Quarterly Implementation Update #9

Bipartisan Infrastructure Law (BIL, PL 117-58)
Inflation Reduction Act (IRA, PL 117-169)
September 7, 2023
Reclamation BIL Accomplishments

- Selected 370 distinct projects, totaling $2.7 billion.
- Will obligate a total of $1.4 billion in BIL funds by end of FY 2023.
- Developed and initiated four brand new programs. Recycling-Large Scale; Small Storage; Aquatic Ecosystem, and Multi-Benefit Watershed
- Developed and executed the critical Aging Infrastructure Program. Designed to reduce the extraordinary maintenance backlog. The program will ultimately allocate $3.2 billion.
- Appropriated $2.1 billion in BIL funds over five years under WaterSMART.
- Reduced the shortage of water in the Colorado River by investing over $528 million in BIL funds alone.
- Completing several rural water projects within five years. Previously expected to take 20 years.
Agenda for today:

• Re-cap of Reclamation’s BIL and IRA allocations
• Implementation backdrop
• Reclamation BIL and IRA projects and funding being allocated in 2023
• Funding opportunities – open, closed, still to come
• Any comments, questions & answers

Roza Dam Fish Screen, Yakima Project, Washington state. BIL-funded Extraordinary Maintenance on the Roza Fish Screen of $3 million in FY 2023.
## Reclamation’s BIL program:

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<th>Program area</th>
<th>BIL Section(s)</th>
<th>Program funding amount and type</th>
<th>Recipient type</th>
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<td>Aging Infrastructure / Extraordinary Maintenance (XM)</td>
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<td>Water recycling and reuse</td>
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<td>Desalination</td>
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<td>Safety of Dams</td>
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<td>Multi-benefit projects for Watershed health</td>
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<td>$100 million; grants</td>
<td>Tribes and non-federal agencies</td>
<td>Competitive NOFO</td>
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<td>Endangered Species in the Colorado River</td>
<td>40901(12)</td>
<td>$50 million; contracts and grants</td>
<td>Contractors, tribes and non-federal agencies</td>
<td>Discretionary awards</td>
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BIL execution to date
September 2023
BIL funding allocated as of 2023:

- $2.7 billion in BIL funding announced for specific projects to date
- Rural Water, Aging Inf./XM and WaterSMART still lead in dollar value
BIL project numbers by program, 2023:

- 370 projects awarded, but some in multiple years
- All 17 western states, plus Alaska, Hawaii, and Puerto Rico
- Aging Inf./XM and WaterSMART lead in number of projects
BIL status as of 2023:

• More than a dozen BIL or BIL-related funding opportunities (NOFO’s or application cycles) issued to date

• New programs: Small Storage, Aquatic Ecosystem Restoration, and Environmental Water Resources Projects, Planning & Design

• More BIL NOFO’s on the way for the rest of 2023

LaPrele Dam, Converse County, Wyoming. BIL-funded allocation of $5 million in FY 2023.
BIL-funded funding opportunities, 2023:

- Applied Science Grants (open through 10/17/23)
- Planning & Project Design Grants (open through 10/17/23)
- Drought Resiliency Projects (open through 10/31/23)
- Cooperative Watershed Management Program (open through 12/5/23)
- Aquatic Ecosystem Restoration Program NOFO (second application period open through 1/24/24)
- Large-Scale Water Recycling (opening soon)
- Title XVI WIIN projects (opening soon)
- Desalination Construction (opening soon)
- Small Storage (second application period) (opening September 2023)

Go to usbr.gov/watersmart and usbr.gov/bil for more information
BIL projects / funding at work in 2023:

Unprecedented investments in:

• Disadvantaged communities
• Aging infrastructure
• Water conservation
• Drought resilience

...underway now via BIL and IRA

Gila River Indian Community (GRIC), Arizona, July 2023. FY 2022 and 2023 BIL allocations totaling $62.6 million to GRIC’s Reclaimed Water Pipeline Project
BIL projects / funding at work in 2023:

Dozens of BIL-funded projects are in active implementation as of September 2023

Reclamation also participates with DOI on the Ecosystem Restoration Program (BIL Section 40804)

Orestimba Creek Recharge and Recovery Project, Del Puerto Water District, California. Funded from the BIL’s Small Storage Program, pictured at groundbreaking June 29, 2023.
BIL projects / funding at work in 2023:

• Strong participation and application response from tribes and Reclamation stakeholders

• All WaterSMART funding opportunities are open to tribes
Funding opportunities:

• BIL funding opportunities all year

• Info disseminated via both ‘push and pull’

• Customized alerts at usbr.gov/bil
Buy America: Covered Reclamation Programs

Covered:
- WaterSMART:
  - Title XVI Projects
  - Desalination Construction Projects
  - Large-Scale Recycling
  - Drought Resiliency Projects
  - Water and Energy Efficiency Grants
  - Small-Scale Water Efficiency Projects
  - Environmental Water Resources Projects
- Aquatic Ecosystem Restoration
- Aging Infrastructure / XM
- Rural Water
- Other programs that include funding for infrastructure

Exempt:
- PL 93-638 Indian Tribes & Tribal Organizations
- 2021 Conservation Service Corps
- Fishing Events
- WaterSMART planning activities (Drought Contingency Planning, CWMP Phase I, Applied Science Grants, Water Marketing)
- Research & Development/Science & Technology
Buy America: Approved Waivers to Date

• DOI Small Grants Waiver ($250,000), approved through 2/20/2028
• DOI De Minimus Purchases Waiver (5% of project costs, max of $1 million) approved through 2/20/28
• DOI Pacific Islands & Territories Waiver, approved through 2/15/2025
• DOI Tribal Waiver for Federally recognized tribes, approved through 9/1/2024
• AMI Capable Water Meters – Santa Clarita Valley Water Agency
• AMI Capable Water Meters – City of Rialto
Other activities in implementation:

- **Colorado River drought** – more than $1.9 billion from BIL allocated to 200+ projects in the Colorado River Basin

- **BIL allocations in the CO Basin** span Endangered Species, Drought Relief, Aging Infrastructure and more

- **More BIL allocations forthcoming** specific to CO Basin

Timeline excerpt of major BIL milestones with links to relevant announcements or funding lists. [www.usbr.gov/bil](http://www.usbr.gov/bil)
Inflation Reduction Act
Sec. 50233 Drought Mitigation in Reclamation States

$4 billion to mitigate drought impacts, with priority given to the Colorado River Basin and other basins experiencing comparable levels of long-term drought.

- (1) Compensation for a temporary or multiyear voluntary reduction in diversion of water or consumptive water use
- (2) Voluntary system conservation projects that achieve verifiable reductions in use of or demand for water supplies or provide environmental benefits in the Lower Basin or Upper Basin of the Colorado River
- (3) Ecosystem and habitat restoration projects to address issues directly caused by drought in a river basin or inland water body

Funding is available through FY 2026
A. Proposals for system conservation resulting in water remaining in Lake Mead at a set price of:
   • One-Year agreement: $330 per acre-foot
   • Two-year agreement: $365 per acre-foot
   • Three-year agreement: $400 per acre-foot

B. Proposals describing lower Colorado River Basin water conservation plans resulting in reductions in consumptive use
   • Price per acre-foot based off an economic justification; proposed conservation amount and duration

Current estimates of (A) suggest a savings of over 450,000 acre-feet of water in 2023 (B) in development.

¹Similar program implemented in the Upper Basin
Lower Colorado River Basin System Conservation and Efficiency Program (Long-Term)

Long-term system efficiency improvements that will result in multi-year system conservation based on:

- Quantifiable, verifiable water savings in Lake Mead
- Additional water to the applicant’s water supply enabling a consumptive use reduction
- Viability for full implementation, including by demonstrating financial and technical capability
- Monitoring to ensure the proposed benefits to the system are realized

Proposals were received through Aug 18; BOR is currently analyzing the proposals.

Similar program implemented in the Upper Basin
Salton Sea

- Agreement executed on Dec. 16, 2022, with the California Natural Resources Agency, the Imperial Irrigation District, and Coachella Valley Water District to mitigate drought impacts on the Salton Sea

- $250 million for support of projects and technical capacity

- $22 million to be obligated in FY 23. Remainder is subject to additional system conservation in California
Upper Colorado River Basin System Conservation Pilot Program

System Conservation Pilot Program 1A and 1B
- $125M through 2026
- $16.6 million allocated in 2023

Executed agreements provide for a savings of 37,810 acre-feet of water in 2023
BASINS OTHER THAN THE COLORADO RIVER:

Reclamation received upwards of 90 proposals and criteria recommendations for water conservation projects in basins outside the Colorado River.

Reclamation is currently analyzing these proposals.
Inflation Reduction Act
Sec. 50231. Domestic Water Supply Projects

$550 million available through September 30, 2031, for up to 100 percent of the cost of the planning, design, or construction of water projects to provide domestic water supplies to disadvantaged communities or households that do not have reliable access to domestic water supplies

- Reclamation allocated $5.5 million to U.S. Territories (Guam, American Samoa, US Virgin Islands, and Northern Mariana Islands)
- Two WaterSMART categories (Drought Resiliency Projects, which closes Oct 17; Planning and Project Design, which closes Oct 31) also provide opportunities to seek funding under this authority
- Reclamation is currently developing a program for the remainder of the funds
Inflation Reduction Act
Sec. 50232. Canal Improvement Projects

• $25 million through Sept. 30, 2031, for the design, study, and implementation of projects (including pilot and demonstration projects) to cover water conveyance facilities with solar panels

• Regional Offices are being asked to submit proposals by October 30, 2023
Inflation Reduction Act
Sec. 80004. Emergency Drought Relief for Tribes

Reclamation is authorized to provide $12.5 million in emergency drought relief funding to federally recognized Indian Tribes in the 17 western states impacted by Reclamation water projects.

Funding is available through September 30, 2026

Reclamation plans to solicit proposals this fall
Closing comments

• BIL/IRA are underway now

• Funding opportunities, internal formulation, application periods, and spend plans translating into progress on the ground

• Success through partnerships, collaboration, focus on performance and results

Nimbus Dam Fish Ladder nursery modernization, Central Valley Project, California. BIL-funded Extraordinary Maintenance of $10 million in FY 2023.
Additional information:

• BIL Resources: [www.usbr.gov/bil](http://www.usbr.gov/bil) – see the FAQ’s or E-mail us at [usbr.bil@usbr.gov](mailto:usbr.bil@usbr.gov)

• IRA Resources: [www.usbr.gov/inflation-reduction-act](http://www.usbr.gov/inflation-reduction-act) or E-mail us at [usbr.ir.act@usbr.gov](mailto:usbr.ir.act@usbr.gov)

• WaterSMART Resources: [https://www.usbr.gov/watersmart/](https://www.usbr.gov/watersmart/)
Thank you!

• BIL Resources: www.usbr.gov/bil – see the FAQ’s or E-mail us at usbr.bil@usbr.gov

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