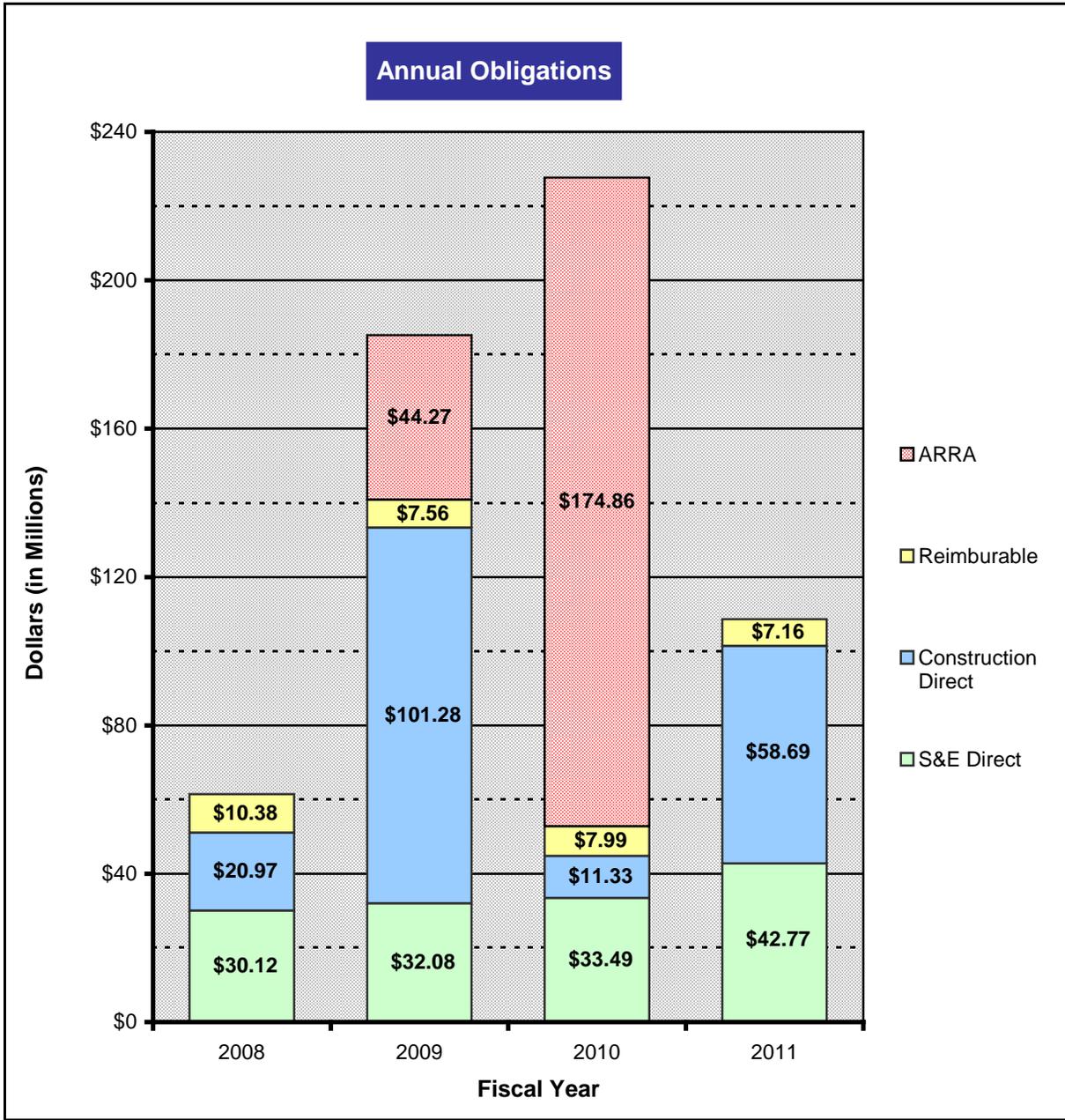
Utilization of fiscal resources is tracked through obligations. An obligation is a binding commitment made by an agency official, which creates a legal liability of the Government for the payment of funds for goods and services ordered or received. Representations of the agency's annual obligations, received from direct and reimbursable funding sources, incurred among their respective strategic goals are displayed below for the last four fiscal years.

Total Annual Obligations:<sup>3</sup>

✚ FY 2008	
◆ S&E Direct Obligations (minus Recoveries):	\$ 30.12 Million
◆ Construction Direct Obligations (minus Recoveries):	\$ 20.97 Million
◆ Reimbursable Obligations	\$ 10.38 Million
◆ Total Obligations:	\$ 61.47 Million
✚ FY 2009	
◆ S&E Direct Obligations (minus Recoveries):	\$ 32.08 Million
◆ Construction Direct Obligations (minus Recoveries): <sup>4</sup>	\$ 101.28 Million
◆ ARRA Direct Obligations (minus Recoveries):	\$ 44.27 Million
◆ Reimbursable Obligations	\$ 7.56 Million
◆ Total Obligations:	\$ 185.19 Million
✚ FY 2010	
◆ S&E Direct Obligations (minus Recoveries):	\$ 33.49 Million
◆ Construction Direct Obligations (minus Recoveries): <sup>2</sup>	\$ 11.33 Million
◆ ARRA Direct Obligations (minus Recoveries):	\$ 174.86 Million
◆ Reimbursable Obligations	\$ 7.99 Million
◆ Total Obligations:	\$ 227.67 Million
✚ FY 2011	
◆ S&E Direct Obligations (minus Recoveries):	\$ 42.77 Million
◆ Construction Direct Obligations (minus Recoveries): <sup>2</sup>	\$ 58.69 Million
◆ S&E Reimbursable Obligations	\$ 7.16 Million
◆ Total Obligations:	\$ 108.62 Million

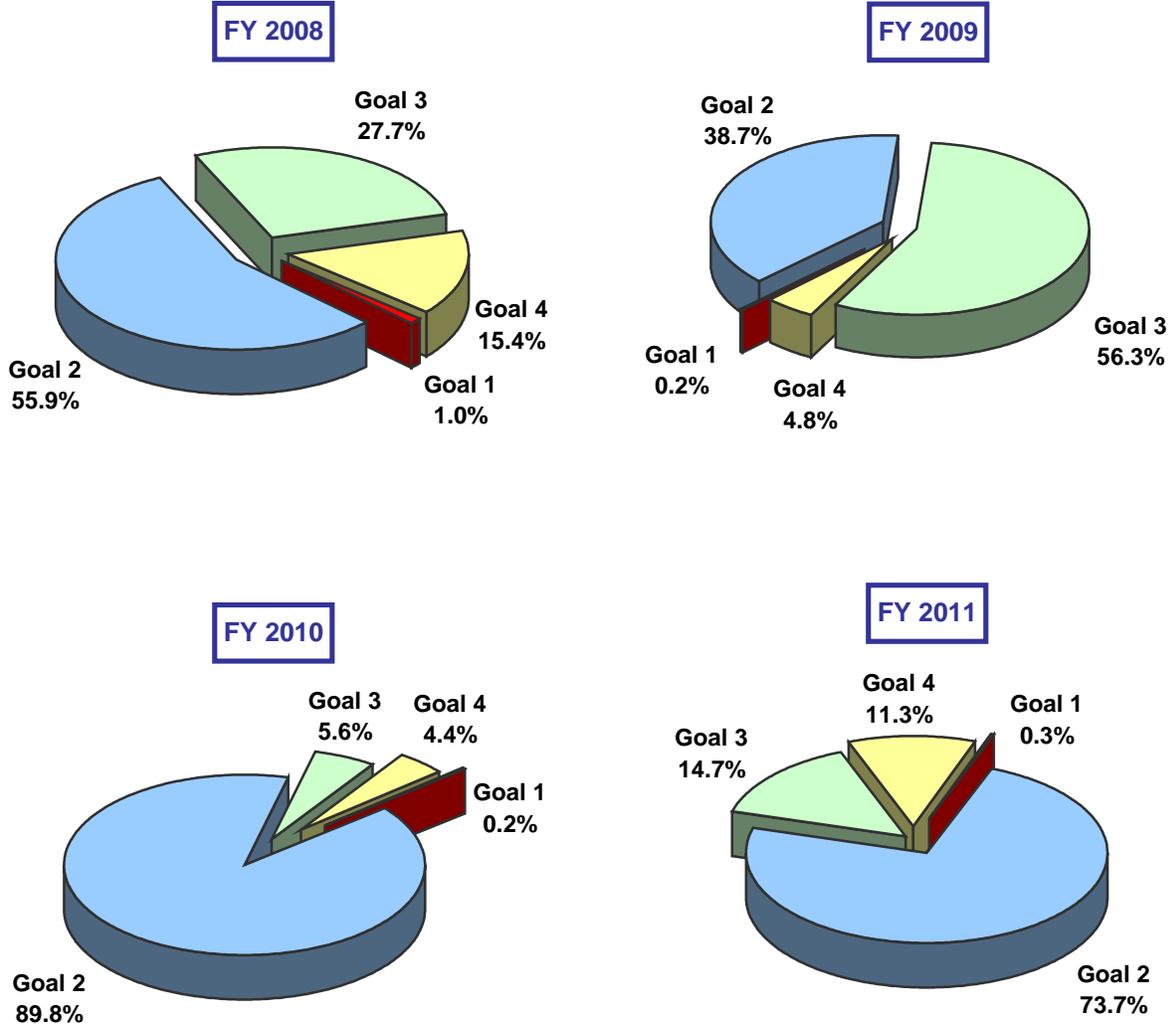
<sup>3</sup> As reported in SF 133, "Report on Budget Execution"

<sup>4</sup> Includes obligations charged against the "Disaster Relief and Recovery Supplemental Appropriations Act of 2008."



The graphs on the next page illustrate the application and redistribution of annual fiscal resources among the agency's Strategic Goals to meet mission requirements. The resource increase in the water quality program (Strategic Goal 3) from in FY 2008 to FY 2009 is attributable to the construction of secondary wastewater treatment facilities in San Diego County, California. The significant redistribution of resources to the water conveyance program (Strategic Goal 2) in FY 2010 is due to the implementation of floodwall and levee construction improvements funded by ARRA. Substantial construction of flood control improvement projects continued under the Construction Appropriation in FY 2011.

**Annual Obligations among the Strategic Goals**



**Strategic Goals:**

- Goal 1: Boundary Preservation
- Goal 2: Water Conveyance
- Goal 3: Water Quality
- Goal 4: Resource and Asset Management

**FINANCE**

The Office of Management and Budget (OMB), in conjunction with the Chief Financial Officers (CFO) Council, provides the guidelines for financial reporting in OMB Circular A-136, *Financial Reporting Requirements*. OMB Circular A-136 is the central reference point for Executive Branch agencies that are required to submit audited financial statements.

The U.S. General Accounting Office requires the U.S. Section to prepare and submit audited financial statements for inclusion into the Department of State's Financial Audit Report. The U.S. Section prepares its financial statements in accordance with the accounting standards promulgated by the Federal Accounting Standards Advisory Board (FASAB). These statements are audited by the Department of State's financial accounting firm of Leonard G. Birnbaum and Company, LLP.

**FINANCIAL HIGHLIGHTS**

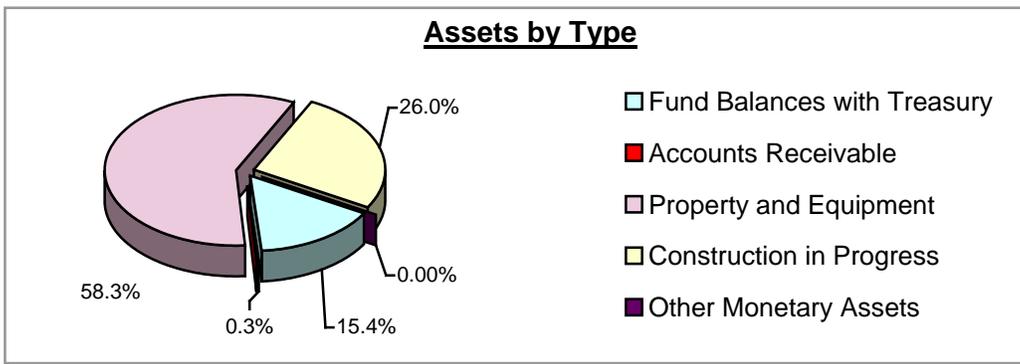
**CONSOLIDATED BALANCE DATA SHEET**  
(Dollars in Thousands)

<b>Assets &amp; Liabilities</b>	<b>% Change</b>	<b>Net Change</b>	<b>FY 2010</b>	<b>FY 2011</b>
<b>Assets</b>				
Fund Balance with Treasury	-43.0%	(\$110,541)	\$257,189	\$146,648
Accounts Receivable	66.4%	\$1,052	\$1,584	\$2,636
Land	0.0%	\$0	\$50,028	\$50,028
Structures	73.9%	\$297,139	\$402,030	\$699,169
Equipment	-0.3%	(\$52)	\$16,503	\$16,451
Construction in Progress	18.8%	\$39,363	\$209,431	\$248,794
Accumulated Depreciation	6.7%	(\$13,130)	(\$195,448)	(\$208,578)
Other Monetary Assets	700.0%	(\$1)	\$8	\$7
<b>Total Assets</b>	<b>28.8%</b>	<b>\$213,830</b>	<b>\$741,325</b>	<b>\$955,155</b>
<b>Liabilities</b>				
Accrued Payroll	3.8%	\$45	\$1,171	\$1,216
Accrued Workers' Compensation	6.0%	\$51	\$855	\$906
Workers' Compensation Actuarial	-6.7%	(\$256)	\$3,824	\$3,568
Accrued Annual Leave	1.0%	\$13	\$1,321	\$1,334
Contingent/Environmental Liabilities	-100.0%	(\$4,409)	\$4,409	\$0
Other Liabilities	-33.4%	(\$5,489)	\$16,420	\$10,931
<b>Total Liabilities</b>	<b>-35.9%</b>	<b>(\$10,045)</b>	<b>\$28,000</b>	<b>\$17,955</b>

**OVERVIEW OF FINANCIAL POSITION**

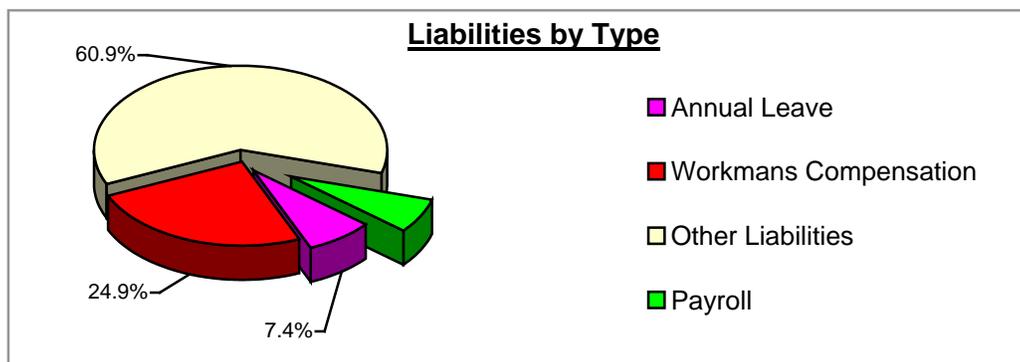
**ASSETS**

The U.S. Section had total assets of \$955.1 million at the year-end in FY 2011, which is \$213.8 million more than in FY 2010. The increase is due to the receipt of \$199.1 million in donated Floodwall/Levee construction work done by Hidalgo County. Fund Balance with Treasury decreased during the period by \$110.5 million and Construction in Progress increase by \$39.3 million to \$248.7 million. The increase in Construction in Progress is the result of the work that was done on the Rio Grande River levees and the construction of the South Bay Secondary Treatment Plant in San Ysidro, California.



**LIABILITIES**

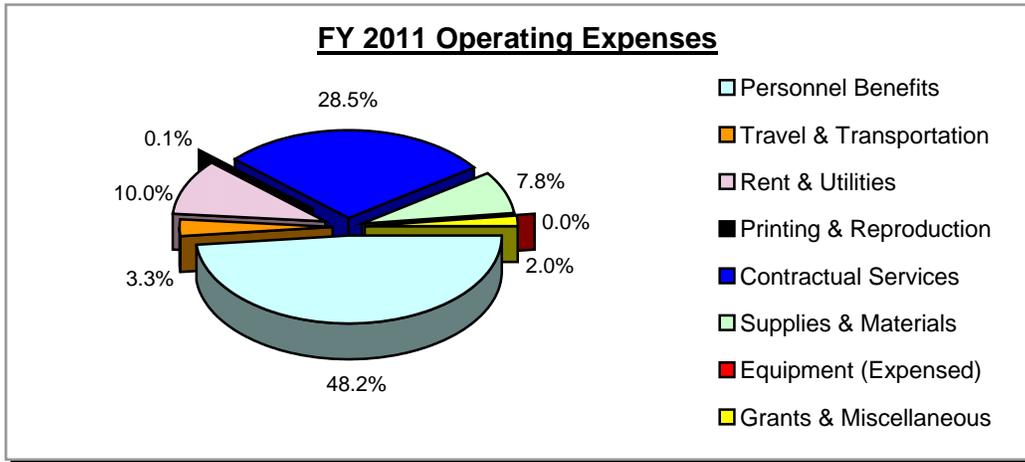
As reported on the Consolidated Balance Sheet, the U.S. Section had total liabilities of \$17.9 million at the end of FY 2011. The largest component of the agency's outstanding liabilities at year-end was the \$10.6 million in contract accruals established as an estimate of the unbilled work that was completed through 30 September 2011 on outstanding Construction and Salaries & Expense contracts. The Environmental Liability was reduced for FY 2011 from \$4.4 million to \$0.00 as a result of the completion of work done on the South Bay secondary treatment plant. In FY 2011, the Accrued Annual Leave Liability increased by \$13,000 and the Workers' Compensation Actuarial Liability decrease by \$256,000.



**RESULTS OF OPERATIONS**

The operations results for the U.S. Section are reported in the Consolidated Statement of Net Cost, and the Consolidated Statement of Changes in Net Position. These statements reveal that operating expenses increased \$736K, from \$42.1 million to \$42.9 million, in FY 2011. This increase was due in part to the additional personal costs incurred in support of the ARRA (Recovery) funded Rio Grande River Levee Project. Below are a table and a graph, summarizing the U.S. Section's operating expenses.

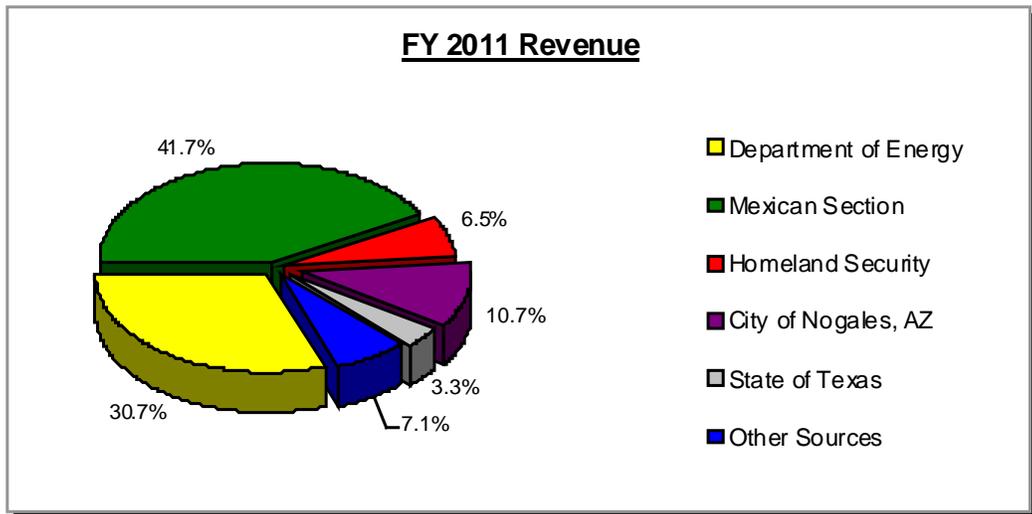
<b>ANNUAL OPERATING EXPENSES</b> (in thousands of dollars)				
<b>Operating Expenses</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>Net Change</b>	<b>% Change</b>
Personnel Services & Benefits	\$20,244	\$20,686	\$442	2.18%
Travel & Transportation Cost	\$1,219	\$1,406	\$187	15.34%
Rent, Communication, & Utilities	\$3,969	\$4,309	\$340	8.57%
Printing & Reproduction	\$26	\$58	\$32	123.08%
Contractual Services	\$13,465	\$12,229	\$(1,236)	(9.18)%
Supplies & Materials	\$2,879	\$3,341	\$462	16.05%
Equipment (Expensed)	\$0	\$0	\$0	0.00%
Grants & Miscellaneous	\$364	\$873	\$509	139.84%
<b>Total</b>	<b>\$42,166</b>	<b>\$42,902</b>	<b>\$736</b>	<b>1.75%</b>



**REVENUES AND FINANCING SOURCES**

The U.S. Section's received \$7.850 million in revenues for FY 2011. This was an increase of \$65K versus the FY 2010 revenues of nearly \$7.785 million. The Department of Energy contributed \$2.4 million in earned revenues for the operation and maintenance of the Amistad and Falcon Hydroelectric Power Plants. The Mexican Section was also a significant contributor of revenue for the U.S. Section. It provided the U.S. Section with \$3.3 million for the operation and maintenance of the South Bay and Nogales International Wastewater Treatment Plants, and other joint works. These and other revenues received are summarized below.

<b>REVENUE &amp; FINANCING SOURCES</b> (in thousands of dollars)				
<b>Financing Sources</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>Net Change</b>	<b>% Change</b>
U.S. EPA (San Diego – Tijuana Sanitation)	\$899	\$0	\$(899)	-100.00%
Dept of Energy (O&M of Power Plants)	\$3,072	\$2,409	\$(663)	-21.58%
Mexico (O&M of SBIWTP)	\$1,851	\$1,920	\$69	3.73%
City of Nogales (O&M of NIWTP)	\$717	\$843	\$126	17.57%
Mexico (O&M of NIWTP)	\$629	\$1,353	\$724	115.10%
State of Texas (Clean Rivers Program)	\$285	\$257	\$(28)	-9.82%
Dept of Homeland Security (Floodwalls)	\$0	\$512	\$512	512.00%
Other Sources	\$332	\$556	\$224	67.47%
<b>Total</b>	<b>\$7,785</b>	<b>\$7,850</b>	<b>\$65</b>	<b>0.83%</b>



## PRINCIPAL FINANCIAL STATEMENTS

The *Principal Financial Statements* have been prepared to report the financial position and results of operations of the International Boundary and Water Commission, U.S. Section. The Financial Statements have been prepared from the books and records of the Commission in accordance with formats prescribed by the Office of Management and Budget (OMB) in OMB Circular A-136, Financial Reporting Requirements. The Financial Statements are in addition to financial reports prepared by the Commission in accordance with OMB and U.S. Department of Treasury directives to monitor and control the status and use of budgetary resources, which are prepared from the same books and records. The Financial Statements should be read with the understanding that they are for a component of the U.S. Government, a sovereign entity. The Commission has no authority to pay liabilities not covered by budgetary resources. Liquidation of such liabilities requires enactment of an appropriation. The Financial Statements present data for FY 2011 and FY 2010 in comparative formats.

## INTERNAL CONTROLS AND COMPLIANCE WITH LAWS AND REGULATIONS

The International Boundary and Water Commission's management is responsible for establishing and maintaining an effective internal control to achieve the objectives of effective and efficient operations, reliable financial reporting, and compliance with applicable laws and regulations. The Federal Managers' Financial Integrity Act (FMFIA) establishes overall requirements with regard to internal control. Controls must be established that reasonably ensure that obligations and costs are in compliance with applicable laws; funds, property, and other assets are safeguarded against waste, loss, unauthorized use or misappropriation; and revenues and expenditures applicable to agency operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the assets. An annual evaluation of the controls and financial systems must be conducted and a report submitted to ensure that objectives of FMFIA are being met.

In compliance with the FMFIA requirements, the International Boundary and Water Commission conducted an annual assessment of its system of internal controls and financial management systems. All agency managers conducted reviews of the internal controls within their respective functional areas of responsibility. In addition, internal management reviews and OIG audit reports were reviewed and followed-up on to ensure corrective actions were taken for all identified weaknesses. Based on the results of the annual assessment of the agency's system of internal controls, the Commissioner issued a statement that the system of management controls in effect for FY 2011 provide reasonable assurance that the management control objectives were achieved. The management controls over financial reporting were also assessed and the Commissioner issued a statement that the controls were operating effectively and no material weaknesses were found. The agency made significant progress in correcting some of the deficiencies that the OIG auditors identified during the FY 2010 audit. The agency completed physical inventories of all accountable personal property at its headquarters as well as at all field office locations. Corrective actions were also initiated in the reporting of Deferred Maintenance.





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