

Bipartisan Infrastructure Law (BIL)

Annual Spend Plan Update

2025 OMB 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 has applied 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 program for FY 2022-FY 2024 is shown on the next page—with a starting column (as of February 2023, i.e., the date of the published FY24 Spend Plan) and ending column (as of September 30, 2023) for each program. FY 2025 amounts by program activity are provided based on both the interest and capability identified through FY 2023, as well as the remaining balances under the legislated ceilings of each program (spread over the remaining two years of BIL appropriations). These could be subject to change or refinement.

Table 1. BIL Funding Plan

Bureau of Reclamation Total Bipartisan Infrastructure Law Funding								
BIL Programs	Authorized	FY 2022	FY 2022 FINAL	FY 2023	FY 2023 FINAL	FY 2024	FY 2024 FINAL	FY 2025
Water & Groundwater Storage, and Conveyance	\$1,050,000	\$210,000	\$255,141	\$95,000	\$106,859	\$242,000	\$242,000	\$207,250
Water & Groundwater Storage, and Conveyance - Small Surface	\$100,000	\$ -	\$ -	\$20,000	\$20,000	\$25,000	\$25,000	\$26,000
Aging Infrastructure Account	\$3,000,000	\$240,259	\$240,259	\$649,000	\$649,000	\$680,000	\$680,000	\$670,370
Aging Infrastructure - St. Mary's	\$100,000	\$3,500	\$3,500	\$85,000	\$85,000	\$3,500	\$3,500	\$2,500
Aging Infrastructure - Carey Act	\$100,000	\$ -	\$ -	\$5,000	\$5,000	\$30,000	\$30,000	\$31,000
Rural Water Projects	\$1,000,000	\$420,000	\$450,000	\$248,000	\$248,000	\$108,000	\$108,000	\$82,000
Water Recycling	\$550,000	\$309,800	\$309,800	\$150,000	\$150,000	\$29,000	\$29,000	\$22,350
Water Recycling - Large Scale	\$450,000	\$ -	\$ -	\$50,000	\$50,000	\$130,000	\$130,000	\$128,250
Water Desalination Projects	\$250,000	\$15,000	\$15,000	\$20,000	\$8,141	\$30,000	\$16,000	\$101,680
Dam Safety Program	\$500,000	\$100,000	\$100,000			\$130,000	\$130,000	\$127,500
WaterSMART Grants	\$300,000	\$120,000	\$120,000	\$112,500	\$112,500	\$50,500	\$50,500	\$8,000
WaterSMART Grants (IAW 9502 of Omnibus Public Land Mgmt Act)	\$100,000	\$40,000	\$40,000	\$37,000	\$37,000	\$17,000	\$17,000	\$1,500
Drought Contingency Plan (Lower CO River Operations)	\$250,000	\$50,000	\$50,000	\$25,000	\$25,000	\$25,000	\$25,000	\$71,250
Drought Contingency Plan (Upper CO River Operations)	\$50,000	\$ -	\$ -	\$8,700	\$8,700	\$29,750	\$29,750	\$5,025
Watershed Management Projects	\$100,000	\$18,000	\$18,000	\$20,000	\$20,000	\$20,000	\$20,000	\$19,500
Aquatic Ecosystem Restoration Projects	\$250,000	\$ -	\$ -	\$45,000	\$45,000	\$65,000	\$65,000	\$66,250
Multi-benefit Projects to Improve Watershed Health	\$100,000	\$ -	\$ -	\$20,000	\$20,000	\$25,000	\$25,000	\$26,000
Endangered Species Recovery and Conservation Programs - CO River	\$50,000	\$8,500	\$8,500	\$20,000	\$20,000	\$6,000	\$20,000	\$ -
Emerging Requirements		\$75,141	\$ -	\$ -	\$ -	\$14,250	\$14,250	\$25,000
Administration (only if specified in bill)		\$49,800	\$49,800	\$49,800	\$49,800	\$ -	\$ -	\$38,575
Water and Related Resources, Total	\$8,300,000	\$1,660,000	\$1,660,000	\$1,660,000	\$1,660,000	\$1,660,000	\$1,660,000	\$1,660,000
Bureau of Reclamation, Total		\$1,660,000		\$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 throughout 2022, along with recurring stakeholder engagements all year long. These implementation actions produced strong stakeholder awareness of 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. The newer programs enacted with BIL or in the period immediately preceding BIL (e.g., Small Storage, Large Scale Water Recycling, Aquatic Ecosystem Restoration) 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 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 FY 2023, Plans for FY 2024 and FY 2025

- ***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:*** Original Spend Plan allocated \$95 million, but final announced amount was \$152 million on July 27, 2023, supplemented by FY22 funds (\$45.141 million from "Reserve-Flexibility") and FY23 funds (\$11.859 million from "Desalination") (<https://www.doi.gov/pressreleases/biden-harris-administration-investing-152-million-through-investing-america-agenda>)
 - ***FY 2024:*** Reclamation allocated \$242 million in the third year.
 - ***FY 2025:*** Reclamation plans to allocate \$207.25 million.

- ***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, launching new program areas; \$20 million allocated to projects, announced on April 6, 2023 (<https://www.usbr.gov/newsroom/news-release/4475>)
 - ***FY 2024:*** BIL Section 40903 activities for the next award cycle for Small Storage, with an allocation of \$25 million.
 - ***FY 2025:*** Reclamation plans to allocate \$26 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:*** Selected 46 projects for \$240.259 million.
 - ***St. Mary:*** Allocated funds for Milk River Project (\$3.5 million); all was obligated.
- ***FY 2023:*** Selected an unprecedented \$585 million of the \$649 million allocated, providing funding for 83 projects. Announced on April 5, 2023 (<https://www.usbr.gov/newsroom/news-release/4473>)
 - ***St. Mary:*** Allocated \$85 million for the Milk River Project
 - ***Carey Act Dam:*** Allocated \$5 million; obligated all.
- ***FY 2024:*** Aging Infrastructure BIL activities for the third application period for projects, to allocate \$680 million.
 - ***St. Mary:*** Allocated \$3.5 million for the Milk River Project
 - ***Carey Act project:*** Allocated \$30 million
- ***FY 2025:*** Aging Infrastructure BIL activities will include the fourth application period, plans to allocate \$670.37 million.
 - ***St. Mary:*** Plan to allocate \$2.5 million for the Milk River Project
 - ***Carey Act project:*** Plan to allocate \$31 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:*** Allocated \$420 million for seven Reclamation Rural Water projects, accelerating important work for water supply projects.
- ***FY 2023*** Allocated \$248 million and used \$30 million of unallocated reserve carryover; announced \$278 million on March 2, 2023, in an Addendum (<https://www.usbr.gov/bil/docs/spendplan-2023/Reclamation-BIL-Spend-Plan-Addendum-Rural-Water-03-02-23.pdf.pdf>).
- ***FY 2024:*** Reclamation allocated \$108 million.
- ***FY 2025:*** Reclamation plans to allocate \$82 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 \$309.8 million in BIL funding; announced on August 18, 2022.
 - **FY 2023:** WaterSMART Title XVI program allocated \$150 million of FY23 funding in a funding opportunity announcement on Sep 28, 2023--open until Dec 7, 2023. FY24 funding was included (combined) in the same NOFO.
 - **FY 2024:** WaterSMART Title XVI program allocated \$29 million of FY24 funding in the same NOFO on Sep 28, 2023--open until September 30, 2024. FY23 funding was included (combined) in the same NOFO.
 - **FY 2025:** WaterSMART Title XVI program plans to allocate \$22.4 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:** Reclamation provided \$50 million in funding opportunities with FY2024 funds. Feasibility studies were not authorized under the BIL, but they were required to be completed for projects in order for them to qualify to receive BIL funding. For this reason, a separate funding opportunity to provide assistance with planning and feasibility study development was done with annual appropriations early in FY 2023, to assist in the development of potential new construction projects that could be carried out under the Large-Scale Water Recycling Program (as well as the Desalination Construction Program and the Title XVI Water Reclamation and Reuse Program). (The latter NOFO was separate from large-scale and the BIL spend plan amounts).
 - **FY 2024:** Reclamation allocated \$130 million in its FY24 Spend Plan and included that amount in the FY 2023 NOFO that is open from September 7, 2023, until November 21, 2023. In order to enable more interested parties to qualify for the new program in FY 2024, this funding opportunity includes multiple application submittal periods (deadline October 31, 2023; March 29, 2024; and September 30, 2024). Applicants will have up to 60 days after applying for funding to provide a feasibility study for Reclamation's review.
 - FY 2025: Reclamation plans to allocate \$128.2 million for funding opportunities.
 - **Desalination:**
The Water Infrastructure Improvements for the Nation (WIIN) Act provided expanded 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:** A total of \$15 million was allocated and carried over to FY 2023. Of the \$15 million in carryover, \$12.6 million was selected for the Brackish Groundwater National Desalination Research Facility; this was announced on May 3, 2023, (<https://www.usbr.gov/newsroom/news-release/4507>)

- **FY 2023:** Reclamation allocated \$20 million. This allocation was decreased by \$11.859 million, to be used in FY23 under the Storage and Conveyance program. The remainder for allocation or carryover is \$8.141 million.
 - **FY 2024:** Reclamation had originally allocated \$30 million under this program but reduced that amount by \$14 million to provide it to the Colorado River Endangered Species Recovery program.
 - **FY 2025:** Reclamation plans to allocate \$101.7 million.
- **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, highlighted at a June 17, 2022, ceremony showcasing \$100 million in BIL funding. (See the Addendum at <https://www.usbr.gov/bil/docs/spendplan-2022/Reclamation-BIL-Spend-Plan-Dam-Safety-Addendum-DS-3-21-2022.pdf>)
 - **FY 2023:** There was no funding allocation since the construction contract award was made to BF Sisk late in FY 2022.
 - **FY 2024:** Reclamation allocated \$130 million in FY 2024.
 - **FY 2025:** Reclamation plans to allocate \$127.5 million.
 - **WaterSMART Grants:**
Through the suite of WaterSMART grant programs, 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 allocated \$120 million.
 - Water and Energy Efficiency Grants (WEEG) selected 14 projects for \$25.5 million on June 21, 2022 (<https://www.usbr.gov/newsroom/news-release/4247>). One WEEG project announced in April 2023 used the remaining FY 2022 funds for \$2.7 million.
 - Drought Resiliency Grants selected 36 projects for \$85.9 million on December 22, 2022 (<https://www.usbr.gov/newsroom/news-release/4395>).
 - Small Scale Water Efficiency Grants for 82 projects for \$7 million on January 5, 2023 (<https://www.usbr.gov/newsroom/news-release/4402>).
 - **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 and efficiency.

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 funding opportunities, announced 2 projects July 5, 2022, for \$3.77 million.
- **FY 2023:** allocated \$20 million for funding opportunities.
- **FY 2024:** Allocated \$20 million for funding opportunities.
- **FY 2025:** Plans to allocate \$19.5 million for funding opportunities.

- ***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 is a new program for Reclamation and 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:** Allocated \$45 million for funding opportunities; and provided \$6 million for the Upper Columbia River Basin project, announced on September 21, 2023, consistent with the program's authority. (<https://www.doi.gov/pressreleases/biden-harris-administration-tribes-reach-historic-agreement-supporting-efforts-restore>)
- **FY 2024:** Reclamation allocated \$65 million for the next application cycle.
- **FY 2025:** Plans to allocate \$66.3 million for the third application cycle.

- ***Multi-benefit Watershed:***

This program area 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:** Allocated \$20 million
- **FY 2024:** Allocated \$25 million for the opportunity cycle.
- **FY 2025:** Plans to allocate \$26 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:** Allocated \$8.5 million to construct a water delivery system at Lake Mead's Fish Hatchery
- **FY 2023:** Allocated \$20 million for ESA on Colorado River funding split \$6 million for Lower Colorado and \$13 million for Upper Colorado going to 4 projects, announced selection December 27, 2022 in an addendum (<https://www.usbr.gov/bil/docs/spendplan-2023/Reclamation-BIL-Spend-Plan-Addendum-ESA%20WaterSMART12-27-2022.pdf>)

- **FY 2024:** Originally allocated \$6 million on the Colorado River, updated to \$20 million by reducing the Desalination line item.
 - **FY 2025:** \$0 allocated.
- During FY 2022 and FY 2023, Reclamation conducted 9 stakeholder engagement sessions for its tribal and water and power partners, starting in December 2021, continuing through 2023, with plans for recurring quarterly engagements.

FY 2025 Planned Activities and Milestones

- The BIL program allocations are reasonable estimates at this time. They may be adjusted based on the implementation of various program areas in FY 2024, based on allocation of Additional Funding for Ongoing Work from FY 2024, and based on program capability for FY 2025.
- Final BIL allocations may also be adjusted in view of final FY 2025 appropriations.