Quarterly Implementation Update #11

Bipartisan Infrastructure Law (BIL, PL 117-58)
Inflation Reduction Act (IRA, PL 117-169)
March 7, 2024
Agenda for today:

• Review of open BIL and IRA funding opportunities
• Summary of BIL and IRA funding allocated today
• Reporting, results, metrics
• Buy America
• Staffing
• Other developments since last quarterly update on 12/7/23

Las Vegas Wash Erosion Control Structure, Nevada, allocated $20 million from BIL under the Aquatic Ecosystem Restoration Program within WaterSMART. Photo from project site, December 2023.
BIL funding opportunities, upcoming announcements:

- Large Scale Water Recycling NOFO second application period (no dollar cap) closes 5/31/24
- Planning and Design WaterSMART NOFO second application period (up to $400,000) closes 5/21/24
- Planning and Design WaterSMART NOFO first application period selections announcement (grants up to $400,000 per project), announcing selected projects in April
- Small Storage Program second application period announcing selected projects within days
- Large Scale Water Recycling NOFO first application period (no dollar cap) selections announcement, announcing selected projects in April
- Drought Resiliency NOFO selections announcement ($10 million max per project), announcing selectees in April
BIL funding opportunities, upcoming announcements (cont’d):

• Fiscal year 2024 Aging Infrastructure/ Extraordinary Maintenance project selections within days ($520 million)

• Environmental Water Resources Projects NOFO open (multi-benefit + nature-based, $6 million per project max), targeting opening April 2024

• Storage and Conveyance BIL Section 40902 fiscal year 2024 allocations

• In final development: Fiscal year 2025 BIL Spend Plan ($1.66 billion) for publication with fiscal year 2025 budget justifications, expecting May 11, 2024, release

Davis Aqueduct Parallel Pipeline construction underway, Utah. Project allocated $23 million from fiscal year 2022 BIL Aging Infrastructure/Extraordinary Maintenance. Photo from project site, February 2024.
Reclamation’s BIL program:

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<tr>
<th>Program area</th>
<th>BIL Section(s)</th>
<th>Program funding amount and type</th>
<th>Recipient type</th>
<th>Awarding process</th>
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<td>New or expanded water storage &amp; conveyance</td>
<td>40901(1), 40902, 40903</td>
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<td>Contractors and non-federal agencies</td>
<td>FAR contracting and competitive</td>
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<td>Aging Infrastructure / Extraordinary Maintenance (XM)</td>
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<td>Rural Water Projects (MT, ND, NM, SD, IA, and MN)</td>
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<td>Water recycling and reuse</td>
<td>40901(4), 40901(5)</td>
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<td>Desalination</td>
<td>40901(5), 40908</td>
<td>$250 million; competitive grants</td>
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<td>Competitive NOFO</td>
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<td>Safety of Dams</td>
<td>40901(6)</td>
<td>$500 million; contracts</td>
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<td>WaterSMART Grants</td>
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<td>Colorado River Drought Contingency Plans (DCPs)</td>
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<td>Contractors, tribes and non-federal agencies</td>
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<td>Cooperative Watershed Management</td>
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<td>Aquatic Ecosystem Restoration</td>
<td>40901(10)</td>
<td>$250 million; grants</td>
<td>Tribes and non-federal agencies</td>
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<td>Multi-benefit projects for Watershed health</td>
<td>40901(11), 40907</td>
<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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</table>
Where is BIL funding going?
BIL reporting, results, metrics:

- BIL spending and project execution is tracked in several ways.
- Annual Spend Plans are published with every budget request at program level, and supplemented with project-specific spend plan addenda or project announcements throughout the year that flesh out the spend plan(s), providing project-level detail.
- BIL funded projects also have their own project plans or reporting streams specific to their program area (i.e., Aging Infrastructure, Dam Safety, etc.).
- Economic activity is associated with BIL reported in DOI’s BIL Economic Contributions report.
- Monthly Allocation and Obligation reports are sent to Congress per Division J Title III of the BIL.
- Quarterly implementation updates (today), e-mail alerts, FAQ’s, and social media information is provided continually.
WaterSMART

• To date, 256 WaterSMART projects have been selected for a total of $655 million in BIL funding

• BIL funded WaterSMART projects to date are expected to conserve more than 100,000 acre-feet of water per year, enough to supply about half a million people

Universal City, Texas – recipient of BIL-funded WaterSMART Small Scale Water Efficiency Grant for advanced metering project. Site visit November 2023.
Rural Water Projects

Rocky Boy’s/North Central $310.1M
Musselshell Judith $65.2M
Fort Peck/Dry Prairie $368.4M (Complete)
Mni Wiconi Complete (O&M only)
Garrison Diversion Unit $1,052.0M
Lewis and Clark $608.7M

Tap water from Dakota’s service areas before rural water projects.
BIL project results and metrics:

• BIL funded rural water projects will collectively serve more than 800,000 people in Montana, North Dakota, South Dakota, Iowa, Minnesota, and New Mexico when complete.

• BIL funded small storage projects are expected to produce tens of thousands of acre-feet of new local water supplies; at least two more years of awards pending.

• BIL funded water storage and conveyance projects are expected to produce hundreds of thousands of acre-feet of new water supplies.

• Reclamation BIL funding supported 13,128 jobs in fiscal year 2023 and contributed $1.39 billion to gross domestic product.

The Trinity River Fish Hatchery, California. Project received Reclamation’s largest single allocation, $65.9 million, for Aging Infrastructure/Extraordinary Maintenance in fiscal year 2023. Photo from project site, December 2023.
IRA Sec. 50231
Domestic Water Supply Projects

Tribal Domestic Water Supply Grant Program

- Under development now
- Announcement expected very soon in the form of a Dear Tribal Leader letter
- Applications will be accepted from Tribes until early summer of 2024
- Grants will be available for planning, design and construction of domestic water supply projects
IRA Sec. 50231
Domestic Water Supply Projects

WaterSMART Grants

• Fiscal year 2023 Planning and Project Design Grants closed Oct. 17, 2023; For fiscal year 2024, closes May 21, 2024

• Fiscal year 2024 Drought Response Program, Drought Resiliency Projects closed Nov. 7, 2024

• Initial funding announcements anticipated in April of this year
IRA Sec. 50231
Domestic Water Supply Projects

Aid to U.S. Territories

- Notice of Funding Announcement under development now with publication expected before spring
- Funding will provide for up to 100% of the cost of planning, design, or construction of a domestic water supply project
- Project awards will be made through Federal Financial Assistance grants or cooperative agreements
- Funding announcements will be made this year
IRA Sec. 50231
Domestic Water Supply Projects

Whole of Government Efforts

• Reclamation is working with the Indian Health Service to accomplish a whole of government approach to solving the drinking water crises in the West

• Project announcements expected in 2024
IRA Sec. 50232
Canal Improvement Projects

The generation of power from solar energy is rapidly expanding as a major form of renewable energy in the United States. In relation to water canal facilities, solar panels can be installed next to or above the canals.

- Proposed projects will place solar panels over canals associated with Reclamation projects as a pilot or demonstration for Reclamation.
- December 2023 announced $5.65 million for Gila River Indian Community, Solar-Over-Casa Blanca Canal Project.
- Additional announcement anticipated in March or April.
IRA 50233 Drought Mitigation
Colorado River Investments and Status

• **Salton Sea Agreement**: $250 million allocated via a memorandum of agreement with California, Imperial Irrigation District, and Coachella Valley Water District for aquatic restoration, dust mitigation, and technical capacity building.
  - $72 Million obligated: $70 million for a project with California and $2 million for technical capacity for the Torres Martinez Tribe. Remaining $128 million will be enabled by additional conservation from the Imperial Irrigation District.

• **Lower Colorado System Conservation and Efficiency Program**:
  - Bucket 1 (short-term conservation): 24 agreements have been announced to conserve up to 1.58 million acre-feet through 2026. Total estimated investment is $670.2 million. Additional agreements in development.
  - Bucket 2 (long-term projects): 84 proposals received for over $5 billion. Working through review. Announcements will be on a rolling basis based on complexity of projects. Initial announcements expected this spring.

• **Upper Colorado System Conservation and Efficiency Program**:
  - Bucket 1 (short-term conservation): In 2023: 64 conservation agreements for 37,800 acre-feet ($15.8 million); In 2024, 120 proposals received for $31.8 million. Upper Colorado Basin Region working with Upper Colorado River Commission on proposal review. Agreements expected in spring.
  - Bucket 2 (long-term projects): In development. Two tracks 1) ecosystem restoration projects 2) water conservation.
Drought Mitigation in Other Basins

• Evaluating opportunities for significant investments in basins with long-term drought comparable to the Colorado River Basin
• Working through complex but strategic approaches in some of the basins to maximize use of our IRA funding
• Rolling announcements will begin in May
Section 80004
Emergency Drought Relief for Tribes

• $12.5 million through Sept. 30, 2026, for near-term drought relief actions to mitigate drought impacts for Tribes impacted by the operation of Reclamation water projects

• None of the funds provided are subject to cost-sharing or matching requirements

• Notice of funding opportunity currently open on grants.gov (R24AS00051), closes April 11, 2024.
Buy America Update:

New activity on Buy America waivers in the last four weeks:

• WaterSMART Public Interest Waiver approved for previously planned projects. Expires: Feb. 14, 2026. For awards or amendments obligated on or after the effective date of the waiver, expires Feb. 14, 2025.

• Rural Water Projects Public Interest Waiver went out for comment Feb. 21, 2024, through March 5, 2024.

• More info at https://www.doi.gov/grants/BuyAmerica

Davis and Weber Counties Canal Company, Utah. Project encloses 1,995 feet of open canal, funded with $1.8 million from BIL WaterSMART in fiscal year 2023. Photo from project site February 2024.
Staffing Update

• Human capital remains central to Reclamation’s BIL and IRA implementation

• 301 BIL-related new hires since 2022

• 80 active Reclamation postings on USAJobs as of March 6, 2024

• Archeologists, engineers, environmental specialists, project management specialists, contract specialist positions are in high demand
Thanks for your participation!

- **BIL resources**: [https://www.usbr.gov/bil](https://www.usbr.gov/bil) - see the FAQ’s or e-mail us at usbr.bil@usbr.gov
- **IRA resources**: [https://www.usbr.gov/inflation-reduction-act](https://www.usbr.gov/inflation-reduction-act) or e-mail us at usbr.ir.act@usbr.gov
- **WaterSMART**: [https://www.usbr.gov/watersmart/](https://www.usbr.gov/watersmart/)
- **Small Storage Program**: [https://www.usbr.gov/smallstorage/](https://www.usbr.gov/smallstorage/)