



— BUREAU OF —
RECLAMATION

Aging Infrastructure Account

Reclamation Stakeholder Workshop

October 2023

The 101

- **Public Law 111-11 (2009)**
 - Extended repayment for XM & funding for transferred works XM
 - Details
- **John D. Dingell, Jr. Conservation, Management, and Recreation Act, P.L. 116-9 (Dingell Act) (2019)**
 - Refined reporting on Major Rehabilitation & Replacement (MR&R), tied to AIA
- **Public Law 116-260 (2020)**
 - Created AIA to fund XM
 - Requires application process for funding from AIA
- **BIL (2021)**
 - Put \$3 billion in the AIA available through FY 26
 - Tied funding intention to Dingell Act MR&R data

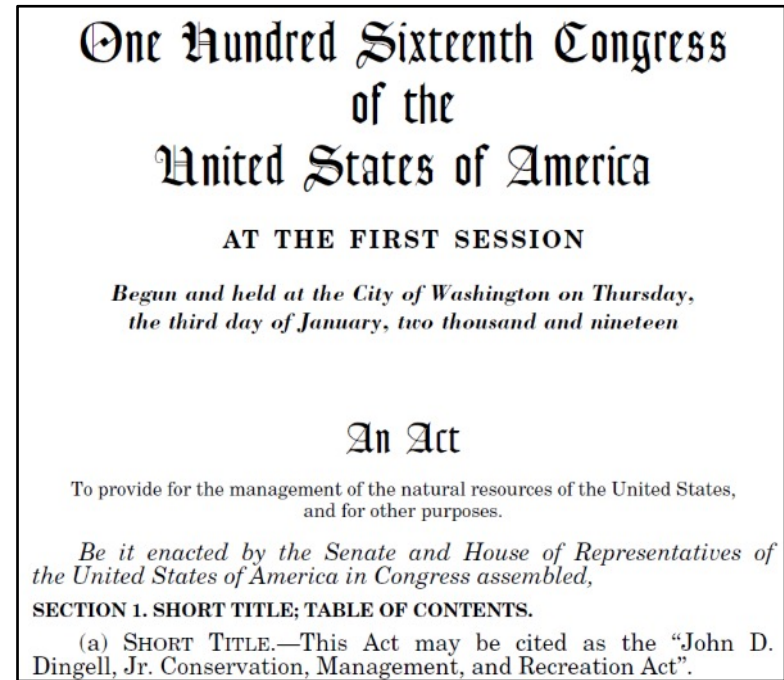


John D. Dingell, Jr. Conservation, Management, and Recreation Act, P.L. 116-9

Title VIII – Water and Power, Subtitle G – Reclamation Transparency Act (Section 8601-8603)

Asset Management Plan every 2 years to include:

- Assessment of major repair needs
- Itemized list of repair needs by facility
- Level of cost estimate
- Appropriations needed to complete each item
- Categorical rating for each repair item
- Next report due: March 2025



Subtitle G—Bureau of Reclamation
Transparency

Fiscal Years (FY) 22 & 23 Recap

FY 22

- 106 Applications seeking approximately \$1 billion
- \$240.4 million allocated to projects
- BOR program stood up in execution, developed/refined after 1st round

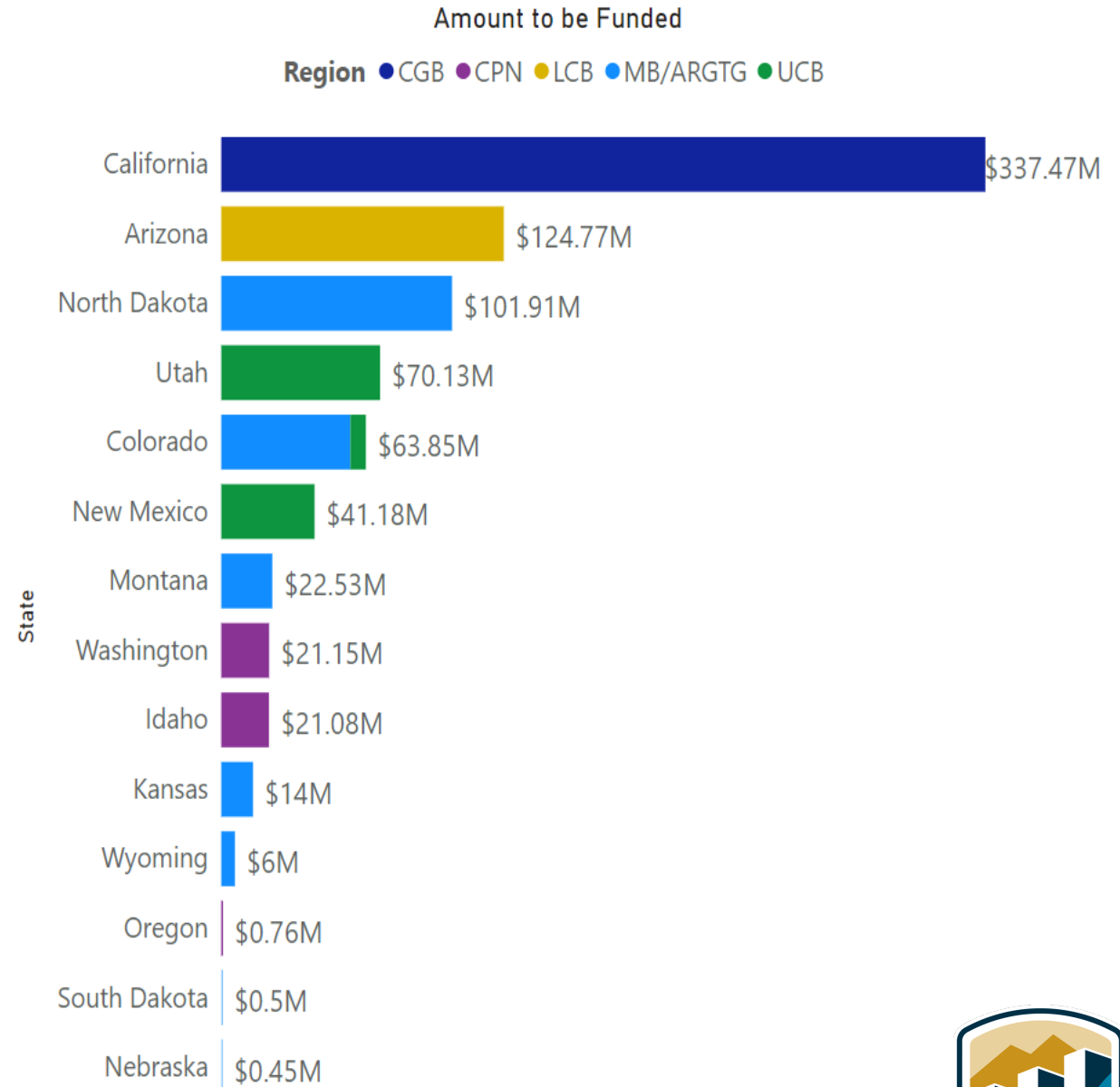
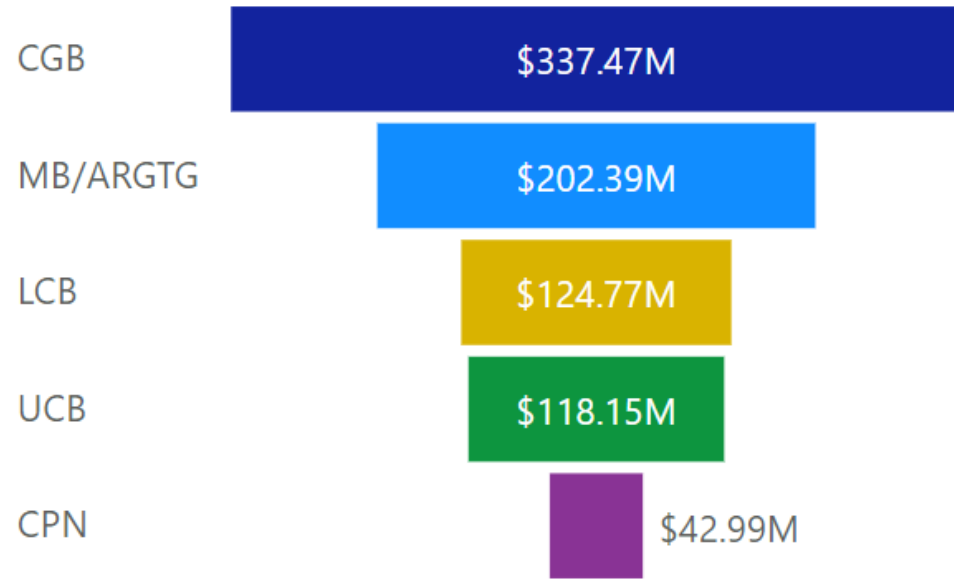
FY 23

- 87 Applications seeking approximately \$2 billion
- \$585 million allocated to projects
- All eligible applications got some funding
- BOR Program further developed/refined

Total of \$825.3 million allocated so far
- \$2.2 billion remaining



Funding Breakdown



*Data is inclusive of FY 22 and FY 23 AIA funded projects



U.S. awards drought-stricken states \$585M to repair aging water infrastructure

By Sheri Walsh



The Colorado River Basin's Imperial Dam in Arizona is one of 83 projects in 11 states receiving \$585 million in funding as part of the Biden administration's Bipartisan Infrastructure Law to repair aging water infrastructure. Photo courtesy of Bureau of Reclamation

April 5 (UPI) -- Eleven states are slated to receive nearly \$585 million in funding to fix aging water infrastructure following years of drought.

The Biden administration announced the Bipartisan Infrastructure Law Wednesday during a visit to the Colorado River Basin's Imperial Dam.

Deputy Secretary of the Interior Tommy Beaudreau, Senior Advisor to the President and White House Infrastructure Implementation Coordinator Mitch Landrieu, Bureau of Reclamation Commissioner Camille Calimlim Touton and Senior Advisor to the President and Deputy Secretary of the Interior Tommy Beaudreau, during a visit to the Imperial Dam on Tuesday, April 4.

Impacts

Biden to spend more than \$580 million to fix aging water systems in West

The Interior Department will allocate funds from the bipartisan infrastructure law to 83 projects across 11 states



By Joshua Partlow

Updated April 5, 2023 at 5:57 p.m. EDT | Published April 5, 2023 at 4:19 p.m. EDT



PRESS RELEASES

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Bennet, Hickenlooper Welcome Over \$68 Million for Aging Water Infrastructure Projects in Colorado from Bipartisan Infrastructure Law

April 05, 2023

Denver — Today, Colorado U.S. Senators Michael Bennet and John Hickenlooper welcomed over \$68 million from the Bureau of Reclamation (USBR) for aging water infrastructure projects in Colorado, including \$56 million for the construction of the mine drainage water treatment facility and chemical storage building at the Leadville Treatment Plant.

"The Bipartisan Infrastructure Law is the largest investment in our nation's infrastructure in over half a century. In Colorado, the law is already helping us rebuild our roads, tunnels, and bridges — and invest in critical water infrastructure," said Bennet. "This funding will allow us to complete construction on the Leadville Mine Drainage Tunnel — a project the Leadville community has needed for years."

Here's where new federal funding will be spent on California's aging water projects

The state gets \$307 million of upgrades to help fix water problems

infrastructure repairs on water delivery systems throughout the American West.

Hundreds of millions of dollars headed to the West for water and drought relief

The federal dollars are part of the Bipartisan Infrastructure Act.



by Katya Mendoza

Follow Share



White House Infrastructure Implementation Coordinator Mitch Landrieu, Bureau of Reclamation Commissioner Camille Calimlim Touton and Senior Advisor to the President and Deputy Secretary of the Interior Tommy Beaudreau, during a visit to the Imperial Dam on Tuesday, April 4.

The Biden-Harris Administration announced on Tuesday, a nearly \$585 million investment from the Bipartisan Infrastructure Law (BIL) to repair aging water infrastructure and address drought in the West.

Funding will be allocated to 83 projects in 11 states.

Bureau of Reclamation Commissioner, Camille Calimlim Touton said, "Among the projects selected are to increase canal capacity, provide water treatment for tribes, replace equipment for hydropower production and provide necessary maintenance to aging project buildings."

In Arizona, about \$28 million will be dispersed across four projects of rehabilitation services such as dredging and aged pipe replacement within the Colorado River Basin and Yuma, Arizona.

The Colorado River Basin's Imperial Dam will also receive a little over \$8 million in funding.

Deputy Secretary of the Interior Tommy Beaudreau says funding from the Inflation Reduction Act (IRA) will also be allocated towards conservation of community water supplies and delivery systems.

Referencing a 23-year drought crisis, Beaudreau said it has culminated in critically low reservoir conditions. About \$13 billion from the BIL and IRA combined are for drought resilience.



FY 24 Overview

- Application period runs from October 2 through December 1, 2023
- ~ \$680 million available for allocation
- Funding announcements to regions in early April
- The FY 25 round will start in June of 2024



FY 24 AIA Spend Plan

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



Important Dates

- **October 2023**
 - October 2 – FY 24 AIA applications open
- **December 2023**
 - December 1 – Applications due to regional office
- **January 2024**
 - January 12 – Final AIA applications due to Review Team
- **April 2024**
 - Funding Announcement
- **June 2024**
 - June TBD – FY 25 AIA applications open!!!



Eligibility

Eligible Project.

- A project that is within the meaning of XM according to 43 U.S.C. 510b (P.L. 111-11) and PEC 05-03:
 - major, non-recurring maintenance
 - to continue the delivery of project benefits, and
 - greater than \$100,000 or 10% of operating budget for the facility

Eligible Applicant.

- Eligible applicants are:
 - (1) transferred works operators and
 - (2) project beneficiaries responsible for repayment of reimbursable costs on reserved and transferred works



Prioritizing Factors

- Categorization Rating
- Readiness to spend (start work)

Category A - High

Risk Score of 12 or a Total Score $13 \leq$ and ≤ 15 points

Category B - Significant

Total Score of $10 \leq$ and ≤ 12 points

Category C - Moderate

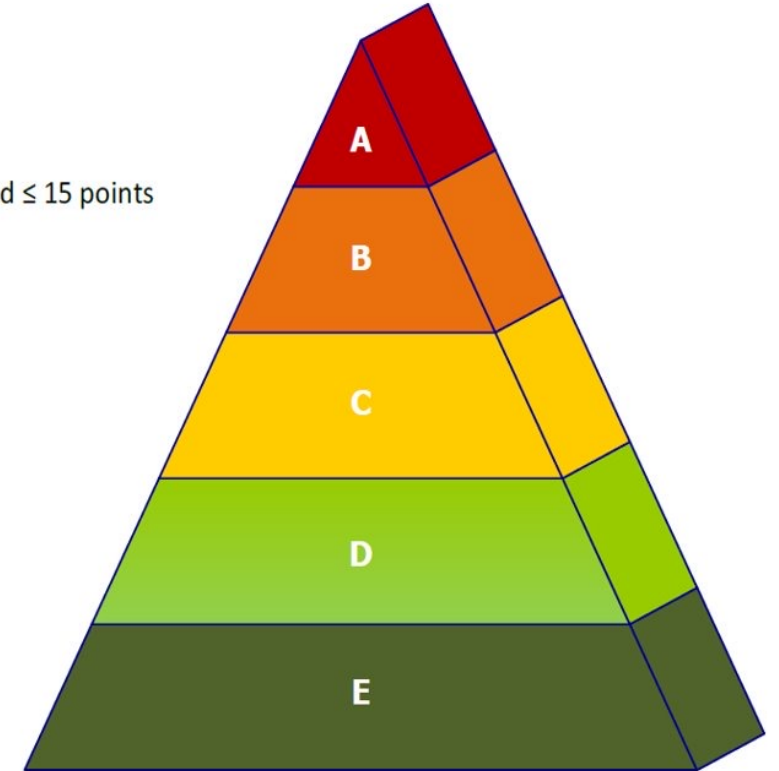
Total Score of $7 \leq$ and ≤ 9 points

Category D - Low

Total Score $4 \leq$ and ≤ 6 points

Category E - Minimal

Total Score ≤ 3 points



More on the XM Authority

- **Background law:**
 - Reserved works OM&R normally due in the year incurred
 - Transferred works OM&R handled by operator as costs arise
- **2009 – Pub. L. 111-11**
 - Reserved works: newly allowed Secretary to extend repayment
 - Transferred works: authorized Secretary to advance and extend repayment of funding
- **2020 – Pub. L. 116-260**
 - Created AIA to help fund XM
 - BIL put \$3B in it, directed to projects like those in the MR&R Report
 - Under the same contract terms
 - Requires applications to advance funds for transferred works
- **See the law as it is now at 43 USC 510b**



Application Content Overview

- Funding Request Letter (request template from Area Office contact)
- Project
 - Description, eligibility
 - Costs: total, reimbursable, funding requested
 - Status and timelines: planning, design, construction
 - Environmental compliance
- Repayment
 - Requested term and justification (financial statements, operating budget, etc.)
 - >30 years requires additional study
- Planning: what's required? See presentation

[Date]

[Name]

[Title]

[Organization]

[Address]

[City, State, Zip Code]

Subject: Application for Funding from the Aging Infrastructure Account in FY 2024,
[District/Association/Entity Name] [(Abbreviated Name)], [Reclamation Project], [State]

[Abbreviated Name] is a transferred works operator responsible for costs of operating and maintaining [Reclamation Facility or Facilities]. We are formally applying for [Funding Request in \$] from the Aging Infrastructure Account (Account) in FY 2024 for extraordinary maintenance (XM) work on [Reclamation Facility or Facilities] (XM Project).

The estimated cost of the XM Project is based on [attached cost estimate documentation]. This funding will be used to [short, high-level description of activities for which funding is requested].

We understand that compliance with Federal environmental laws and regulations is required for the XM Project before any funding allocations can be made.

We request an advancement of funds from the Account for the proposed XM work. If the work is selected for funding from the Account and Reclamation advances funds, we acknowledge that the [Facility or Facilities] transferred works would be using the funds to perform justified XM work. We have worked with your staff to satisfy the application and eligibility requirements.

We have evaluated the following non-Federal funding options:

[List any non-Federal funding options evaluated]

None of these options were feasible due to [explanation for infeasibility].

We confirm that the proposed work is major, non-recurring maintenance to ensure the continued safe, dependable, and reliable delivery of authorized project benefits.

Please accept this letter and application to request funding from the Account.

[Required: Electronic/Wet Signature with Date Stamp]



Selection Process

Region

- Financial analysis of project and applicant's repayment capability (contractor's financial records and reserve funds)
- Works back and forth between applicants and Denver to ensure complete applications
- Adds required internal material
- Submits applications to Denver by established deadline

Denver/D.C.

- Review submitted/complete apps for eligibility
- Prioritize among eligible apps
- Present to Commissioner for approval
- Submit required report to Congress w/in 90 days of application deadline



Contracting and Repayment

Contracting

- Advances for transferred works XM require a repayment contract
 - Contracts don't trigger RRA
 - Davis-Bacon and Buy America apply according to their terms
- Commissioner approval to recover reserved works XM w/o new contract

Repayment

- Costs allocated on existing project OM&R allocation
- Statutory credits can be applied
- Max. repayment term = 50 years or useful life of the facility
 - Ability to pay analysis not required for term of 30 years or less
 - Repayment starts at substantial completion
 - No aid to irrigation or deferrals
 - Water service term may limit repayment term
 - Prepayment allowed, not penalized



Funding

- **Conditions**

- Must enter repayment contract
- Applicants must satisfy RD that it has evaluated other reasonably available funding options
- Must expend own funds

- **Uses**

- Must spend funds solely for the purposes for which advanced
- Can be used for planning studies
- Can be used to cover BOR upfront admin charges



Interest

- All reimbursable XM costs bear interest at the applicable Treasury rate
- Interest accrues from the date of funding advancement/expenditure through repayment completion
- Applicable interest rate is rate effective in year the funded work commences
 - Not necessarily the first work on the project
 - “Work” is at least one of the following: planning, design, environmental compliance, permitting, actual construction
 - Includes work the applicant commences ahead of receiving the funding if it is work BOR awarded funding for



PEC 05-03 Updates

- Currently in internal review – will be out for your review in early November
- Key Revisions
 - Regions can request AIA funding for reserved works XM
 - Includes reimbursable and non-reimbursable costs
 - Indications of support from beneficiaries may be prioritizing factor, but not required
 - Include requests for extended repayment, if relevant
 - How and when interest rates are set
 - Awarded AIA funds can cover admin. costs and be rolled into repayment



Open Floor/Questions



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