



— BUREAU OF —
RECLAMATION

Aging Infrastructure Account Report & FY 2022 Applications

Mission Statements

The U.S. Department of the Interior protects and manages the Nation's natural resources and cultural heritage; provides scientific and other information about those resources; and honors its trust responsibilities or special commitments to American Indians, Alaska Natives, and affiliated Island Communities.

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

Aging Infrastructure Account FY 2022 Applications

Background

Enacted in 2009, Pub. L. 111-11 authorized Reclamation to offer extended repayment of extraordinary maintenance (XM) costs on Reclamation-owned facilities that would otherwise be required to be funded in advance. In 2020, Pub. L. 116-260 amended Reclamation's XM authority by: (1) creating a new account called the "Aging Infrastructure Account" (Account), (2) directing Reclamation to establish an annual application period for eligible applicants to apply for funds and extended repayment, and (3) requiring Reclamation to report annually to Congress on its planned allocation of funds from the Account.

The funding provided in the Bipartisan Infrastructure Law (BIL) dramatically expanded Reclamation's ability to use these authorities. To be eligible for Federal funding under this authority, the work must be major, non-recurring maintenance that is intended to continue the delivery of project benefits and meet certain cost thresholds. Potential applicants include transferred works operators and project beneficiaries who are responsible for a share of reimbursable costs on the relevant facility. Tribes are included as potential applicants.

In each application period, Reclamation staff is to collaborate with operators and beneficiaries to determine the initial scope and costs of qualifying work. By a specified date, Regional Directors are to send applications for review by staff within the Commissioner's office, and for subsequent allocation decisions by the Commissioner. Reclamation is to develop an annual report for Congress on the proposed allocation of Account funding. This is the first such report.

Funds from the Account are to be repaid in accordance with the project cost allocations applicable to the particular project. Repayment amounts, or receipts, from approved projects are to be deposited back into the Account to fund future needs in subsequent application periods.

FY 2022 Funding of XM Projects Resulting from the BIL

The Bureau of Reclamation initiated the first application period for funding from the Aging Infrastructure Account in December 2021. As of the January 31 deadline, 136 applications were received from across all five regions. The total requested amount was \$1.081 billion. Reclamation staff analyzed the applications to determine if they were eligible, as submitted, under the BIL. The results below are Reclamation's decisions on the applications, as evaluated based on three overarching principles.

- I. Consideration of the relative level of risk of not completing each submitted XM project timely.
- II. Consideration of the impact of the project, as measured by—
 - size of investment,
 - ability to complete the project, and/or
 - the acceleration of the completion timeline.
- III. Consideration of the impact of a project on equity, our economy, and our climate.

Equity Considerations

- Whether projects improve lives and livelihoods for underserved communities and/or meet the goals of the Administration's Justice40 Initiative.
- Whether projects invest public dollars equitably, as part of a broader goal to steer a substantial portion of overall benefits from Federal investments in climate and clean energy to disadvantaged communities.

Economic Considerations

- Whether projects improve job opportunities for Americans.
- Whether projects include measurable outcomes for public transparency.

Climate Considerations

- Whether projects build infrastructure that is resilient and helps combat climate change.

Aging Infrastructure Account

The balance of funds in the Account as of the date of this Report is: \$240,359,000. The attached FY2022 Extraordinary Maintenance Report Table provides the allocation for this fiscal year.