



— BUREAU OF —
RECLAMATION

Aging Infrastructure Account Report & FY 2024 Applications

Mission Statements

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 paid in the year the costs are incurred. 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 process 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 that meets certain cost thresholds. Funding requests can be submitted by transferred works operators and project beneficiaries who are responsible for a share of reimbursable costs on the relevant facility, and by Reclamation regional offices for activities that do not have a reimbursable component. Tribes are included as eligible applicants, and many applications from Tribal partners are funded for FY 2024, as was the case in 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 funding application packages. By a specified date, Regional Directors submit received applications and their own funding proposals 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 third such report.

Funds from the Account are 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 2024 Funding of XM Projects Resulting from the BIL

The Bureau of Reclamation initiated the third application period for funding from the Account in October 2023. Fifty-seven XM projects have been selected for funding in Fiscal Year 2024, across all five Reclamation regions. The total requested amount was over \$1.6 billion. Reclamation staff analyzed the applications to determine if they were eligible under the BIL. They were subsequently evaluated and prioritized for funding based on three overarching principles:

- I. the relative level of risk of not completing each submitted XM project in a timely manner;
- II. the beneficial impact of the project, as measured by—
 - mission enhancement,

- 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;
- 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;
- 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

The Bipartisan Infrastructure Law authorized \$3 billion in appropriations for aging infrastructure, of which Reclamation has made available \$2.24 billion via the FY22-FY25 BIL spend plans; an additional \$1.1 million has been provided to the account through annual appropriations in FY 2022 through FY 2024. Of the total, \$240.359 million was allocated to projects in FY 2022, \$584.912 million was allocated in FY 2023, and \$520.756 million will be allocated in FY 2024 for a total of \$1.346 billion¹. Approximately \$1.6 billion in current and future appropriations remains to be allocated, as the balance of the Account.

Under the law, repayment begins upon a project's substantial completion, and there have therefore been no receipts repaid to the Account to date. Receipts will begin to add to the balance of the Account as selected projects are completed and repayment of the reimbursable portions begins, though it will be some time before this process contributes significantly to available funding.

The attached FY 2024 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 2024 spend plan may be used to start the next stage of the project. Current and anticipated funding requests will exceed the

¹ Adjustments may be necessary for potential uncontrollable cost increases due to inflation.

remaining BIL funding, as indicated in the Asset Management Report to Congress Reclamation submits to Congress biennially pursuant to the John D. Dingell, Jr. Conservation, Management, and Recreation Act, P.L. 116-9, Title VIII, Subtitle G.