Contract Compliance Review (CCR) Standard Checklist Attachment: Guidance on Application of Reclamation 2013 Water Use Definitions

1. The current Reclamation Manual (RM) Policy, Water-Related Contracts-General Principles and Requirements (PEC P05), was issued on July 24, 2013. It applies prospectively to contracts executed or renewed after its issuing date, or amended or supplemented after that date in a way that gives the contractor new or additional benefits (see Paragraph 2 of PEC P05). It includes new definitions of "irrigation use" and "municipal and industrial use" (M&I) (provided and further discussed below) that affect which Bureau of Reclamation water contracts can be used to cover non-farm, municipal irrigation uses. The purpose of these policy changes was foremost to avoid inappropriately extending benefits and burdens to water users for whom they were not intended. For instance, interest-free repayment of project costs was intended for farmers, not for municipal uses that happened to involve irrigation, such as non-farm residential lawns, golf courses, and municipal parks. The new definitions do not affect non-farm uses that were established—meaning known by both parties—before the contract under which the water is made available became subject to PEC P05. The flowchart below, which also appears in the RM as Appendix A to PEC P05, provides guidance in determining whether any water under a contract with Reclamation is subject to PEC P05's 2013 water use definitions.

A. Irrigation Use.

- (1) **Definition.** The use of contract water to irrigate land primarily for the production of commercial agricultural crops or livestock, and domestic and other uses that are incidental thereto.
- (2) **Explanation.** This definition does not include uses such as watering golf courses; lawns and ornamental shrubbery used in residential and commercial landscaping, gardens, parks and other recreational facilities; pasture for animals raised for personal purposes or for nonagricultural commercial purposes; cemeteries; and similar uses (except to the extent that some of these uses may be incidental to uses that are primarily agricultural). It also does not include commercial agricultural uses that do not require irrigation, such as fish farms and livestock production in confined feeding or brooding operations.

B. M&I Use.

- (1) **Definition.** The use of contract water for municipal, industrial, and miscellaneous other purposes not falling under the definition of "irrigation use" above or within another category of water use under an applicable Federal authority.
- (2) **Explanation.** This definition is intended to distinguish M&I use from irrigation use for purposes of contracting to deliver water for these uses and to recover appropriate Federal costs. It is framed broadly to allow water to be made

available for a wide variety of uses under Reclamation's M&I and miscellaneous use contracting authorities. It is not intended to interfere with the application of Federal authorities under which a water use may or must be characterized and contractually addressed as a use other than either irrigation or M&I, such as authorized fish and wildlife or recreational uses.

