

RECLAMATION

Managing Water in the West

**Doing Business with Reclamation:
Ground Rules for Project Participation**

Columbia Basin Development League
Conference and Annual Meeting
November 1, 2011, Moses Lake, WA
Ryan Patterson



U.S. Department of the Interior
Bureau of Reclamation

Contract Needed?

- Are Project facilities involved?
- Is Project water involved?
- Does the action involve the receipt of Federal funding from Reclamation?

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Types of Contracts

- Repayment Contracts
- Water Service Contracts



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Repayment

- Irrigation water is an authorized project purpose;
- The water use will be long-term;
- The total reimbursable costs applicable for repayment by a contractor can be determined;
- The contractor has the ability-to-pay or is eligible to receive financial assistance (e.g., from hydropower) sufficient to pay all allocated costs within the authorized repayment term (typically 40 years with a 10-year development period); and
- The contractor will be served water through federally constructed distribution facilities.

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Water Service (Supply)

- A contractor has neither the ability-to-pay nor access to financial assistance from other sources (e.g., hydropower) sufficient to pay all costs allocated to the water supply for use by the contractor within the repayment term (typically 40 years);
- A water supply is not guaranteed;
- The contractor does not desire a permanent water supply; or
- The final reimbursable costs have not been determined.

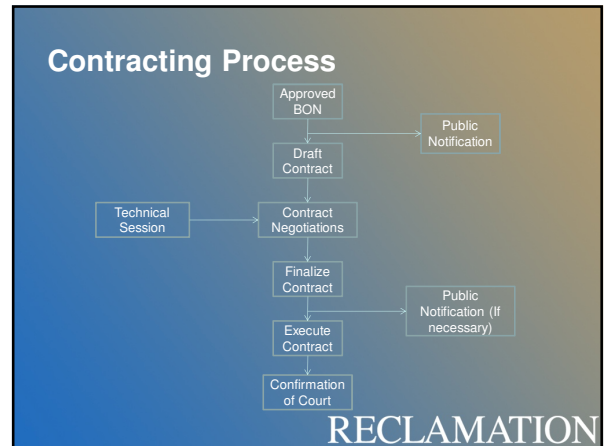
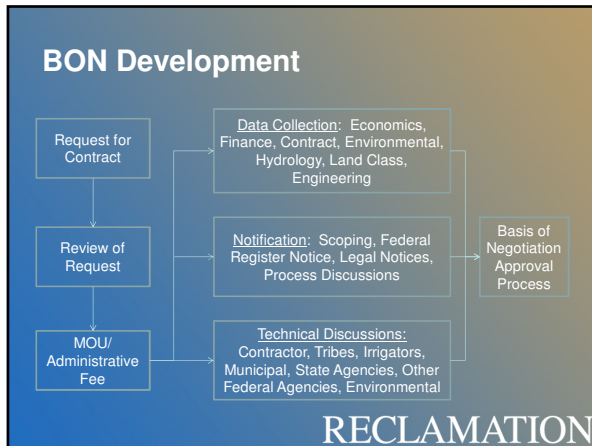
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Which type to use?

- **Repayment**
 - Are required for the repayment of costs for distribution works
- **Water Service**
 - Can be used for the repayment of costs for supply works, but not distribution works



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Ability to Pay

- Ability to Pay
 - Term of art used for irrigation.
 - Farm-level payment capacity – district existing obligations, operation and maintenance (O&M) costs, power costs, reserve fund requirements + other revenue sources = ability to pay.

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Other Areas of Interest

- Land Class
- Land Inclusions
- NEPA
- ESA
- RRA
- Engineering Review

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In Summary

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