

Water Infrastructure Funding Resources

*Water Resources and Ag Review
Committee*



Topics

- **Overview of Available Federal Funds for Water**
 - Previously Existing Programs
 - Bipartisan Infrastructure Law
 - Inflation Reduction Act
- **Stakeholder Resources:**
 - Water Funding Opportunity Navigator
 - Technical Assistance
 - Matching Fund Support
- **Questions and Answers**



Overview of Federal Water Infrastructure Funding

Major Federal Water Investments

Previously Existing Programs

Many federal water funding programs have existed for years, subject to annual appropriation.

Bipartisan Infrastructure Law

Expanded previously existing programs and created new programs.

Inflation Reduction Act

Expanded previously existing programs and created new programs

Previously Existing Programs

- Subject to annual appropriation, many federal water funding programs have benefitted Colorado water users for years
- Annually funded programs include a wide array of purposes:
 - Water conservation
 - Agricultural water management
 - Water quality
 - Drought response
 - Flood mitigation



Bipartisan Infrastructure Law (BIL)

- The BIL was signed into law by President Biden on November 15, 2021, including over \$60 billion for water.
- Primarily provided infusions of funding to existing water programs, like the EPA's State Revolving Funds and USBR's WaterSMART program.
- The BIL also directed federal agencies to create new programs, including programs that address:
 - Watershed health
 - Aquatic ecosystem health
 - Water reuse and recycling
 - Lead service line replacement



Types of Funding Administration

- Federal water funding, including funding provided by the BIL, is administered by federal agencies in a wide variety of ways.
- The primary administration methods include:
 - Direct federal administration
 - Cooperative agreements
 - Formula grants
 - Competitive grants



Categories of Water Investments in BIL

- **Water Supply:**
 - Aging Infrastructure
 - Rural Water Supply
 - Water Storage
 - Dam Safety & Repair
 - Indian Water Rights Settlements
- **Drought, Water Efficiency, and Reuse:**
 - Colorado River Drought Contingency Plan
 - Groundwater and Aquifer Recharge
- **Watershed and Aquatic Ecosystems:**
 - Watershed Health & Management
 - Aquatic Ecosystem Health
 - Colorado River Endangered Fish Recovery
 - Flood Risk Management
 - Emergency Watershed Protection
 - Post-fire Restoration
 - Invasive Species Eradication



Water Supply Funding

Category	Program Name	Description	Eligibility	Amount
Direct Federal Spending	BOR Aging Infrastructure	Major rehab and replacement of BOR assets	Federal projects	\$3.2B
	BOR Rural Water Supply	Previously authorized rural supply projects	Federal projects	\$1B
	BOR Storage and Conveyance	Previously authorized storage projects	Federal projects	\$1B
	BOR Dam Safety	Previously authorized dam safety projects on federal assets	Federal projects	\$500M
	FEMA Dam Safety	National Dam Safety Program activities	Federal projects	\$67M
Formula Spending	Indian Water Rights Settlement	Fulfillment of Indian water rights settlements	Previous settlements	\$2.5B
Competitive Grants	BOR Small Storage Project Grants	Small storage between 2k and 30k acre feet	State, tribes, locals	\$100M
	FEMA Dam Safety	High Hazard Potential Dam Rehab, dam removal, state assistance	States, project owners	\$733M



Drought, Water Efficiency, and Reuse

Category	Program Name	Description	Eligibility	Amount
Direct Federal Spending	BOR Water Reuse and Recycling Projects	Previously authorized federal projects	Federal projects	\$550M
Formula Spending	CO River Drought Contingency Plan	Multi-state implementation of CO River DCP	CO River Basin States	\$300M
Competitive Grants	BOR Large Scale Reuse/Recycling Grants	Large projects (total over \$500M) that provide substantial water supply and other benefits	State, tribes, locals, NGOs	\$450M
	BOR WaterSMART Grants	Infusion into existing WaterSMART program (\$100M set-aside for natural or nature-based feature projects)	State, tribes, locals, NGOs	\$400M



Watershed and Aquatic Ecosystems

Category	Program Name	Description	Eligibility	Amount
Direct Federal Spending	ACE Aquatic Ecosystem Restoration	\$1B set-aside for multi-purpose projects, \$115M set aside for fish/wildlife passage	Federal projects	\$2.05B
	ACE Flood Risk Management Projects	\$750M set-aside for multi-purpose projects	Federal projects	\$2.5B
	NRCS Collaborative Aquatic Landscape Scale Restoration Program	Collaborative-based, landscape-scale restoration projects that restore water quality or fish passage on federal land	Federal projects	\$80M
	USFS Post-fire Restoration (in partnership with DOI)	Post-fire restoration activities on federal land within three years of fire containment	Federal projects	\$200M
Competitive Grants	BOR Cooperative Watershed Management	Projects developed by watershed groups, including planning and implementation	State, tribes, locals, NGOs	\$100M
	BOR Aquatic Ecosystem Restoration and Protection	Design, study, and construction of projects that improve fisheries, wildlife, aquatic habitat, or fish passage	State, tribes, locals, NGOs	\$250M
	BOR Multibenefit Watershed Health Projects	Projects that create ecosystem benefits, enhance habitat, and/or enhance recreational opportunities	State, tribes, locals, NGOs	\$100M



Watershed and Aquatic Ecosystems (Continued)

Category	Program Name	Description	Eligibility	Amount
Competitive Grants	BOR Colorado River Endangered Fish Recovery	Colorado River Basin states will implement through existing federal programs	States	\$50M
	NRCS Watershed and Flood Prevention Operations Program (PL566)	Discussed in more detail below	State, tribes, locals	\$500M
	NRCS Watershed Rehabilitation	Projects to rehabilitate aging dams that are reaching the end of their design lives	State, tribes, locals	\$118M
	NRCS Emergency Watershed Protection	Projects to provide protection from flooding or soil erosion; reduce threats to life and property; restore the hydraulic capacity to the natural environment	State, tribes, locals	\$118M
	USFS Stream Disturbance Minimization Grants	Programs for portable skidder bridges, bridge mats, or other temporary water crossing structures	State, tribe	\$50M



Inflation Reduction Act (IRA)

- Signed into law by President Biden on August 16, 2022
- The IRA contained over \$4 billion in water funding for western states, including:
 - Drought relief for tribes (\$12.5M)
 - Canal improvement projects (\$25M)
 - Domestic water supply projects (\$550M)
 - Drought mitigation (\$4B)



IRA Drought Mitigation

- \$4 billion was allocated to a new USBR Drought Mitigation fund
- The IRA provided broad authority to USBR to determine the process and focus of the investment, within three categories summarized below:
 - Compensation for voluntary reductions in consumptive use
 - Voluntary system conservation projects
 - Ecosystem and habitat restoration projects



IRA Drought Mitigation

- Of the \$4 billion total, USBR announced that \$500 million would be reserved for the Upper Basin States.
- Of the \$500 million reserved for Upper Basin States, up to \$125 million was set aside for implementation of the System Conservation Pilot Program, now entering its second year of implementation under IRA.
- The remaining \$375 million remains available to be allocated.



Stakeholder Resources

Federal Technical Assistance Grants for Colorado Water Projects

[Federal Technical Assistance Grants](#) will enable eligible entities to work with the Colorado Water Conservation Board (CWCB) contractors or to hire contractors to expand their capacity and expertise, in pursuit of federal funding opportunities that directly support the Colorado Water Plan objectives.

The allowable uses of this grant funding are broad in scope, to allow for the wide range of federal opportunities available.

Funding can be used for: preliminary project planning and design, preliminary permitting, development of estimated project costs, navigation of available federal opportunities, grant writing, and federal grant application submittal.

Eligible applicants include local governments, special districts, state agencies, non-profits, mutual ditch companies, and others. A minimum of 25% matching funds is required.

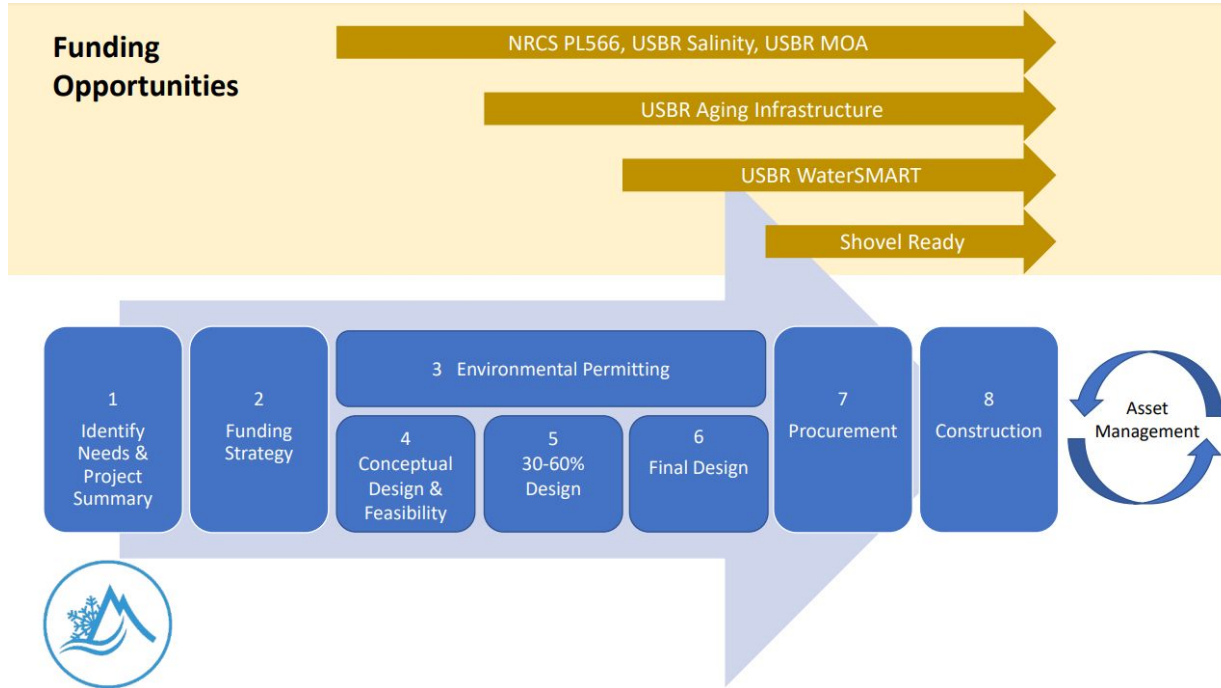
Currently, \$3M is available from the American Rescue Plan Act (ARPA). These funds are subject to all federal management requirements and must be contracted prior to Dec 30, 2024 and spent before Dec 30, 2026.

For program questions, please contact:

- Michael Regan: michael.regan@state.co.us



Federal Technical Assistance Grants for Colorado Water Projects



Water Funding Opportunity Navigator

State-maintained repository of funding opportunities: [link here](#)

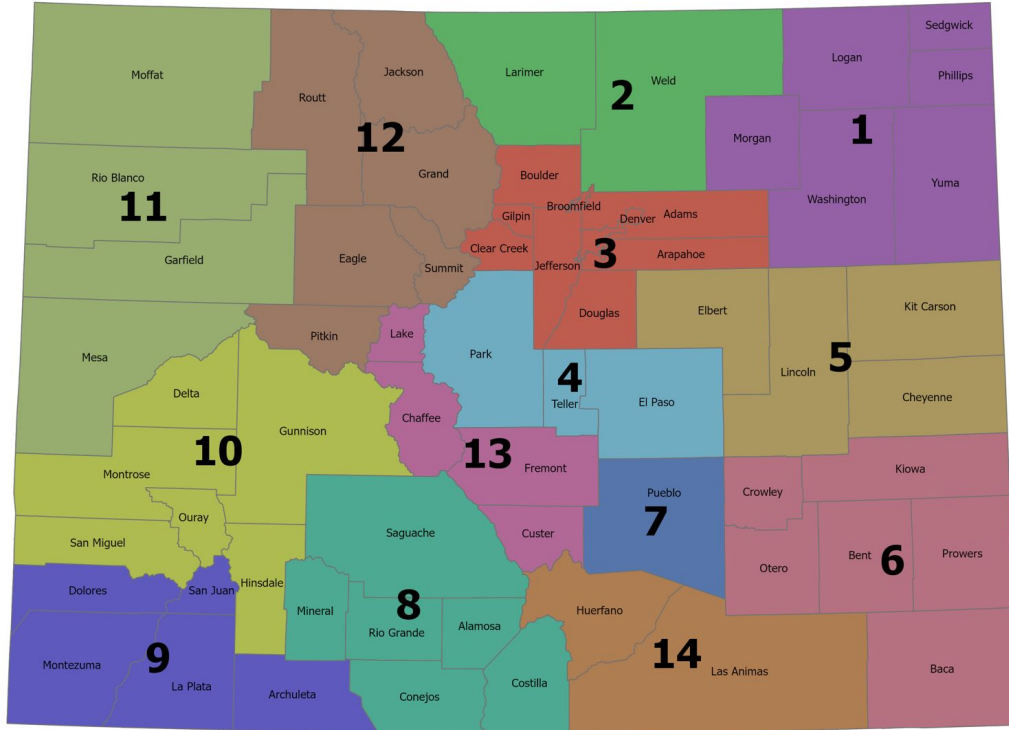
- This database includes water funding opportunities available from federal and state agencies.
- Updated every month, this database shows currently open funding opportunities.
- Data includes descriptions, funds available, links to more information, contact information, match requirements, eligible entities, and time frames.
- Every effort has been made to create a comprehensive one-stop shop; please make us aware of any opportunities that may be missing!



Regional Grant Navigators



- REGION 1 NECALG
- REGION 2 Upstate CO
- REGION 3 DRCOG
- REGION 4 PPACG
- REGION 5 ECCOG
- REGION 6 SECED
- REGION 7 Pueblo
- REGION 8 SLVDRG
- REGION 9 SWCCOG
- REGION 10
- REGION 11 AGNC
- REGION 12 NWCCOG
- REGION 13 UAACOG
- REGION 14 SCCOG



State Matching Fund Opportunities

SB22-215 (Infrastructure Investment and Jobs Act Cash Fund)

- This bill creates a fund to assist state agencies, local governments, and tribes with matching fund needs associated with the IIJA. Information for local governments can be found on the DOLA website.
- The bill provides \$80M for this fund for the following categories of projects:
 - Transportation infrastructure projects
 - Water, environmental, and resiliency projects
 - Power, grid, and broadband projects
 - Any other infrastructure projects explicitly funded in the federal act

SB23-283 (Mechanisms for Federal Infrastructure Funding)

- This bill makes available another \$84M to support the types of infrastructure projects listed above, as well as projects funded by the Inflation Reduction Act.

Existing State Grant Programs

- Funding from existing state grant programs is often encouraged to be braided with federal funding.



Questions?

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