The Inflation Reduction Act
Drought Response and Preparedness

Public Law 117-169
https://www.usbr.gov/inflation-reduction-act/
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Western Hydrology and Reservoir Conditions Update

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Precipitation and Temperature since Oct 1

Cooler than average temperatures;
variable precipitation w/ recent atmospheric rivers
influencing California to Colorado Basin conditions
January 10, 2023
(Released Thursday, Jan. 12, 2023)
Valid 7 a.m. EST

U.S. Drought Monitor
Bureau of Reclamation

Drought Conditions (Percent Area)

<table>
<thead>
<tr>
<th></th>
<th>None</th>
<th>D0-D4</th>
<th>D1-D4</th>
<th>D2-D4</th>
<th>D3-D4</th>
<th>D4</th>
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<tbody>
<tr>
<td>Current</td>
<td>13.01</td>
<td>86.99</td>
<td>42.00</td>
<td>37.36</td>
<td>13.54</td>
<td>2.90</td>
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<tr>
<td>Last Week 01/03/2023</td>
<td>12.21</td>
<td>87.79</td>
<td>64.96</td>
<td>40.27</td>
<td>15.94</td>
<td>3.03</td>
</tr>
<tr>
<td>3 Months Ago 10/11/2022</td>
<td>4.56</td>
<td>96.44</td>
<td>75.25</td>
<td>48.95</td>
<td>22.14</td>
<td>4.77</td>
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<tr>
<td>Start of Calendar Year 01/09/2023</td>
<td>12.21</td>
<td>87.79</td>
<td>64.96</td>
<td>40.27</td>
<td>15.94</td>
<td>3.03</td>
</tr>
<tr>
<td>Start of Water Year 09/27/2022</td>
<td>5.09</td>
<td>94.91</td>
<td>73.72</td>
<td>48.57</td>
<td>20.12</td>
<td>4.14</td>
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<tr>
<td>One Year Ago 09/11/2022</td>
<td>6.44</td>
<td>93.56</td>
<td>80.10</td>
<td>55.68</td>
<td>18.86</td>
<td>2.03</td>
</tr>
</tbody>
</table>

Intensity:
- None
- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to https://droughtmonitor.unl.edu/About.aspx

Author:
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CPC/NOAA/NWS/NCEP

droughtmonitor.unl.edu
Equatorial sea surface temperatures (SSTs) are below average across most of the Pacific Ocean.

**ENSO outlook – Transition from La Niña to ENSO Neutral for 2023 water supply season**

- A transition from La Niña to Neutral is anticipated during the February-April 2023 season.
- By Northern Hemisphere spring (March-May 2023), the chance for Neutral is 82%
CPC outlook - Dry in the Southwest

Outlook consistent with current La Niña and pattern of impacts over the Western U.S.
Water Supply Forecasts (1/17/23) for Spring-Summer 2023

- California, Great Basin, and Upper Colorado forecasts reflect recent Atmospheric Rivers.
- La Niña pattern says expect wetter to the north and drier to the south. But forecasts pattern is more like El Niño. This shows how ENSO effects can across the West.
- Precipitation Jan-Apr could follow La Niña pattern and cause forecasts to “flip”.

Percent Average Water Supply Forecasts 1/17/23 (NOAA – CBRFC)
Forecast period varies by location’s typical “water supply” runoff season
Overview of Reclamation Provisions in the Act

Only Federally recognized Tribes located in the 17 western states (not including Hawaii and Alaska) are eligible for Reclamation's Inflation Reduction Act funding.

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Similar to the Bipartisan Infrastructure Law the Department will execute these investments adhering to the Administration’s implementation priorities to:

- invest public dollars efficiently, working to avoid waste, and focus on measurable outcomes for the American people;
- increase the competitiveness of the United States economy, including through implementing the Act’s Made-in-America requirements and bolstering United States manufacturing and supply chains;
- improve job opportunities for millions of Americans by focusing on high labor standards for these jobs, including prevailing wages and the free and fair chance to join a union;
- invest public dollars equitably, including through the Justice40 Initiative, which is a government-wide effort toward a goal that 40 percent of the overall benefits from Federal investments in climate and clean energy flow to disadvantaged communities;
- build infrastructure that is resilient and that helps combat the crisis of climate change; and
- effectively coordinate with State, local, Tribal, and territorial governments in implementing these critical investments.
Section 50231 – Bureau of Reclamation Domestic Water Supply Projects

• $550 million available through September 30, 2031 for:
  • “grants, contracts, or financial assistance agreements for disadvantaged communities (identified according to criteria adopted by the Commissioner of Reclamation) in a manner as determined by the Commissioner of Reclamation for up to 100 percent of the cost of the planning, design, or construction of water projects the primary purpose of which is to provide domestic water supplies to communities or households that do not have reliable access to domestic water supplies."

• Federally recognized Tribes located in the 17 western states will be considered a disadvantaged community.
Section 50232 – Canal Improvement Projects

• $25 million available through September 30, 2031 for:
  • “the design, study, and implementation of projects (including pilot and demonstration projects) to cover water conveyance facilities with solar panels to generate renewable energy in a manner as determined by the Secretary or for other solar projects associated with Bureau of Reclamation projects that increase water efficiency and assist in implementation of clean energy goals.”
Section 50233 – Drought Mitigation in the Reclamation States

• $4 billion available through September 30, 2026 for:
  • “for grants, contracts, or financial assistance agreements, in accordance with the reclamation laws, to or with public entities and Indian Tribes, that provide for the conduct of the following activities to mitigate the impacts of drought in the Reclamation States, with priority given to the Colorado River Basin and other basins experiencing comparable levels of long-term drought, to be implemented in compliance with applicable environmental law:
    • (1) Compensation for a temporary or multiyear voluntary reduction in diversion of water or consumptive water use.
    • (2) Voluntary system conservation projects that achieve verifiable reductions in use of or demand for water supplies or provide environmental benefits in the Lower Basin or Upper Basin of the Colorado River.
    • (3) Ecosystem and habitat restoration projects to address issues directly caused by drought in a river basin or inland water body.”
Section 80004 – Emergency Drought Relief for Tribes

- $12.5 million available through September 30, 2026 for:
  - “for near-term drought relief actions to mitigate drought impacts for Indian Tribes that are impacted by the operation of a Bureau of Reclamation water project, including through direct financial assistance to address drinking water shortages and to mitigate the loss of Tribal trust resources.”
IRA Framing Questions

1) For the Emergency Drought Relief for Tribes funding ($12.5 million), what criteria should Reclamation consider? What objectives should Reclamation prioritize?

2) For the Domestic Water Supply Projects funding ($550 million), what factors should the Commissioner consider in determining “manner” and “criteria?” Since this section allows up to 100% of the cost of planning, design, and construction and we understand that other agencies have received increased funding for domestic water supplies, how should Reclamation prioritize funding for Tribes under this program?

3) For the Canal Improvement Projects funding ($25 million) that provides for the design, study, and implementation of projects (including pilot and demonstration projects), should Reclamation prioritize design, study, or implementation of projects?

4) For the Drought Mitigation in the Reclamation States ($4 billion), How should Reclamation administer these funds to mitigate drought impacts to Tribes as outlined in the Act?
TRIBAL CONSULTATION

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