



— BUREAU OF —  
RECLAMATION

# **Aging Infrastructure Account Report & FY 2023 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.

## **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 it must meet a cost threshold that is greater than either \$100,000 or 10% of the operating budget for that facility. 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 eligible applicants, and many applications from Tribal partners are funded for FY 2023.

In each application period, Reclamation staff collaborates with operators and beneficiaries to determine the initial scope and costs of qualifying work to develop each application package to request funding. By a specified date, Regional Directors send received applications and any proposals they have for non-reimbursable XM projects for review by staff within the Commissioner's office, and for subsequent allocation decisions by the Commissioner. Reclamation then develops an annual report for Congress on the proposed allocation of Account funding. This is the second such report.

Funds from the Account are either reimbursable or non-reimbursable in accordance with Federal reclamation law, and as such, the costs of each activity are allocated according to the existing project cost allocation. The reimbursable portions are to be repaid into the Account pursuant to contracts negotiated with the beneficiaries. These repayment amounts, or receipts, from approved projects, when deposited back into the Account, will be available to fund future needs in subsequent application periods, subject to Congressional authority to direct alternative allocations.

## **FY 2023 Funding of XM Projects Resulting from the BIL**

The Bureau of Reclamation initiated the second application period for funding from the Aging Infrastructure Account in October, 2022. A total of 89 XM projects were submitted, of which 83 projects have been selected for funding in FY 2023, across all five Reclamation regions. The total requested amount was approximately \$2 billion. Reclamation staff analyzed the applications to determine if they were eligible, as submitted, under the BIL, as most were. They were subsequently evaluated and prioritized for funding based on three overarching principles:

- I. Consider the relative level of risk of not completing each submitted XM project in a timely manner;
- II. Consider the beneficial impact of the project, as measured by—
  - size of investment,
  - ability to complete the project, and/or
  - the acceleration of the completion timeline.
- III. The degree to which projects further one or more of the Congress' and the Administration's priorities for the country by taking advantage of the once-in-a-generation opportunities made possible by the BIL.

*For Underserved/Disadvantaged Populations, they will—*

- impact underserved populations, or produce concrete results that change people's lives for the better; and
- invest public dollars equitably, including investing toward a goal that a substantial portion of overall benefits from Federal investments in climate and clean energy flow to disadvantaged communities.

*For our Economy & Jobs, they will—*

- improve job opportunities for Americans; and
- focus on measurable outcomes for the American people.

*For Resilient Infrastructure and Climate Change, they will—*

- build and maintain infrastructure that is resilient and that helps combat the crisis of climate change.

## **Aging Infrastructure Account**

A total of \$3.06 billion has been (or will have been by FY 2026) appropriated and made available for the purposes of the Aging Infrastructure Account. Of that amount, \$3 billion is appropriated via the Bipartisan Infrastructure Law, and the remaining total of \$600,000 was appropriated to Reclamation's Water and Related Resources account via FY 2022 and FY 2023 appropriations. Of the total, \$240.359 million was allocated to projects in FY 2022, and \$584.912 million is allocated in FY 2023, for a total of \$825.271 million. A total of \$2.175 billion in current and future appropriations remains to be allocated, as the balance of the account.

There have been no receipts repaid to the Account to date. As projects selected in FY 2022 begin to be completed and repayment of the reimbursable portions begins, those receipts will begin to add to the balance of the account.

The attached FY 2023 Extraordinary Maintenance Report Table provides the allocation for this fiscal year. In general, the stage the project is currently in – planning, design or construction – is fully funded. For projects in the planning and design stages, should work be fully completed

more quickly than anticipated in the coming year, additional amounts from the FY 2023 spend plan may be used to start the next stage of the project.