

Bipartisan Infrastructure Law (BIL)

Annual Spend Plan Update

FY 2024 Submission

BIL Annual Spend Plan Update Overview

Introduction

The Infrastructure Investment and Jobs Act, also referred to as the Bipartisan Infrastructure Law (Infrastructure Law or BIL) provided the Bureau of Reclamation with funding under Title IX (Western Water Infrastructure) for twelve program and activity areas, with accompanying authorization language for some of the programs. The BIL provides the Bureau of Reclamation a total of \$8.3 billion to be appropriated in equal increments of \$1.66 billion over five years, to be available until expended.

The American west faces severe water reliability challenges due to climate change, persistent drought, and the age of critical infrastructure. Reclamation's BIL funding will enable significant progress in addressing these challenges through unprecedented investments in Reclamation's existing portfolio, as well as expanded activity into new program areas created by BIL.

For existing programs, generational progress will occur with earlier completion of work such as the rural water projects under construction for decades, and re-investment in facilities operating for more than 100 years. For new programs created by BIL, Reclamation will apply its expertise to new areas such as large-scale recycling projects, small scale storage projects, targeted ecosystem restoration areas not previously part of the Reclamation program, and other portfolio investments. These program areas rely heavily on non-federal participation, which helps assure lasting external participation and support.

Reclamation's overall approach is to employ existing processes wherever possible to dramatically grow the pool of merit-based projects it funds, so that BIL resources can be applied through proven systems with measurable results. BIL funding is optimized by assuring that projects deliver multiple benefits and align with statutory intent. BIL is informed by frequent external communication, and execution follows a collaborative approach that emphasizes outcomes for the environment, for tribes, for water users and the west as a whole.

BIL Funding Plan

A summary funding table showing total enacted amounts for each activity for FY 2022 and FY 2023 is shown on the next page. FY 2024 amounts by program activity are provided based on the interest and capability identified during the course of FY 2022, and in the early months of implementation for the new program areas in FY 2023. These may be subject to change or refinement.

Bureau of Reclamation Total Bipartisan Infrastructure Law Funding
(dollars in 000's)

Water and Related Resources - Title IX		Authorized	FY 2022	FY 2023	FY 2024
Per Section 40902	Water Storage, Groundwater Storage, Conveyance Projects	1,050,000	210,000	95,000	242,000
Per Section 40903	Small Surface Water & Ground Water Storage Projects	100,000	-	20,000	25,000
Per Section 40904, & P.L. 116-260	Aging Infrastructure Account - Extraordinary maintenance for reserved and transferred works	3,000,000	240,259	649,000	680,000
Milk River Project/Extraordinary Maintenance	Extraordinary Maintenance related to St. Mary's infrastructure	100,000	3,500	85,000	3,500
Per Section 40904(b)	Rehab, reconstruction, or replacement of a dam under the Carey Act	100,000	-	5,000	30,000
Per Section 40901(3)	Rural Water Projects	1,000,000	450,000	248,000	108,000
WaterSMART/Title XVI	Water Recycling and Reuse Projects	550,000	309,800	150,000	29,000
WaterSMART	Large scale water recycling and reuse projects	450,000	-	50,000	130,000
Research and Development	Desalination	250,000	15,000	20,000	30,000
Per Section 40901(6)	Safety of Dams Projects	500,000	100,000	-	130,000
WaterSMART	Grants	300,000	120,000	112,500	50,500
WaterSMART	Grants (IAW 9502 Omnibus Public Land Mgmt. Act)	100,000	40,000	37,000	17,000
Lower Colorado River Operations Prog.	Drought Contingency Plan (LC)	250,000	50,000	25,000	25,000
Upper Colorado River Operations Prog.	Drought Contingency Plan (UC)	50,000	-	8,700	29,750
WaterSMART/ Cooperative Watershed Management Program	Watershed Management Projects	100,000	18,000	20,000	20,000
Aquatic Ecosystem Restoration & Protection	New Program - Aquatic Ecosystem Restoration & Protection	250,000	-	45,000	65,000
WaterSMART/ Cooperative Watershed Management Program	Multi-benefit Watershed Health Improvements	100,000	-	20,000	25,000
Various/Colorado River Basin projects	Endangered Species Recovery and Conservation programs	50,000	8,500	20,000	6,000
Reserve	Flexibility for emerging requirements		45,141	-	14,250
Bipartisan Infrastructure Law Admin. Activities	Administration (only if specified in bill)		49,800	49,800	
Water and Related Resources, Total		8,300,000	1,660,000	1,660,000	1,660,000
Bureau of Reclamation, Total			1,660,000	1,660,000	1,660,000

BIL Program Implementation Status

FY 2022 was the first year of BIL implementation; Reclamation began with stakeholder meetings within three weeks of enactment, followed by a succession of funding opportunities and throughout 2022, along with recurring stakeholder engagements all year long. These implementation actions produced strong stakeholder buy-in for Reclamation's implementation approach, and generated dozens of BIL-funded projects announced through events, news releases and web site postings.

As would be expected, Reclamation's long-standing programs were positioned to rapidly expand their capability, pending hiring new staff to execute significantly higher outputs. In contrast, the new programs have devoted early months to normal processes of building programs, including policy and criteria development.

Reclamation programs have three methods to select project recipients -- internal formulation (e.g., dam safety projects), external application (e.g., WaterSMART Water and Energy Efficiency Grants and Title XVI water recycling projects), or a hybrid approach using an internally facilitated external application process that entails collaboration with operating partners interested in funding for Reclamation-owned facilities (e.g., aging infrastructure). The methods for each are repeatable on an annual basis. Below are some of the key accomplishments:

Program Accomplishments for FY 2022 and Plans for FY 2023 and FY 2024

- **Water Storage, Groundwater Storage and Conveyance:**

The Water Storage, Groundwater Storage, and Conveyance Projects (Sections 40901(1) and 40902) will provide benefits of increased water via construction of water storage or conveyance infrastructure, or by providing technical assistance to non-Federal entities.

- **FY 2022:** Selected Projects for \$210 million, 5 for construction and 2 for feasibility.
- **FY 2023:** The second allocation cycle has \$95 million, for announcement later in the year.
- **FY 2024:** Reclamation plans to allocate \$242 million in the third cycle.

- **Small Surface Water & Groundwater Storage:**

The Small Surface Water Storage and Groundwater Storage Projects (Sections 40901(1) and 40903) will provide benefits of increased water via construction of smaller storage or conveyance infrastructure or by providing technical assistance to non-Federal entities.

- **FY 2023:** BIL Section 40902, using FY 2023 BIL funding to launch new program areas using the \$20 million allocated.
- **FY 2024:** BIL Section 40903 activities will include the second award cycle for Small Storage, with an allocation of \$25 million

- **Aging Infrastructure:**

Funding will be provided via the process outlined in Public Law 111-11 as amended by P.L. 116-260 and the Infrastructure Law's Sections 40901(2) and 40904. The objective is to provide funding for the significant amount of extraordinary maintenance Reclamation faces with aging infrastructure and provide resources to project beneficiaries and transferred works operators to proceed with projects that may have been stalled or delayed due to lack of funding.

- **FY 2022:** First application period (BIL Section 40904) and selected first set of projects totaling \$240 million.
 - **St. Mary:** Provided funds for Milk River Project (\$3.5 million).

- **FY 2023:** FY 2023 BIL-funded activities will also include the second application period for projects, to allocate an unprecedented \$649 million in a single fiscal year.
 - **St. Mary:** Allocating \$85 million for the Milk River Project
 - **Carey Act Dam:** Project to begin in FY 2023 with \$5 million
- **FY 2024:** Aging Infrastructure BIL activities will include the third application period for projects, to allocate an unprecedented \$680 million in a single fiscal year.
 - **St. Mary:** Allocating \$3.5 million for the Milk River Project
 - **Carey Act Dam:** Project, planning \$30 million

- **Rural Water:**

Since 1980, Congress has authorized Reclamation, among other agencies, to develop municipal and industrial (M&I) water supply projects in rural areas and on Tribal lands. Funding provided pursuant to BIL Section 40901(3).

- **FY 2022:** Brought higher-than-ever one-year investments in Reclamation program areas like rural water across 6 projects some that benefit tribal areas, which was allocated \$420 million in the FY 2022 BIL Spend Plan, complemented by additional funding from FY 2022 appropriations.
- **FY 2023:** is planning to announce \$278 million (which includes \$30 million carryover from FY 2022 funds) across 7 projects.
- **FY 2024:** plans to allocate \$108 million.

- **Water Recycling and Reuse:**

Water recycling and reuse project funding helps provide grant funding under the Title XVI authority to support planning, design and construction of water recycling and reuse projects in partnership with local project sponsors. Funding provided pursuant to BIL Section 40901(4)(A).

- **FY 2022:** WaterSMART Title XVI selected 24 projects for a total of \$310 million in BIL funding.
- **FY 2023:** WaterSMART Title XVI program has \$150 million
- **FY 2024:** Title XVI water recycling program plans to allocate \$29 million.

- **Large Scale Water Recycling and Reuse:**

This is a new program pursuant to BIL Sections 40901(4)(B) and 40905. Water recycling and reuse project funding will provide grant funding that supports planning, design and construction of large-scale water recycling and reuse projects in partnership with local project sponsors.

- **FY 2023:** The large-scale WaterSMART Title XVI projects will begin in FY 2023, Reclamation will roll out a \$50 million funding opportunity.
- **FY 2024:** Reclamation anticipates bringing the second application period for Large-Scale water recycling, Reclamation plans to allocate \$130 million.

- **Desalination:**

The Water Infrastructure Improvements for the Nation (WIIN) Act provided authority to Reclamation to develop a desalination construction program that provides a path for ocean or brackish water desalination projects to receive Federal funding provided by appropriations and BIL Section 40901(5).

- **FY 2022:** Had no selected applicants, funds rolled over to FY 2023.

- **FY 2023:** Allocated \$20 million to be allocated with FY 2022 (\$15 million)
- **FY 2024:** Reclamation plans to allocate \$30 million for Desalination

- **Safety Of Dams:**

The Safety of Dams program was established to ensure Reclamation dams do not present unacceptable risk to people, property, and the environment, using funds from BIL Section 40901(6).

- **FY 2022:** BIL funding enabled groundbreaking on Reclamation’s largest-ever dam safety project, the repairs at B.F. Sisk Dam in the central valley of California, highlighted at a June 17, 2022 ceremony showcasing \$100 million in BIL funding.
- **FY 2023:** There was no funding allocation since the construction contract award was made to BF Sisk late in FY 2022.
- **FY 2024:** Safety of Dams-allocation of \$130 million in FY 2024.

- **WaterSMART Grants:**

Through WaterSMART, Reclamation will continue to work cooperatively with States, Tribes, and local entities to increase water supply through investments to modernize existing infrastructure and attention to local water conflicts. Funding under BIL Section 40901(7) implements Section 9504 of the SECURE Water Act, including projects focused on water efficiency, drought resilience, environmental benefits, small-scale water management improvements, planning of water marketing activities, and development of water management tools.

- **FY 2022:** Reclamation used BIL funding for several funding opportunities, enabling the award of many project proposals. In FY 2022, Reclamation’s WaterSMART Grant program allocated \$116 million of BIL funds.
- **FY 2023:** Reclamation has a total of \$112.5 million to be allocated to projects and plans to award this funding across the west to address drought, climate change, and ecosystem restoration.
- **FY 2024:** The WaterSMART grants programs have \$50.5 million in FY 2024 funds many additional competitive opportunities will be provided across the west to address drought, climate change, and ecosystem restoration.

- **WaterSMART Grants for Public Lands:**

This portion of funding for WaterSMART grants under the SECURE Water Act is made available for projects that improve the condition of a natural feature or nature-based feature, consistent with Section 9504 of the SECURE Water Act and 40901(7) of BIL.

- **FY 2022:** Selected 27 projects during FY 2022 for \$36 million, 5 projects will use FY 2023 funds.
- **FY 2023:** Has \$37 million to compete for funding
- **FY 2024:** Plans to allocate \$17 million for grants.

- **Drought Contingency Plans:**

Funding is provided to implement the Colorado River Basin Drought Contingency Plan, consistent with the obligations of the Secretary under the Colorado River Drought Contingency Plan Authorization Act (P.L. 116-14), related agreements and BIL Section 40901(8). Funding is provided separately for the Upper Colorado region.

- **FY 2022:** allocated \$50 million to Lower Colorado for climate change for an MOA concerning Lake Mead.
- **FY 2023:** allocated \$25 million for Lower Colorado and plans \$8.7 million for Upper Colorado
- **FY 2024:** allocated \$25 million for Lower Colorado and plans to allocate \$29.75 million for Upper Colorado

- **Watershed Management Projects:**

This program will meet requirements outlined in Subtitle A of the Omnibus Public Lands Management Act of 2009 (P.L. 111-11) and supports providing grants for watershed management projects to encourage a diverse set of stakeholders to form local solutions to address their water management needs per BIL Section 40901(9).

- **FY 2022:** allocated \$18 million for projects.
- **FY 2023:** has \$20 million for projects
- **FY 2024:** Plans to allocate \$20 million for projects

- **Aquatic Ecosystems:**

The Aquatic Ecosystem Restoration and Protection program was authorized in the FY 2020 Omnibus bill (P.L. 116-260) and later received funding under BIL Section 40901(10). This program will support voluntary, collaborative restoration projects by providing funding to eligible applicants for the design, study and construction of projects for fish passage improvements and aquatic habitat restoration.

- **FY 2023:** a new program in FY 2023 allocated \$45 million
- **FY 2024:** Plans to allocate \$65 million for the second application cycle

- **Multi-Benefit Watershed:**

This funding provides funding to improve watershed health. Funding will be determined based upon external application processes through existing funding opportunities to the extent possible. Funding will support the design, implementation, and monitoring of habitat restoration projects that improve watershed health in a river basin adversely impacted by a Reclamation project.

- **FY 2023:** will bring the first application cycle for the new program (BIL Section 40907) \$20 million
- **FY 2024:** Plans to allocate \$25 million for the second cycle.

- **Endangered species recovery and conservation program on the Colorado River:**

Program specific allocations for work benefitting endangered species for the Colorado River Basin pursuant to BIL Section 40901(12).

- **FY 2022:** Lake Mead's Fish Hatchery to construct a water delivery system \$8.5 million
- **FY 2023:** ESA on Colorado River, \$20 million allocated
- **FY 2024:** Plans to allocate \$6 million on the Colorado River.

During FY 2022, Reclamation conducted 10 stakeholder engagement sessions for its tribal and water and power partners, starting in December 2021, continuing in April, July, November, into January 2023, with plans for recurring quarterly engagements.

FY 2023 Planned Activities and Milestones

- The BIL program allocations are reasonable estimates at this time. They may be adjusted based on the initial year of implementation of new program areas in FY 2023, based on allocation of Additional Funding for Ongoing Work from FY 2023, and based on program capability for FY 2024.
- Final BIL allocations may also be adjusted in view of final FY 2024 appropriations.