

# RECLAMATION

*Managing Water in the West*

*Managing for Excellence*

## Reclamation Reimbursable vs. Non-Reimbursable Costs

Albuquerque, NM  
February 27-28, 2007



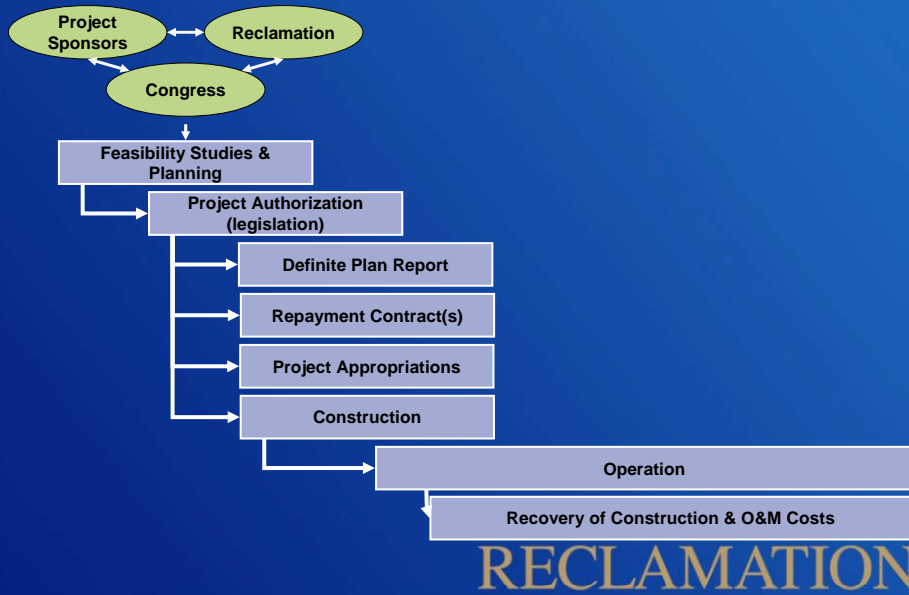
U.S. Department of the Interior  
Bureau of Reclamation

## Reclamation Project



RECLAMATION

## Project Time Line (Historical Model)



## Reimbursable vs. Non-Reimbursable Costs

- The costs incurred by Reclamation to construct, operate, and maintain project facilities for the purpose of providing benefits to project beneficiaries are either reimbursable or non-reimbursable from those beneficiaries.
- Reimbursable costs are recovered from project beneficiaries via annual repayments, sales of water and power, or advanced funding.
- Non-reimbursable costs are not recovered under current law.

RECLAMATION

## Project Purposes

Irrigation

Reimbursable

Non-Reimbursable

Power



Municipal &  
Industrial

Flood Control

Fish & Wildlife

Recreation

- Reclamation Law
- Project Legislation
- Project Contracts

RECLAMATION

## Reclamation Act of 1902

- Section 4 of the 1902 Reclamation Act
  - Irrigation only project purpose
  - Irrigators pay all costs (reimbursable)

RECLAMATION

## Reclamation Project Act of 1939

- Recognized multiple purpose projects
- Reimbursable purposes
  - Irrigation
  - Municipal and industrial (M&I)
  - Power
- Nonreimbursable purposes
  - Flood control
  - Navigation

RECLAMATION

## Federal Water Project Recreation Act of 1965

- First general authority for allocation of costs to recreation and fish and wildlife purposes
- Recreation
  - Portion of single-purpose capital and O&M costs is reimbursable
  - Multipurpose costs nonreimbursable
- Fish and wildlife
  - Portion of single-purpose capital and O&M costs is reimbursable
  - Multipurpose costs nonreimbursable

RECLAMATION

## Other Reclamation Laws

- **Omnibus Act (May 25, 1926; 44 Stat. 649) – Section 46**
  - Delivery of water not allowed until repayment contract executed with irrigation district(s)
- **Reclamation Extension Act (August 13, 1914; 38 Stat. 687) – Section 5**
  - Requires irrigators to pay construction and O&M costs
- **Fact Finders Act of 1924 and 1939 Act**
  - Requires the payment of O&M charges in advance

  
RECLAMATION

## Project-Specific Legislation

- **Dallas Creek Project**
  - Supplemental Appropriations Act of 1983 capped reimbursable M&I costs at \$38.0 million
- **Boise Project**
  - Energy and Water Development Appropriations Act of 2002 capped reimbursable rehabilitation costs at \$6.9 million

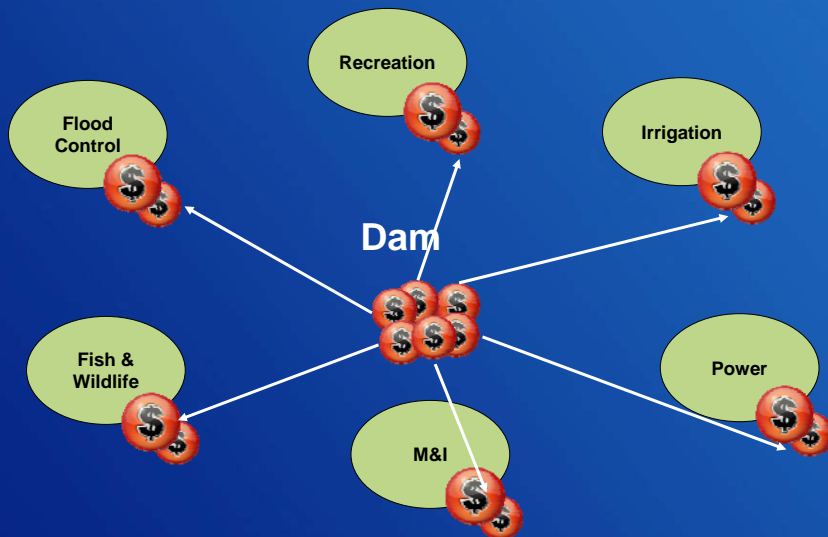
RECLAMATION

## Project-Specific Legislation

- Navajo Indian Irrigation Project
  - Colorado River Basin Project Act (43 USC § 620) made nonreimbursable the costs allocated to irrigation of Indian-owned tribal or restricted lands beyond the capability of such lands to repay
- Mountain Park Project
  - Act of 1994 (Public Law 103-434) made environmental “quality” costs nonreimbursable
  - These costs had previously been allocated to reimbursable M&I costs

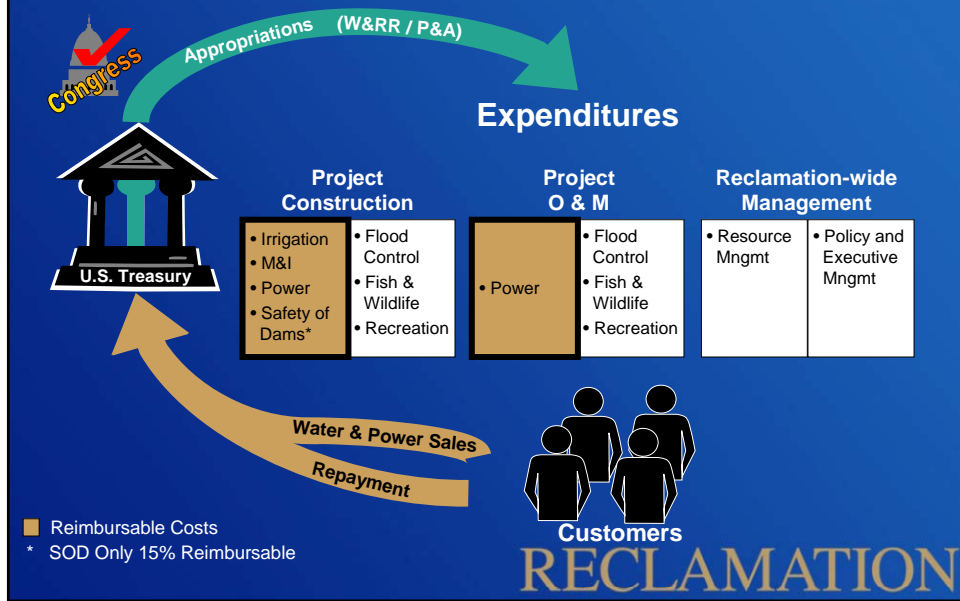
RECLAMATION

## Cost of Project Purposes

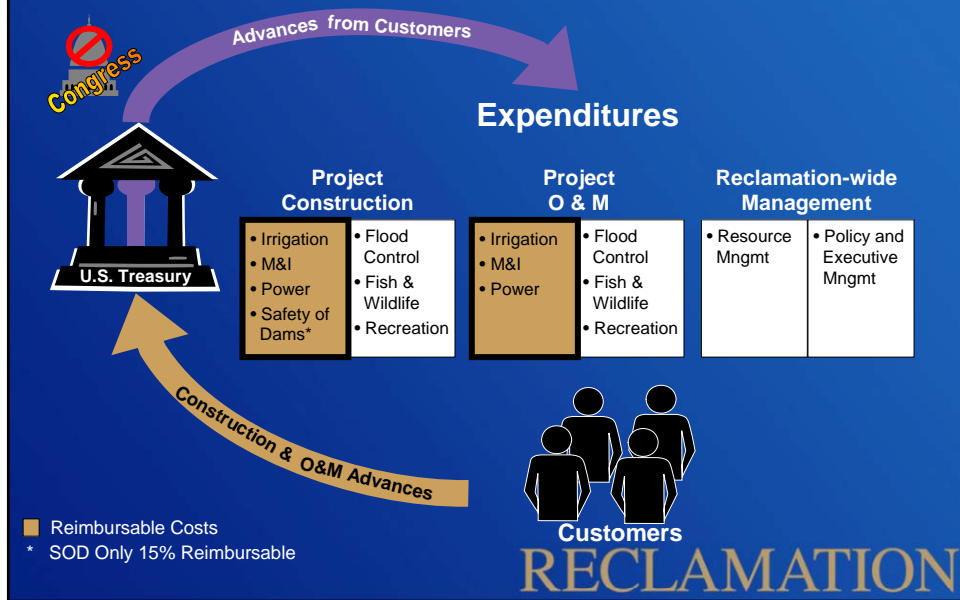


RECLAMATION

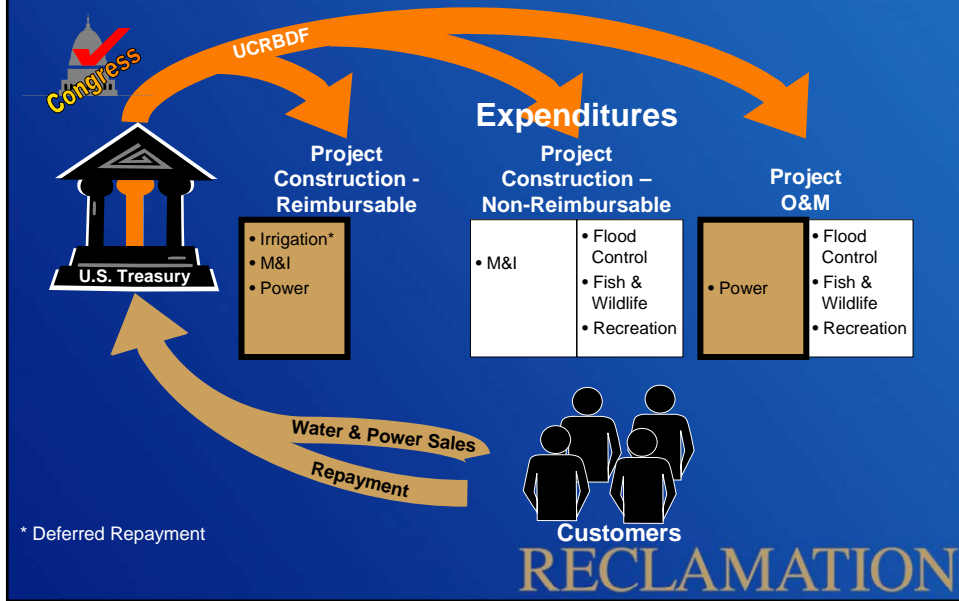
# Funding and Cost Recovery



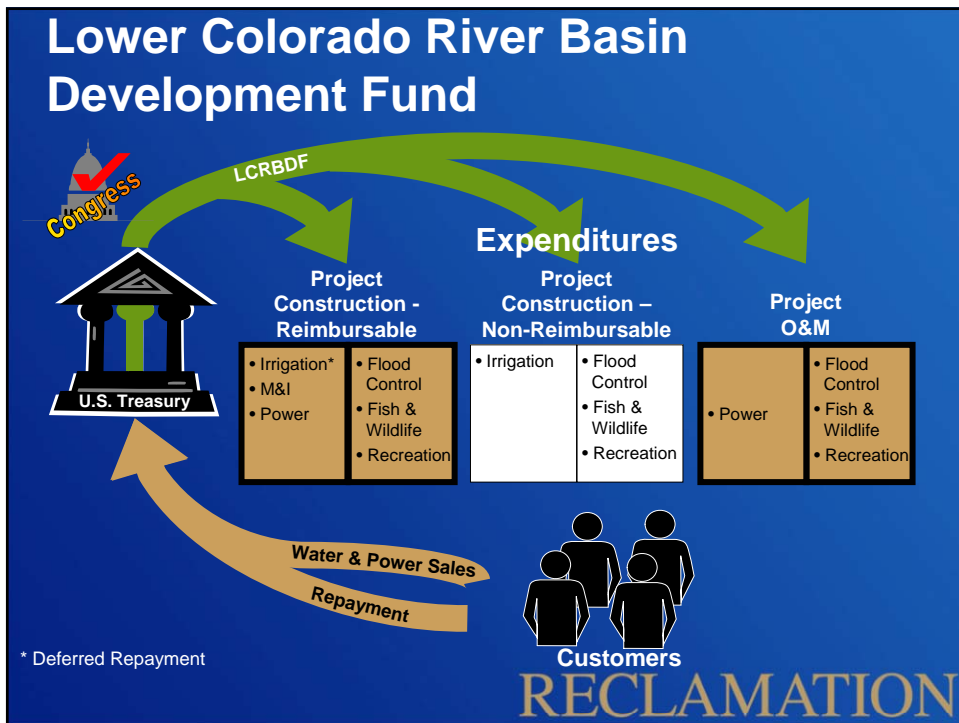
# Funding and Cost Recovery



# Upper Colorado River Basin Development Fund

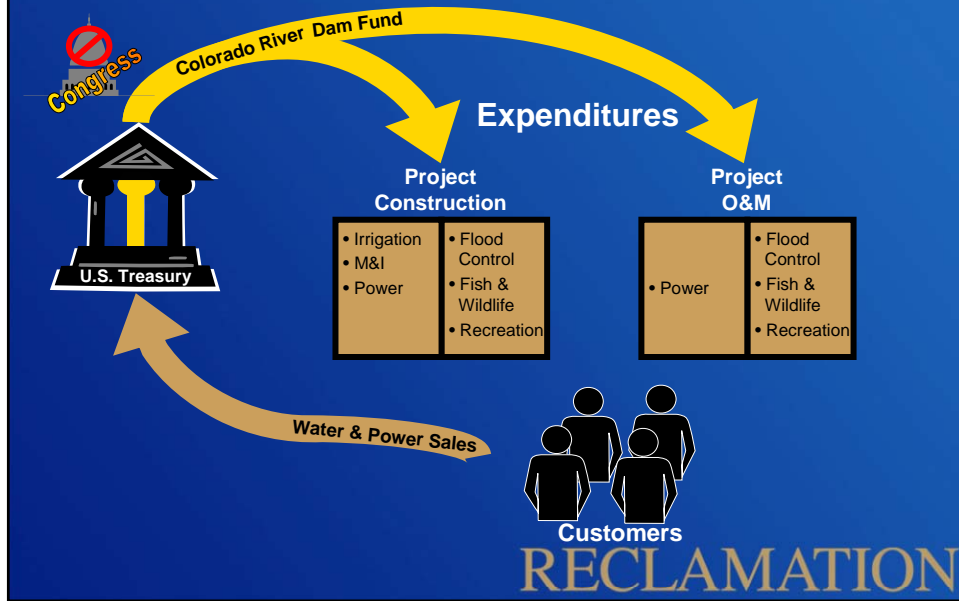


# Lower Colorado River Basin Development Fund





# Colorado River Dam Fund



## Questions or Comments?

- For additional information
  - Internet: [www.usbr.gov/excellence](http://www.usbr.gov/excellence)
  - Intranet: [intra.usbr.gov/excellence](http://intra.usbr.gov/excellence)
  - Email: [excellence@do.usbr.gov](mailto:excellence@do.usbr.gov)
  - Phone: (303) 445-2841

RECLAMATION