

DISCUSSION DRAFT

1 Title: To provide short-term water supplies to drought-stricken California
2 and provide for long-term investments in drought resiliency throughout
3 the Western United States.
4
5

6 Be it enacted by the Senate and House of Representatives of the United
7 States of America in Congress assembled,

8 SECTION 1. SHORT TITLE; TABLE OF 9 CONTENTS.

10 (a) Short Title.—This Act may be cited as the “California Long-Term
11 Provisions for Water Supply and Short-Term Provisions for Emergency
12 Drought Relief Act”.

13 (b) Table of Contents.—The table of contents of this Act is as follows:

14 Sec.1.Short title; table of contents.

15 Sec.2.Purposes.

16 Sec.3.Findings.

17 Sec.4.Definitions.

18 TITLE I—LONG-TERM IMPROVEMENTS 19 FOR WESTERN STATES SUBJECT TO 20 DROUGHT

21 Subtitle A—Assistance for Drought-stricken 22 Communities

23 Sec.101. WaterSMART reauthorization and assistance for drought-
24 stricken communities and.

25 Sec.102.Utilizing State revolving funds for areas with inadequate water
26 supplies.

27 Subtitle B—Storage Provisions

28 Sec.111.Definitions.

29 Sec.112.Water storage project construction.

30 Sec.113.Reservoir operation improvement.

31 Sec.114.Findings.

32 Sec.115.Studies.

33 Sec.116.Losses caused by construction and operation of water storage
34 projects.

DISCUSSION DRAFT

1 Subtitle C—Desalination, Water Reuse and
2 Recycling, and Conservation

3 Sec.121.Water recycling and desalination projects.

4 Sec.122.Reauthorization of Water Desalination Act.

5 Sec.123.New water recycling and reuse projects.

6 Sec.124.Promoting water efficiency with WaterSense.

7 Subtitle D—Reclamation Infrastructure Finance
8 and Innovation

9 Sec.131.Purposes.

10 Sec.132.Definitions.

11 Sec.133.Authority to provide assistance.

12 Sec.134.Applications.

13 Sec.135.Eligibility for assistance.

14 Sec.136.Determination of eligibility and project selection.

15 Sec.137.Secured loans.

16 Sec.138.Program administration.

17 Sec.139.State and local permits.

18 Sec.140.Regulations.

19 Sec.141.Funding.

20 **TITLE II—LISTED SPECIES AND WILDLIFE**

21 Sec.201.Actions to benefit endangered fish populations.

22 Sec.202.Actions to benefit refuges.

23 Sec.203.Non-Federal program to protect native anadromous fish in
24 Stanislaus River.

25 Sec.204.Pilot projects to implement Calfed invasive species program.

26 **TITLE III—CALIFORNIA EMERGENCY**
27 **DROUGHT RELIEF AND OPERATIONAL**
28 **FLEXIBILITY**

29 Sec.301.Taking into account increased real-time monitoring and updated
30 science.

31 Sec.302.Emergency operations.

DISCUSSION DRAFT

1 Sec.303.Temporary operational flexibility to capture peak flows from
2 winter storms.

3 Sec.304.Emergency environmental reviews.

4 Sec.305.Level of detail required for analysis.

TITLE IV—WATER RIGHTS

6 Sec.401.Offset for State Water Project.

7 Sec.402.Area of origin and water rights protections.

8 Sec.403.No redirected adverse impacts.

9 Sec.404.Allocations for Sacramento Valley water service contractors.

TITLE V—MISCELLANEOUS PROVISIONS

11 Sec.501.Authorized service area.

12 Sec.502.Oversight over and public input into Restoration Fund activities.

13 Sec.503.Basin studies.

14 Sec.504.Technical and modeling assistance.

15 Sec.505.Report on results of water usage.

16 Sec.506.Additional storage at New Melones.

17 Sec.507.Contracting authorities.

18 Sec.508.Single annual report.

TITLE VI—OFFSETS

20 Sec.601.Deauthorization of inactive projects.

21 Sec.602.Accelerated revenue, repayment, and surface water storage
22 enhancement.

TITLE VII—DURATION AND EFFECT ON 24 EXISTING OBLIGATIONS

25 Sec.701.Savings clause.

26 Sec.702.Termination.

SEC. 2. PURPOSES.

28 The purposes of this Act are—

29 (1) to help communities most at risk of running out of clean water;

30 (2) to provide funding and support for long-term solutions
31 including water storage, desalination and recycling;

DISCUSSION DRAFT

- 1 (3) to protect threatened and endangered species; and
2 (4) to facilitate the movement of water to communities most in
3 need while adhering to all environmental laws.

4 SEC. 3. FINDINGS.

5 Congress finds that—

- 6 (1) California is experiencing one of the most severe droughts on
7 record, with the snowpack at the lowest levels in 500 years;
- 8 (2) Governor Jerry Brown declared a drought state of emergency
9 on January 17, 2014, and subsequently imposed strict water
10 reductions on communities throughout the State;
- 11 (3) the drought constitutes a serious emergency that poses
12 immediate and severe risks to—
- 13 (A) human health and safety;
- 14 (B) economic security; and
- 15 (C) the environment;
- 16 (4) wells that provide households with clean water are drying up as
17 the State entered its fourth consecutive summer of drought, with
18 approximately 2,591 wells statewide identified as critical or dry,
19 affecting an estimated 12,955 residents, many in the Central Valley;
- 20 (5) rural and disadvantaged communities have been hardest hit,
21 placing great strain on drinking water supplies in the Southern San
22 Joaquin Valley—
- 23 (A) 69 communities in Southern San Joaquin Valley have
24 reported significant water supply and quality issues; and
- 25 (B) East Porterville is particularly hard hit, with 40 percent, or
26 3,000, of its residents, without running water;
- 27 (6) the drought has resulted in many lost jobs including more than
28 21,000 seasonal and part-time agricultural jobs—resulting in a 10.9
29 percent unemployment rate in the Central Valley, double the
30 statewide unemployment rate of 5.7 percent, as of December 15,
31 2015;
- 32 (7) thousands of families have been affected, placing ever greater
33 demands on food banks and other relief organizations, and as of
34 December 21, 2015—
- 35 (A) the California Department of Social Services Drought
36 Food Assistance Program has provided more than 1,000,000
37 boxes to food banks in affected communities with high levels of
38 unemployment; and

DISCUSSION DRAFT

1 (B) nearly 72 percent of the food distributions have occurred
2 in the Tulare Basin counties of Fresno, Kern, Kings, and Tulare;

3 (8) 2015 statewide economic costs are estimated at \$2,700,000,
4 including but not limited to—

5 (A) the loss of \$900,000,000 in crop revenue;

6 (B) the loss of \$350,000,000 in dairy and other livestock
7 value; and

8 (C) an increase of \$590,000,000 in groundwater pumping
9 costs;

10 (9) 1,032,508 acres in California's Central Valley were fallowed in
11 2015, a 626,512 acre increase from 2011;

12 (10) the drought is imperiling California's forests, which provide
13 important ecological, economic, and cultural benefits to the State, and
14 among the effects of the drought—

15 (A) loss of 50,000,000 large trees due to stress from lack of
16 water;

17 (B) 88,000,000 trees, covering 26,000,000 acres of California
18 forestland, experienced losses of canopy cover since 2011,
19 threatening ecosystem destruction and loss of animal habitat;
20 and

21 (C) 6,337 fires covering 307,598 acres occurred in 2015;

22 (11) fish continue to be threatened by the extended drought,
23 compounding effects on two endangered species, further reducing
24 river flows and increasing water temperatures—

25 (A) Delta smelt abundance is at a historic low, as evidenced
26 by long-term monitoring surveys;

27 (B) the abundance of the last remaining population of wild
28 Sacramento River winter run Chinook salmon continue to
29 decline, with mortality rates between 95 percent and 97 percent
30 over the past 2 years;

31 (C) wildlife has also been affected, with water deliveries to
32 wildlife refuges under the Central Valley Project Improvement
33 Act reduced by 25 percent in the north-of-Delta region and 35
34 percent in the south-of-Delta region; and

35 (D) these reduced water supplies have contributed to a decline
36 of the Pacific Flyway, a migratory route for waterfowl that spans
37 from Alaska to South America—

38 (i) a reduction in water supplies has led to a significant
39 decline in flooded rice fields, a vital habitat for migratory
40 birds. Only one-third of the usual acres of rice fields were

DISCUSSION DRAFT

1 flooded in 2015; and

2 (ii) the reduction of available habitat for migratory
3 waterfowl contributed to an increased risk of disease in the
4 remaining wetlands due to overcrowding of birds;

5 (12) subsidence in California is occurring at more than 12 inches
6 per year, caused in part by an increase in groundwater pumping of
7 more than 6,000,000 acre feet. Some areas in the Central Valley have
8 sunk as much as 2 inches per month, and the damage from
9 subsidence is wide-ranging—

10 (A) roads, bridges, building foundations, pipelines, and other
11 infrastructure have been damaged;

12 (B) vital aquifers have been depleted;

13 (C) vital levees have sustained cracks and ruptures; and

14 (D) shallow aquifers have become vulnerable to
15 contamination as surface water infiltrates through fissures in the
16 soil;

17 (13) California homes, cities, wildlife, businesses and farming
18 need more water than is available today, particularly in the San
19 Joaquin Valley;

20 (14) Congress recognizes that providing more water to those who
21 need it most will require science-based management of water
22 supplies and fish and wildlife resources, including—

23 (A) alternative management strategies, such as removing
24 nonnative species, enhancing habitat, monitoring fish movement
25 and location in real-time, and improving water quality in the
26 Delta, which could contribute significantly to protecting and
27 recovering those endangered fish species, and at potentially
28 lower costs to water supplies than solely focusing on restrictions
29 on water exports; and

30 (B) updated science and improved monitoring tools that
31 provide Federal and State agencies with better information about
32 conditions and operations that may or may not lead to high
33 salvage events that jeopardize fish populations; and

34 (15) given the dire effects outlined above and the potential for
35 continued harm, this emergency requires—

36 (A) immediate and credible action that takes into account the
37 complexity and importance of the water system to the State; and

38 (B) policies that do not position stakeholders against one
39 another, which in the past has led to costly litigation that
40 benefits no one and prevents any real solutions.

DISCUSSION DRAFT

1 SEC. 4. DEFINITIONS.

2 In this Act:

3 (1) ASSISTANT ADMINISTRATOR.—The term “Assistant
4 Administrator” means the Assistant Administrator for Fisheries of the
5 National Oceanic and Atmospheric Administration.

6 (2) CENTRAL VALLEY PROJECT.—The term “Central Valley
7 Project” has the meaning given the term in section 3403 of the
8 Central Valley Project Improvement Act (Public Law 102–575; 106
9 Stat. 4707).

10 (3) COMMISSIONER.—The term “Commissioner” means the
11 Commissioner of Reclamation.

12 (4) DELTA.—The term “Delta” means the Sacramento-San Joaquin
13 Delta and the Suisun Marsh (as defined in section 12220 of the
14 California Water Code and section 29101 of the California Public
15 Resources Code (as in effect on the date of enactment of this Act)).

16 (5) DELTA SMELT.—The term “Delta smelt” means the fish species
17 with the scientific name *Hypomesus transpacificus*.

18 (6) DIRECTOR.—The term “Director” means the Director of the
19 United States Fish and Wildlife Service.

20 (7) LISTED FISH SPECIES.—The term “listed fish species” means—

21 (A) any natural origin steelhead, natural origin genetic spring
22 run Chinook, or genetic winter run Chinook salmon (including
23 any hatchery steelhead or salmon population within the
24 evolutionary significant unit or a distinct population segment);
25 and

26 (B) Delta smelt.

27 (8) MAXIMIZE.—The term “maximize”, with respect to fish and
28 water supply benefits, means to use improved real-time information
29 to achieve the dual goals of maximizing water exports to Central
30 Valley Project and State Water Project contractors while increasing
31 fish protections when needed, in accordance with—

32 (A) the salmonid biological opinion;

33 (B) the smelt biological opinion; and

34 (C) applicable law.

35 (9) OMR.—The term “OMR” means the Old and Middle River in
36 the Delta.

37 (10) OMR FLOW.—The term “OMR flow” means Old and Middle
38 River flow of any given measurement, expressed in cubic feet per
39 second, as described in—

DISCUSSION DRAFT

1 (A) the smelt biological opinion; and

2 (B) the salmonid biological opinion.

3 (11) RECLAMATION STATE.—The term “Reclamation State” means
4 any of the States of—

5 (A) Arizona;

6 (B) California;

7 (C) Colorado;

8 (D) Idaho;

9 (E) Kansas;

10 (F) Montana;

11 (G) Nebraska;

12 (H) Nevada;

13 (I) New Mexico;

14 (J) North Dakota;

15 (K) Oklahoma;

16 (L) Oregon;

17 (M) South Dakota;

18 (N) Texas;

19 (O) Utah;

20 (P) Washington; and

21 (Q) Wyoming.

22 (12) SALMONID BIOLOGICAL OPINION.—

23 (A) IN GENERAL.—The term “salmonid biological opinion”
24 means the biological and conference opinion of the National
25 Marine Fisheries Service dated June 4, 2009, regarding the long-
26 term operation of the Central Valley Project and the State Water
27 Project, and successor biological opinions.

28 (B) INCLUSIONS.—The term “salmonid biological opinion”
29 includes the operative incidental take statement of the opinion
30 described in subparagraph (A).

31 (13) SMELT BIOLOGICAL OPINION.—

32 (A) IN GENERAL.—The term “smelt biological opinion” means
33 the biological opinion dated December 15, 2008, regarding the
34 coordinated operation of the Central Valley Project and the State
35 Water Project, and successor biological opinions.

DISCUSSION DRAFT

1 (B) INCLUSIONS.—The term “smelt biological opinion”
2 includes the operative incidental take statement of the opinion
3 described in subparagraph (A).

4 (14) STATE WATER PROJECT.—The term “State Water Project”
5 means the water project described in chapter 5 of part 3 of division 6
6 of the California Water Code (sections 11550 et seq.) (as in effect on
7 the date of enactment of this Act) and operated by the California
8 Department of Water Resources.

9 TITLE I—LONG-TERM IMPROVEMENTS 10 FOR WESTERN STATES SUBJECT TO 11 DROUGHT

12 Subtitle A—Assistance for Drought-stricken 13 Communities

14 SEC. 101. WATERSMART 15 REAUTHORIZATION AND ASSISTANCE 16 FOR DROUGHT-STRICKEN COMMUNITIES

17 .

18 (a) Findings.—Congress finds that—

19 (1) across the United States, more than 90 percent of the
20 community water systems serve populations of less than 10,000
21 individuals;

22 (2) the number of dry wells continues to increase as the State of
23 California enters the fourth consecutive summer of drought, with
24 approximately 2,591 wells statewide identified as critical or dry,
25 which affects an estimated 12,955 residents, with 2,444 of the dry
26 wells concentrated in the inland regions within the Central Valley;

27 (3) many areas of the State of California are disproportionately
28 impacted by drought because the areas are heavily dependent or
29 completely reliant on groundwater from basins that are in overdraft
30 and in which the water table declines year after year or from basins
31 that are contaminated; and

32 (4) those communities throughout the State of California have been
33 impacted by the presence of naturally occurring arsenic in the
34 groundwater among other contaminants, as a result of higher
35 concentration of contaminants in the water.

36 (b) Amendment.—Section 9504 of the Omnibus Public Land
37 Management Act of 2009 (42 U.S.C. 10364) is amended—

DISCUSSION DRAFT

1 (1) by redesignating subsections (b) through (e) as subsections (d)
2 through (f), respectively;

3 (2) by inserting after subsection (b) the following:

4 “(c) Water Storage, Integrated Regional Water Management,
5 Reclamation, and Recycling Projects.—

6 “(1) IN GENERAL.—The Secretary of the Interior is authorized to
7 enter into cost shared financial assistance and other long-term
8 agreements with non-Federal participants to advance the planning,
9 design, and construction of non-Federal permanent water storage and
10 conveyance facilities, projects for the reclamation and reuse of
11 municipal, industrial, domestic and agricultural wastewater, and
12 naturally impaired ground and surface waters, groundwater recharge,
13 and other water management improvement projects for which the
14 Secretary of the Interior is authorized under this subtitle to assist an
15 applicant in the planning, design, and construction.

16 “(2) AUTHORITY TO PROVIDE ASSISTANCE.—The Secretary of the
17 Interior may provide financial assistance under this subtitle to carry
18 out projects within—

19 “(A) any Reclamation State, including—

20 “(i) Arizona;

21 “(ii) California;

22 “(iii) Colorado;

23 “(iv) Idaho;

24 “(v) Kansas;

25 “(vi) Montana;

26 “(vii) Nebraska;

27 “(viii) Nevada;

28 “(ix) New Mexico;

29 “(x) North Dakota;

30 “(xi) Oklahoma;

31 “(xii) Oregon;

32 “(xiii) South Dakota;

33 “(xiv) Texas;

34 “(xv) Utah;

35 “(xvi) Washington;

36 “(xvii) Wyoming; and

DISCUSSION DRAFT

1 “(B) the States of Alaska and Hawaii.

2 “(3) PRIORITY.—In providing financial assistance under this
3 section, the Secretary of the Interior shall give priority to storage,
4 conveyance, and water management improvement projects that—

5 “(A) ensure the efficient and beneficial use of water or reuse
6 of recycled water;

7 “(B) use integrated and coordinated water management on a
8 watershed or regional scale;

9 “(C) increase the availability of usable water supplies in a
10 watershed or region to benefit individuals, the economy, and the
11 environment and include adaptive measures needed to address
12 climate change and future demands;

13 “(D) where practicable, provide flood control or recreation
14 benefits and include the development of incremental
15 hydroelectric power generation; and

16 “(E) generate environmental benefits, such as benefits to
17 fisheries, wildlife and habitat, water quality, water-dependent
18 ecological systems, and water supply benefits to agricultural and
19 urban water users.

20 “(4) FEDERAL COST SHARE.—The Federal share of the cost of a
21 project under this subsection shall be—

22 “(A) an amount equal to the lesser of—

23 “(i) 25 percent of total costs; and

24 “(ii) \$20,000,000 (adjusted for inflation); and

25 “(B) nonreimbursable.

26 “(5) IN-KIND CONTRIBUTIONS.—The non-Federal share of the cost
27 of a project under this subsection may include in-kind contributions
28 to the planning, design, and construction of the project.

29 “(6) TITLE; OPERATION AND MAINTENANCE COSTS.—The non-
30 Federal entity entering into a financial assistance agreement under
31 this subsection shall—

32 “(A) hold title in and to all facilities constructed under this
33 subsection, and

34 “(B) be solely responsible for the costs of operating and
35 maintaining those facilities.”; and

36 (3) in subsection (f) (as redesignated by paragraph (1)), by striking
37 “\$350,000,000” and inserting “\$500,000,000”.

38 (c) Amendment.—Section 9508 of the Omnibus Public Land
39 Management Act of 2009 (42 U.S.C. 10368) is amended—

DISCUSSION DRAFT

1 (1) by redesignating subsections (b) through (e) as subsections (c)
2 through (f), respectively; and

3 (2) by inserting after subsection (a) the following:

4 “(b) Additional Assistance for Communities Without Access to
5 Adequate Water.—

6 “(1) IN GENERAL.—To assist disadvantaged communities that have
7 experienced a significant decline in quantity or quality of drinking
8 water, and to obtain or maintain adequate quantities of water that
9 meet the standards set by the Federal Water Pollution Control Act (33
10 U.S.C. 1251 et seq.), the Secretary of the Interior is authorized to
11 provide grants for communities—

12 “(A) that are unable to meet the primary water quality
13 standards under that Act; or

14 “(B) the local private or public water supply of which has
15 been lost or severely diminished due to drought conditions.

16 “(2) ELIGIBLE COMMUNITIES.—To be eligible to receive a grant
17 under this subsection, a community shall carry out a project described
18 in paragraph (3), the service area of which—

19 “(A) shall not be located in any city or town with a population
20 of more than 60,000 residents; and

21 “(B) has a median household income of less than 100 percent
22 of the nonmetropolitan median household income of the State.

23 “(3) ELIGIBLE PROJECTS.—Projects eligible for this program may
24 be used for—

25 “(A) emergency water supplies;

26 “(B) point of use treatment and point of entry systems;

27 “(C) distributed treatment facilities;

28 “(D) construction of new water source facilities including
29 wells and connections to existing systems;

30 “(E) water distribution facilities;

31 “(F) connection fees to existing systems;

32 “(G) assistance to households to connect to water facilities;
33 and

34 “(H) any combination of activities described in subparagraphs
35 (A) through (G).

36 “(4) PRIORITIZATION.—In determining priorities for funding
37 projects, the Secretary of the Interior shall take into consideration—

38 “(A) where water outages—

DISCUSSION DRAFT

- 1 “(i) are most serious; and
2 “(ii) pose the greatest threat to public health and safety;
3 and
4 “(B) whether the applicant has the ability to qualify for
5 alternative funding sources.
6 “(5) MAXIMUM AMOUNT.—The amount of a grant provided under
7 this section may be made up to 100 percent of costs, including—
8 “(A) initial operation costs incurred for start-up and testing of
9 project facilities;
10 “(B) components to ensure such facilities and components are
11 properly operational; and
12 “(C) costs of operation or maintenance incurred subsequent to
13 placing the facilities or components into service.”.

14 SEC. 102. UTILIZING STATE REVOLVING 15 FUNDS FOR AREAS WITH INADEQUATE 16 WATER SUPPLIES.

- 17 (a) In General.—For the 5-year period beginning on the date of
18 enactment of this Act, in allocating amounts to California from the Clean
19 Water State Revolving Fund established under title VI of the Federal
20 Water Pollution Control Act (33 U.S.C. 1381 et seq.) and the Drinking
21 Water State Revolving Fund established under section 1452 of the Safe
22 Drinking Water Act (42 U.S.C. 300j–12) for any project eligible to receive
23 assistance under section 603 of the Federal Water Pollution Control Act
24 (33 U.S.C. 1383) or section 1452(a)(2) of the Safe Drinking Water Act (42
25 U.S.C. 300j–12(a)(2)), respectively, that the State of California determines
26 will provide additional water supplies most expeditiously to areas that are
27 at risk of having an inadequate supply of water for public health and safety
28 purposes or to improve resiliency to drought, the Administrator of the
29 Environmental Protection Agency shall—
30 (1) require the State of California to review and prioritize funding;
31 (2) make a finding on any request for a waiver received from the
32 State of California by not later than 30 days after the date of
33 conclusion of the informal public comment period pursuant to section
34 436(c) of division G of Public Law 113–76 (128 Stat. 347); and
35 (3) authorize, at the request of the State of California, 40-year
36 financing for assistance under section 603(d)(2) of the Federal Water
37 Pollution Control Act (33 U.S.C. 1383(d)(2)) or section 1452(f)(2) of
38 the Safe Drinking Water Act (42 U.S.C. 300j–12(f)(2)), as applicable.
39 (b) Effect of Section.—Nothing in this section authorizes the

DISCUSSION DRAFT

1 Administrator of the Environmental Protection Agency to modify any
2 funding allocation, funding criteria, or other requirement relating to State
3 water pollution control revolving funds established under title VI of the
4 Federal Water Pollution Control Act (33 U.S.C. 1381 et seq.) or the State
5 drinking water treatment revolving loan funds established under section
6 1452 of the Safe Drinking Water Act (42 U.S.C. 300j-12) for any State
7 other than California.

8 Subtitle B—Storage Provisions

9 SEC. 111. DEFINITIONS.

10 In this subtitle:

11 (1) **FEDERALLY OWNED STORAGE PROJECT.**—The term “federally
12 owned storage project” means any project involving a surface water
13 storage facility in a Reclamation State—

14 (A) to which the United States holds title; and

15 (B) that was authorized to be constructed, operated, and
16 maintained pursuant to the reclamation laws.

17 (2) **STATE-LED STORAGE PROJECT.**—The term “State-led storage
18 project” means any project in a Reclamation State that—

19 (A) involves a groundwater or surface water storage facility
20 constructed, operated, and maintained by any State, department
21 of a State, subdivision of a State, or public agency organized
22 pursuant to State law; and

23 (B) provides a benefit in meeting any obligation under
24 Federal law (including regulations).

25 SEC. 112. WATER STORAGE PROJECT 26 CONSTRUCTION.

27 (a) **Federally Owned Storage Projects.**—

28 (1) **AGREEMENTS.**—On the request of any State, any department,
29 agency, or subdivision of a State, or any public agency organized
30 pursuant to State law, the Secretary of the Interior may negotiate and
31 enter into an agreement on behalf of the United States for the design,
32 study, and construction or expansion of any federally owned storage
33 project in accordance with this section.

34 (2) **FEDERAL COST SHARE.**—Subject to the requirements of this
35 subsection, the Secretary of the Interior may participate in a federally
36 owned storage project in an amount equal to not more than 50 percent
37 of the total cost of the federally owned storage project.

38 (3) **COMMENCEMENT.**—The construction of a federally owned

DISCUSSION DRAFT

1 storage project that is the subject of an agreement under this
2 subsection shall not commence until the Secretary of the Interior—

3 (A) determines that the proposed federally owned storage
4 project is feasible in accordance with the reclamation laws;

5 (B) secures an agreement providing upfront funding as is
6 necessary to pay the non-Federal share of the capital costs; and

7 (C) determines that, in return for the Federal cost-share
8 investment in the federally owned storage project, at least a
9 proportionate share of the project benefits are Federal benefits,
10 including water supplies dedicated to specific purposes such as
11 environmental enhancement and wildlife refuges.

12 (4) ENVIRONMENTAL LAWS.—In participating in a federally owned
13 storage project under this subsection, the Secretary of the Interior
14 shall comply with all applicable environmental laws, including the
15 National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

16 (b) State-led Storage Projects.—

17 (1) IN GENERAL.—Subject to the requirements of this subsection,
18 the Secretary of the Interior may participate in a State-led storage
19 project in an amount equal to not more than 25 percent of the total
20 cost of the State-led storage project.

21 (2) REQUEST BY GOVERNOR.—Participation by the Secretary of the
22 Interior in a State-led storage project under this subsection shall not
23 occur unless—

24 (A) the participation has been requested by the Governor of
25 the State in which the State-led storage project is located;

26 (B) the State or local sponsor determines, and the Secretary of
27 the Interior concurs, that—

28 (i) the State-led storage project is technically and
29 financially feasible;

30 (ii) sufficient non-Federal funding is available to
31 complete the State-led storage project; and

32 (iii) the State-led storage project sponsors are financially
33 solvent;

34 (C) the Secretary of the Interior determines that, in return for
35 the Federal cost-share investment in the State-led storage
36 project, at least a proportional share of the project benefits are
37 the Federal benefits, including water supplies dedicated to
38 specific purposes such as environmental enhancement and
39 wildlife refuges; and

40 (D) the Secretary of the Interior submits to Congress a written

DISCUSSION DRAFT

1 notification of these determinations.

2 (3) ENVIRONMENTAL LAWS.—When participating in a State-led
3 storage project under this subsection, the Secretary shall comply with
4 all applicable environmental laws, including the National
5 Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

6 (4) INFORMATION.—When participating in a State-led storage
7 project under this subsection, the Secretary of the Interior—

8 (A) may rely on reports prepared by the sponsor of the State-
9 led storage project, including feasibility (or equivalent) studies,
10 environmental analyses, and other pertinent reports and
11 analyses; but

12 (B) shall retain responsibility for making the independent
13 determinations described in paragraph (2).

14 (c) Authority to Provide Assistance.—The Secretary of the Interior may
15 provide financial assistance under this subtitle to carry out projects within
16 any Reclamation State, including—

17 (1) Arizona;

18 (2) California;

19 (3) Colorado;

20 (4) Idaho;

21 (5) Kansas;

22 (6) Montana;

23 (7) Nebraska;

24 (8) Nevada;

25 (9) New Mexico;

26 (10) North Dakota;

27 (11) Oklahoma;

28 (12) Oregon;

29 (13) South Dakota;

30 (14) Texas;

31 (15) Utah;

32 (16) Washington; and

33 (17) Wyoming.

34 (d) Rights to Use Capacity.—Subject to compliance with State water
35 rights laws, the right to use the capacity of a federally owned storage
36 project or State-led storage project for which the Secretary of the Interior

DISCUSSION DRAFT

1 has entered into an agreement under this subsection shall be allocated in
2 such manner as may be mutually agreed to by the Secretary of the Interior
3 and each other party to the agreement.

4 (e) Compliance With California Water Bond.—

5 (1) IN GENERAL.—The provision of Federal funding for
6 construction of a State-led storage project in the State of California
7 shall be subject to the condition that the California Water
8 Commission shall determine that the State-led storage project is
9 consistent with the California Water Quality, Supply, and
10 Infrastructure Improvement Act, approved by California voters on
11 November 4, 2014.

12 (2) APPLICABILITY.—This subsection expires on the date on which
13 State bond funds available under the Act referred to in paragraph (1)
14 are fully expended.

15 (f) Partnership and Agreements.—The Secretary of the Interior, acting
16 through the Commissioner, may partner or enter into an agreement
17 regarding the water storage projects identified in section 103(d)(1) of the
18 Water Supply, Reliability, and Environmental Improvement Act (Public
19 Law 108–361; 118 Stat. 1688) with local joint powers authorities formed
20 pursuant to State law by irrigation districts and other local water districts
21 and local governments within the applicable hydrologic region, to advance
22 those projects.

23 (g) Authorization of Appropriations.—

24 (1) IN GENERAL.—There is authorized to be appropriated to carry
25 out this section \$600,000,000 to remain available until expended.

26 (2) ELIGIBILITY.—Only a federally owned storage project or State-
27 led storage project that has been determined by the Secretary of the
28 Interior to meet the eligibility criteria described in subsections (a) and
29 (b) shall be eligible to receive funding under this section.

30 (h) Sunset.—This section shall apply only to federally owned storage
31 projects and State-led storage projects that the Secretary of the Interior
32 determines to be feasible before January 1, 2021.

33 SEC. 113. RESERVOIR OPERATION 34 IMPROVEMENT.

35 (a) Report.—Not later than 180 days after the date of enactment of this
36 Act, the Secretary of the Army shall submit to the Committees on
37 Appropriations and Environment and Public Works of the Senate and the
38 Committees on Appropriations and Transportation and Infrastructure of
39 the House of Representatives a report describing, with respect to any State
40 under a gubernatorial drought declaration during water year 2015 or 2016,
41 the following:

DISCUSSION DRAFT

1 (1) A list of Corps of Engineer projects and non-Federal projects
2 operated for flood control in accordance with rules prescribed by the
3 Secretary of the Army pursuant to section 7 of the Act of December
4 22, 1944 (commonly known as the “Flood Control Act of 1944”) (58
5 Stat. 890, chapter 665)).

6 (2) The year during which the original water control manual was
7 approved.

8 (3) The year during which any subsequent revisions to the water
9 control plan and manual of the project are proposed to occur.

10 (4) A list of projects for which operational deviations for drought
11 contingency have been requested, and the status of the request.

12 (5) The means by which water conservation and water quality
13 improvements were addressed.

14 (6) A list of projects for which permanent or seasonal changes to
15 storage allocations have been requested, and the status of the request.

16 (b) Project Identification.—Not later than 60 days after the date of
17 completion of the report under subsection (a), the Secretary of the Army
18 shall identify any projects described in the report that meet the following
19 criteria:

20 (1) The project is located in a State in which a drought emergency
21 has been declared or was in effect during the 1-year period preceding
22 the date of final review by the Secretary.

23 (2) The water control manual and hydrometeorological information
24 establishing the flood control rule curves of the project are considered
25 out of date as a result of not being updated for a period of 20 years.

26 (3) A non-Federal sponsor of a Corps of Engineers project, or
27 owner of a non-Federal project, as applicable, has submitted to the
28 Secretary a written request to revise water operations manuals,
29 including flood control rule curves, based on the use of improved
30 weather forecasting or run-off forecasting methods, new watershed
31 data, changes to project operations, or structural improvements.

32 (c) Pilot Projects.—

33 (1) IN GENERAL.—Not later than 1 year after the date of
34 identification of projects under subsection (b), if any, the Secretary of
35 the Army shall carry out not more than 15 pilot projects, including
36 not less than 6 non-Federal projects (within the meaning of
37 subsection (a)(1)), if any are identified under subsection (b), to
38 implement revisions of water operations manuals, including flood
39 control rule curves, based on the best available science, which may
40 include—

41 (A) forecast-informed operations;

DISCUSSION DRAFT

1 (B) new watershed data; and

2 (C) if applicable, in the case of non-Federal projects,
3 structural improvements.

4 (2) CONSULTATION.—In implementing the pilot projects pursuant
5 to this subsection, the Secretary of the Army shall consult with all
6 affected interests, including—

7 (A) non-Federal entities responsible for operations and
8 maintenance costs of a Corps of Engineers facility;

9 (B) affected water rights holders;

10 (C) individuals and entities with storage entitlements; and

11 (D) local agencies with flood control responsibilities
12 downstream of a Corps of Engineers facility.

13 (d) Coordination With Non-federal Project Entities.—Before carrying
14 out an activity under this section, if a project identified under subsection
15 (b) is—

16 (1) a non-Federal project, the Secretary of the Army shall—

17 (A) consult with the non-Federal project owner; and

18 (B) enter into a cooperative agreement, memorandum of
19 understanding, or other agreement with the non-Federal project
20 owner describing the scope and goals of the activity and the
21 coordination among the parties; or

22 (2) owned and operated by the Corps of Engineers, the Secretary of
23 the Army shall—

24 (A) consult with each non-Federal entity (including a
25 municipal water district, irrigation district, joint powers
26 authority, or other local governmental entity) that currently—

27 (i) manages (in whole or in part) a Corps of Engineers
28 dam or reservoir; or

29 (ii) is responsible for operations and maintenance costs;
30 and

31 (B) enter into a cooperative agreement, memorandum of
32 understanding, or other agreement with each the entity
33 describing the scope and goals of the activity and the
34 coordination among the parties.

35 (e) Consideration.—In designing and implementing a forecast-informed
36 reservoir operations plan, the Secretary of the Army shall work closely
37 with the National Oceanic and Atmospheric Administration and may
38 consider—

39 (1) the relationship between ocean and atmospheric conditions,

DISCUSSION DRAFT

1 including the El Nino and La Nina cycles, and the potential for
2 above-normal, normal, and below-normal rainfall for the coming
3 water year, including consideration of atmospheric river forecasts;

4 (2) the precipitation and runoff index specific to the basin and
5 watershed of the relevant dam or reservoir, including incorporating
6 knowledge of hydrological and meteorological conditions that
7 influence the timing and quantity of runoff;

8 (3) improved hydrologic forecasting for precipitation, snowpack,
9 and soil moisture conditions;

10 (4) an adjustment of operational flood control rule curves to
11 optimize water supply storage and reliability, hydropower
12 production, environmental benefits for flows and temperature, and
13 other authorized project benefits, without a reduction in flood safety;
14 and

15 (5) proactive management in response to changes in forecasts.

16 (f) Funding.—

17 (1) DEFINITION OF OPERATIONAL DOCUMENT.—In this subsection,
18 the term “operational document” means—

19 (A) a water control plan;

20 (B) a water control manual;

21 (C) a water control diagram;

22 (D) a release schedule;

23 (E) a rule curve;

24 (F) an operational agreement with a non-Federal entity; and

25 (G) any environmental documentation associated with a
26 document described in any of subparagraphs (A) through (F).

27 (2) ACCEPTANCE AND USE.—The Secretary of the Army may
28 accept and expend amounts from non-Federal entities to fund all or a
29 portion of the cost of carrying out a review or revision of operational
30 documents for any reservoir that is either operated or maintained by
31 the Secretary, or for which the Secretary is authorized to prescribe
32 regulations or otherwise advise or consult concerning the use of
33 storage allocated for flood risk management or navigation.

34 (g) Effect of Manual Revisions and Other Provisions.—

35 (1) MANUAL REVISIONS.—In accordance with all applicable laws, a
36 revision of a manual shall not interfere with—

37 (A) the authorized purposes of a Corps of Engineers project;

38 or

DISCUSSION DRAFT

1 (B) the existing purposes of a non-Federal project that is
2 regulated for flood control by the Secretary of the Army.

3 (2) EFFECT.—

4 (A) ACT.—Nothing in this Act authorizes the Secretary of the
5 Army to carry out, at a Corps of Engineers or non-Federal dam
6 or reservoir, any project or activity for a purpose not otherwise
7 authorized as of the date of enactment of this Act.

8 (B) SECTION.—Nothing in this section—

9 (i) affects or modifies any obligation of the Secretary of
10 the Army under State law; or

11 (ii) authorizes the diversion or use of water in a manner
12 that is inconsistent with State water rights law.

13 (3) BUREAU OF RECLAMATION PROJECTS EXCLUDED.—This section
14 shall not apply to any dam or reservoir owned by the Bureau of
15 Reclamation.

16 (h) Modifications to Manuals and Curves.—Not later than 180 days
17 after the date of completion of a modification to an operations manual or
18 flood control rule curve, the Secretary of the Army shall submit to
19 Congress a report regarding the components of the forecast-based
20 reservoir operations plan incorporated into the change.

21 SEC. 114. FINDINGS.

22 Congress finds that—

23 (1) the record drought conditions being experienced in the State of
24 California as of the date of enactment of this Act are—

25 (A) expected to recur in the future; and

26 (B) likely to do so with increasing frequency;

27 (2) water storage is an indispensable and integral part of any
28 solution to address the long-term water challenges of the State of
29 California;

30 (3) Congress has authorized relevant feasibility studies for 5 water
31 storage projects in the State of California, including projects for—

32 (A) enlargement of Shasta Dam in Shasta County under
33 section 2(a) of Public Law 96–375 (94 Stat. 1506), as reaffirmed
34 under section 103(d)(1)(A)(i)(I) of Public Law 108–361 (118
35 Stat. 1684);

36 (B) enlargement of Los Vaqueros Reservoir in Contra Costa
37 County under section 215 of Public Law 108–7 (117 Stat. 147),
38 as reaffirmed under section 103(d)(1)(A)(i)(II) of Public Law
39 108–361 (118 Stat. 1684);

DISCUSSION DRAFT

1 (C) construction of North-of-Delta Offstream Storage (Sites
2 Reservoir) in Colusa County under section 215 of Public Law
3 108–7 (117 Stat. 147), as reaffirmed under section
4 103(d)(1)(A)(ii)(I) of Public Law 108–361 (118 Stat. 1684);

5 (D) construction of the Upper San Joaquin River storage
6 (Temperance Flat) in Fresno and Madera Counties under section
7 215 of Public Law 108–7 (117 Stat. 147), as reaffirmed under
8 section 103(d)(1)(A)(ii)(II) of Public Law 108–361 (118 Stat.
9 1684); and

10 (E) expansion of San Luis Reservoir under section
11 103(f)(1)(A) of Public Law 108–361 (118 Stat. 1694);

12 (4) as of the date of enactment of this Act, more than 10 years have
13 elapsed since the authorization of the feasibility studies referred to in
14 paragraph (3), but for a variety of reasons the slow pace of work on
15 completion of the feasibility studies for those 5 water storage projects
16 is unjustified and of deep concern; and

17 (5) there is significant public interest in, and urgency with respect
18 to, completing all feasibility studies and environmental reviews for
19 the water storage projects referred to in paragraph (3), given the
20 critical need for that infrastructure to address current and future water
21 challenges of the State of California.

22 SEC. 115. STUDIES.

23 The Secretary of the Interior, through the Commissioner, shall—

24 (1) complete the Upper San Joaquin River (Temperance Flat)
25 feasibility study described in clause (ii)(II) of section 103(d)(1)(A) of
26 Public Law 108–361 (118 Stat. 1684) and submit the study to the
27 appropriate committees of the House of Representatives and the
28 Senate not later than March 31, 2016;

29 (2) complete the Los Vaqueros Reservoir feasibility study
30 described in clause (i)(II) of section 103(d)(1)(A) of Public Law 108–
31 361 (118 Stat. 1684) and submit the study to the appropriate
32 committees of the House of Representatives and the Senate not later
33 than November 30, 2016;

34 (3) complete a publicly available draft of the North-of-Delta
35 Offstream Storage (Sites Reservoir) feasibility study described in
36 clause (ii)(I) of section 103(d)(1)(A) of Public Law 108–361 (118
37 Stat. 1684) and submit the study to the appropriate committees of the
38 House of Representatives and the Senate not later than November 30,
39 2016;

40 (4) complete the North-of-Delta Offstream Storage (Sites
41 Reservoir) feasibility study described in clause (ii)(I) of section

DISCUSSION DRAFT

1 103(d)(1)(A) of Public Law 108–361 (118 Stat. 1684) and submit the
2 study to the appropriate committees of the House of Representatives
3 and the Senate not later than November 30, 2017;

4 (5) complete the San Luis Reservoir feasibility study described in
5 section 103(f)(1)(A) of Public Law 108–361 (118 Stat. 1694) and
6 submit the study to the appropriate Committees of the House of
7 Representatives and the Senate not later than December 31, 2017;

8 (6) provide a progress report on the status of the feasibility studies
9 referred to in paragraphs (1) through (3) to the appropriate
10 committees of the House of Representatives and the Senate not later
11 than 90 days after the date of enactment of this Act and every 180
12 days thereafter until December 31, 2017, as applicable, which report
13 shall include timelines for study completion, draft environmental
14 impact statements, final environmental impact statements, and
15 records of decision;

16 (7) document, delineate, and publish costs directly relating to the
17 engineering and construction of a water storage project separately
18 from the costs resulting from regulatory compliance or the
19 construction of auxiliary facilities necessary to achieve regulatory
20 compliance if the Secretary of the Interior determines in any
21 feasibility study required under this subsection, reclamation laws, the
22 Central Valley Project Improvement Act (Public Law 102–575; 106
23 Stat. 4706), the Fish and Wildlife Coordination Act (16 U.S.C. 661 et
24 seq.), the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.),
25 and other applicable law, that the project is not feasible;

26 (8) include information required in paragraph (7) in the feasibility
27 studies issued pursuant paragraphs (1) through (5), as applicable; and

28 (9) communicate, coordinate, and cooperate with public water
29 agencies that—

30 (A) contract with the United States for Central Valley Project
31 water; and

32 (B) are expected to participate in the cost pools that will be
33 created for the projects proposed in the feasibility studies under
34 this section.

35 SEC. 116. LOSSES CAUSED BY 36 CONSTRUCTION AND OPERATION OF 37 WATER STORAGE PROJECTS.

38 The Secretary of the Interior, in consultation with other appropriate
39 agencies, shall establish a process to address direct and substantial impacts
40 caused by any storage projects identified under section 115.

DISCUSSION DRAFT

1 Subtitle C—Desalination, Water Reuse and 2 Recycling, and Conservation

3 SEC. 121. WATER RECYCLING AND 4 DESALINATION PROJECTS.

5 (a) Findings.—Congress finds that—

6 (1) Federal funding to support water recycling and desalination
7 projects in recent years has been insufficient to address water supply
8 needs in many regions across the United States;

9 (2) climate variability and drought resiliency require additional
10 water supply projects to cope with higher probabilities of longer,
11 more intense droughts;

12 (3) the historic drought in the State of California highlights the
13 necessity of long-term projects to address a changing climate;

14 (4) surveys conducted by the by the National Association of Clean
15 Water Agencies, the Water Reuse Association, the Association of
16 California Water Agencies, and the California Association of
17 Sanitation Agencies have identified 131 water recycling projects in
18 14 States capable of producing 1,180,000 acre-feet of new municipal
19 water supplies if sufficient funding or financing tools existed to
20 facilitate development of the projects;

21 (5) there exists a Federal interest in the projects referred to in
22 paragraph (4) to the extent that the projects can—

23 (A) diversify water supplies;

24 (B) reduce conflicts hindering existing Federal reclamation
25 efforts on the Colorado River and around the Delta; and

26 (C) advance technologies which reduce the cost and improve
27 the efficiency of water desalination projects; and

28 (6) this Act will enable Federal support for desalination projects,
29 including the projects referred to in paragraph (4) and others by
30 providing Federal cost-share grants, through the Water Desalination
31 Act of 1996 (42 U.S.C. 10301 note; Public Law 104–298), the
32 Reclamation Wastewater and Groundwater Study and Facilities Act
33 (43 U.S.C. 390h et seq.), and the WaterSMART program of the
34 Department of the Interior, and by making low-cost loans or loan
35 guarantees available under subtitle D.

36 (b) Water Recycling Projects.—On submission of a completed
37 feasibility report in accordance with Bureau of Reclamation standards, the
38 Secretary of the Interior shall review requests for water recycling project
39 funding assistance and, subject to the availability of appropriations, award

DISCUSSION DRAFT

- 1 funding, on a competitive basis, for projects that meet the eligibility
2 requirements of this title, subject to the condition that the Secretary shall
3 include among the projects reviewed water recycling projects sponsored
4 by any of the following:
- 5 (1) Bear Valley Community Services District.
 - 6 (2) Beaumont Cherry Valley Water District.
 - 7 (3) Burbank Water and Power.
 - 8 (4) Cambria Community Services District.
 - 9 (5) Central Contra Costa Sanitary District.
 - 10 (6) City of American Canyon.
 - 11 (7) City of Benicia.
 - 12 (8) City of Brentwood.
 - 13 (9) City of Camarillo.
 - 14 (10) City of Carlsbad (Municipal Water District).
 - 15 (11) City of Corona Department of Water and Power.
 - 16 (12) City of Daly City.
 - 17 (13) City of Del Mar.
 - 18 (14) City of Escondido.
 - 19 (15) City of Fresno.
 - 20 (16) City of Hayward.
 - 21 (17) City of Los Angeles (Bureau of Sanitation and Department of
22 Water and Power).
 - 23 (18) City of Modesto.
 - 24 (19) City of Morro Bay.
 - 25 (20) City of Mountain View.
 - 26 (21) City of Oceanside.
 - 27 (22) City of Palo Alto.
 - 28 (23) City of Paso Robles.
 - 29 (24) City of Pismo Beach.
 - 30 (25) City of Pleasanton.
 - 31 (26) City of Poway.
 - 32 (27) City of Redwood City.
 - 33 (28) City of Riverside.

DISCUSSION DRAFT

- 1 (29) City of Roseville.
- 2 (30) City of Sacramento.
- 3 (31) City of San Bernardino.
- 4 (32) City of San Diego.
- 5 (33) City of San Luis Obispo.
- 6 (34) City of Santa Barbara.
- 7 (35) City of Santa Rosa.
- 8 (36) City of Shasta Lake.
- 9 (37) City of Sunnyvale.
- 10 (38) City of Turlock.
- 11 (39) City of Vacaville.
- 12 (40) City of Visalia.
- 13 (41) Clear Creek Community Services District.
- 14 (42) Coachella Valley Water District.
- 15 (43) Cucamonga Valley Water District.
- 16 (44) Delta Diablo Sanitation District.
- 17 (45) Desert Water Agency.
- 18 (46) Dublin San Ramon Services District.
- 19 (47) East Bay Municipal Utility District.
- 20 (48) East Valley Water District.
- 21 (49) Eastern Municipal Water District.
- 22 (50) El Dorado Irrigation District.
- 23 (51) Fallbrook Public Utility District.
- 24 (52) Goleta Water District.
- 25 (53) Helendale Community Services District.
- 26 (54) Hi-Desert Water District.
- 27 (55) Idyllwild Water District.
- 28 (56) Inland Empire Utilities Agency.
- 29 (57) Ironhouse Sanitary District.
- 30 (58) Irvine Ranch Water District.
- 31 (59) Las Virgenes Municipal Water District.
- 32 (60) Leucadia Wastewater District.

DISCUSSION DRAFT

- 1 (61) Los Carneros Water District.
- 2 (62) Marin Municipal Water District.
- 3 (63) Monterey Regional Water Pollution Control Agency.
- 4 (64) Napa County Department of Public Works.
- 5 (65) North Bay Water Reuse Authority.
- 6 (66) North Marin Water District.
- 7 (67) Novato Sanitary District.
- 8 (68) Olivenhain Municipal Water District.
- 9 (69) Orange County Sanitation District.
- 10 (70) Orange County Water District.
- 11 (71) Otay Water District.
- 12 (72) Padre Dam Municipal Water District.
- 13 (73) Pajaro Valley Water Management Agency.
- 14 (74) Paradise Irrigation District.
- 15 (75) Pebble Beach Community Services District.
- 16 (76) Rainbow Municipal Water District.
- 17 (77) Ramona Municipal Water District.
- 18 (78) Rancho California Water District.
- 19 (79) Rincon Del Diablo Municipal Water District.
- 20 (80) Sacramento Regional County Sanitation District.
- 21 (81) San Bernardino County Special Districts.
- 22 (82) San Francisco Public Utilities Commission.
- 23 (83) San Jose Water Company.
- 24 (84) San Luis Obispo County.
- 25 (85) Santa Clara Valley Water District.
- 26 (86) Santa Clarita Valley Sanitation District.
- 27 (87) Santa Fe Irrigation District.
- 28 (88) Santa Margarita Water District.
- 29 (89) Sonoma County Water Agency.
- 30 (90) South Orange County Wastewater Authority.
- 31 (91) South Tahoe Public Utility District.
- 32 (92) Sunnyslope County Water District.

DISCUSSION DRAFT

- 1 (93) Town of Yountville.
- 2 (94) Tuolumne Utilities District.
- 3 (95) Upper San Gabriel Valley Municipal Water District.
- 4 (96) Valley Center Municipal Water District.
- 5 (97) Valley Sanitary District.
- 6 (98) Ventura County Waterworks District No. 8.
- 7 (99) Victor Valley Wastewater Reclamation Authority.
- 8 (100) West Basin Municipal Water District.
- 9 (101) West Bay Sanitary District.
- 10 (102) West County Wastewater District.
- 11 (103) Western Municipal Water District of Riverside County.
- 12 (104) Western Riverside County Regional Wastewater Authority.
- 13 (105) Yucaipa Valley Water District.

14 (c) Federal Support for Water Recycling Projects.—Water recycling
15 and reuse projects described in subsection (b) may compete for funding
16 authorized under the following sections of this title if the projects meet
17 applicable eligibility requirements, subject to the condition that no
18 particular project receive Federal grant funding from more than one
19 Federal program:

20 (1) Section 101, which amends section 9504 (WaterSMART) of
21 the Omnibus Public Land Management Act of 2009 (42 U.S.C.
22 10364) and authorizes \$150,000,000 in additional Federal assistance
23 for water storage and conveyance facilities, integrated regional water
24 management, reclamation and recycling projects, and groundwater
25 recharge.

26 (2) Section 123, which amends the Reclamation Wastewater and
27 Groundwater Study and Facilities Act (43 U.S.C. 390h) and
28 authorizes \$200,000,000 in Federal assistance for water recycling and
29 reuse projects.

30 (3) Subtitle D, which authorizes the Secretary of the Interior to
31 provide Federal assistance to finance the development of critical
32 water resource infrastructure through loans and loan guarantees to
33 qualified applicants.

34 (d) Federal Support for Desalination Projects.—

35 (1) ELIGIBILITY.—On submission of a completed feasibility report
36 in accordance with Bureau of Reclamation standards, the Secretary of
37 the Interior shall review requests for water desalination funding
38 assistance and, subject to the availability of appropriations, award

DISCUSSION DRAFT

- 1 funding on a competitive basis for projects that meet the eligibility
2 requirements of this title, subject to the condition that the Secretary
3 shall include among the projects reviewed the following desalination
4 projects referred to in the 2013 California Water Plan or in an
5 integrated regional water management plan accepted by the State of
6 California:
- 7 (A) Cambria Desalination Project.
 - 8 (B) Camp Pendleton Seawater Desalination Project.
 - 9 (C) Chino Basin Desalter 3.
 - 10 (D) Doheny Ocean Desalination Project.
 - 11 (E) GREAT Program Groundwater Desalination Facility
12 Expansion.
 - 13 (F) Huntington Beach Seawater Desalination Project.
 - 14 (G) Irvine Non-Potable Shallow Groundwater Unit Desalter.
 - 15 (H) Irvine Ranch Water District Wells 51, 52, 53, 21, and 22
16 Potable (Non-exempt) Desalter Plant.
 - 17 (I) Long Beach Seawater Desalination Project.
 - 18 (J) Marina Desalination Facility Expansion.
 - 19 (K) Mission Valley Brackish Groundwater Recovery Project.
 - 20 (L) Monterey Bay Regional Water Project Desalination
21 Facility (Moss Landing).
 - 22 (M) Monterey Peninsula Water Supply Project.
 - 23 (N) Monterey Peninsula Water Supply Project (Ocean
24 Desalination/Groundwater Replenishment).
 - 25 (O) Moorpark Groundwater Desalter.
 - 26 (P) North Pleasant Valley Groundwater Desalter.
 - 27 (Q) Oceanside Ocean Desalination Project (San Luis Rey
28 Basin).
 - 29 (R) Perris II Desalter.
 - 30 (S) Ramona Desalting Facility.
 - 31 (T) San Diego Formation/Balboa Park Groundwater
32 Desalination Facility.
 - 33 (U) San Elijo Valley Groundwater Project.
 - 34 (V) San Pasqual Brackish Groundwater Recovery Project.
 - 35 (W) Santa Cruz/Soquel Creek Water District Desalination
36 Plant.

DISCUSSION DRAFT

1 (X) South Orange Coastal Ocean Desalination Project.

2 (Y) West Basin Seawater Desalination Regional Project.

3 (Z) West Simi Valley Desalter.

4 (AA) Bay Area Regional Desalination Project.

5 (2) FUNDING.—Desalination projects described in subsection (1)
6 may compete for funding authorized under the following sections of
7 this Title if the projects meet applicable eligibility requirements,
8 subject to the condition that no particular project receive Federal
9 grant funding from more than one Federal program:

10 (A) Section 101, which amends section 9504 (WaterSMART)
11 of the Omnibus Public Land Management Act of 2009 (42
12 U.S.C. 10364) and authorizes \$150,000,000 in additional
13 Federal assistance for water storage and conveyance facilities,
14 integrated regional water management, reclamation and
15 recycling projects, and groundwater recharge.

16 (B) Section 122, which reauthorizes the Water Desalination
17 Act of 1996 (42 U.S.C. 10301; Public Law 104-298) as
18 amended, and authorizes \$100,000,000 in Federal assistance for
19 desalination research, demonstration projects, and desalination
20 project feasibility and design.

21 (C) Section 123, which amends the Reclamation Wastewater
22 and Groundwater Study and Facilities Act (43 U.S.C. 390h) and
23 authorizes \$200,000,000 in Federal assistance for water
24 recycling and reuse projects.

25 (D) Subtitle D, which authorizes the Secretary of the Interior
26 to provide Federal assistance to finance the development of
27 critical water resource infrastructure through loans and loan
28 guarantees to qualified applicants.

29 SEC. 122. REAUTHORIZATION OF WATER 30 DESALINATION ACT.

31 (a) Authorization of Research and Studies.—

32 (1) IN GENERAL.—Section 3 of the Water Desalination Act of 1996
33 (42 U.S.C. 10301 note; Public Law 104-298) is amended by adding
34 at the end the following:

35 “(e) Prioritization.—In carrying out this section, the Secretary of the
36 Interior shall prioritize funding for research—

37 “(1) to reduce energy consumption and lower the cost of seawater
38 and brackish water desalination;

39 “(2) to reduce the environmental impacts of seawater desalination,

DISCUSSION DRAFT

1 including subsurface intakes and other technological improvements,
2 and develop technology and strategies to mitigate those impacts;

3 “(3) to improve existing reverse osmosis and membrane
4 technology;

5 “(4) to carry out basic and applied research on next generation
6 desalination technologies, including graphene membranes, forward
7 osmosis, hybrid membrane-thermal desalination, improved energy
8 recovery systems, and renewable energy-powered desalination
9 systems that could significantly reduce desalination costs;

10 “(5) to develop portable or modular desalination units capable of
11 providing temporary emergency water supplies for domestic or
12 military deployment purposes; and

13 “(6) to encourage development of desalination siting plans,
14 including maps of preferred and priority locations, by States that
15 consider local and regional water supply needs and sources, potential
16 impacts on coastal and ocean resources and fisheries, the effects of
17 sea level rise and other factors that affect project siting.”.

18 (b) Desalination Demonstration and Development.—Section 4 of the
19 Water Desalination Act of 1996 (42 U.S.C. 10301 note; Public Law 104–
20 298) is amended—

21 (1) in subsection (a)—

22 (A) by redesignating paragraphs (2) and (3) as paragraphs (3)
23 and (4), respectively; and

24 (B) by inserting after paragraph (1) the following:

25 “(2) FEASIBILITY AND DESIGN.—Award grants and enter into
26 contracts with non-Federal project sponsors to provide financial
27 assistance to study the feasibility and support the design of
28 desalination facilities (including associated water distribution
29 infrastructure) that provide usable water.”; and

30 (2) by adding at the end the following:

31 “(c) Prioritization.—In carrying out demonstration and development
32 activities under subsection (a), the Secretary of the Interior shall prioritize
33 projects—

34 “(1) in drought-stricken States and communities;

35 “(2) in States for which funding has been authorized for
36 desalination demonstration and development projects; and

37 “(3) that can reduce reliance on imported water supplies that have
38 an impact on species listed under the Endangered Species Act of
39 1973 (16 U.S.C. 1531 et seq.).

40 “(d) Criteria for Eligibility.—In carrying out this section, the Secretary

DISCUSSION DRAFT

1 of the Interior shall establish criteria to determine projects eligible for
2 grant funding based on the ability of the projects to provide regional water
3 supply benefits, including—

4 “(1) improving water supply reliability in regions subject to
5 frequent and severe drought;

6 “(2) enhancement of public health, safety, ecosystems, and
7 watershed sustainability;

8 “(3) preservation of groundwater through reduction of withdrawals
9 from aquifers;

10 “(4) offsetting demand for water conveyed from environmentally
11 sensitive areas outside service area of the project; and

12 “(5) mitigation of saltwater intrusion to aquifers.”.

13 (c) Cost Sharing.—Section 7 of the Water Desalination Act of 1996 (42
14 U.S.C. 10301 note; Public Law 104–298) is amended—

15 (1) in the first sentence, by striking “The Federal share” and
16 inserting the following:

17 “(a) Maximum.—

18 “(1) IN GENERAL.—Except as provided in paragraph (2) and
19 subsection (b) and limited to the 5 years following the date of
20 enactment of the California Emergency Drought Relief Act, the
21 Federal share”;

22 (2) in the second sentence, by striking “A Federal” and inserting
23 the following:

24 “(b) Feasibility Determination.—A Federal”;

25 (3) in the third sentence, by striking “The Secretary” and inserting
26 the following:

27 “(c) Procedures.—The Secretary”;

28 (4) in the fourth sentence, by striking “Costs” and inserting the
29 following:

30 “(d) Operation, Maintenance, Repair, and Rehabilitation.—The costs”;
31 and

32 (5) in subsection (a) (as designated by paragraph (1)), by adding at
33 the end the following:

34 “(2) EXCEPTION.—The Federal share of the cost of project design
35 under section 4 shall not exceed 25 percent of the total cost of the
36 project design.”.

37 (d) Authorization of Appropriations.—In order to advance water
38 desalination research and project development, Section 8 of the Water

DISCUSSION DRAFT

1 Desalination Act of 1996 (42 U.S.C. 10301 note; Public Law 104–298) is
2 amended—

3 (1) in subsection (a), in the first sentence—

4 (A) by striking “\$5,000,000” and inserting “\$10,000,000”;

5 and

6 (B) by striking “2013” and inserting “2020”; and

7 (2) in subsection (b), by striking “\$3,000,000 for each of fiscal
8 years 2012 through 2013” and inserting “\$50,000,000 for the period
9 of fiscal years 2016 through 2020”.

10 (e) Consultation.—Section 9 of the Water Desalination Act of 1996 (42
11 U.S.C. 10301 note; Public Law 104–298) is amended—

12 (1) by striking the section designation and heading and all that
13 follows through “In carrying out the provisions of” in the first
14 sentence and inserting the following:

15 “SEC. 9. CONSULTATION AND 16 COORDINATION.

17 “(a) Consultation.—In carrying out”;

18 (2) in the second sentence, by striking “The authorization” and
19 inserting the following:

20 “(b) Other Desalination Programs.—The authorization”; and

21 (3) by inserting after subsection (b) (as so designated) the
22 following:

23 “(c) Coordination of Federal Desalination Research and
24 Development.—For the effective period of the California Emergency
25 Drought Relief Act, the White House Office of Science and Technology
26 Policy shall develop a coordinated strategic plan that—

27 “(1) establishes priorities for future Federal investments in
28 desalination; and

29 “(2) coordinates the activities of Federal agencies involved in
30 desalination, including the Bureau of Reclamation, the National
31 Science Foundation, the Office of Naval Research of the Department
32 of Defense, the National Laboratories of the Department of Energy,
33 the United States Geological Survey, the Environmental Protection
34 Agency, and the National Oceanic and Atmospheric
35 Administration.”.

36 SEC. 123. NEW WATER RECYCLING AND 37 REUSE PROJECTS.

DISCUSSION DRAFT

1 Section 1602 of the Reclamation Wastewater and Groundwater Study
2 and Facilities Act (43 U.S.C. 390h) is amended by adding at the end the
3 following:

4 “(e) Authorization of New Water Recycling and Reuse Projects.—

5 “(1) IN GENERAL.—A non-Federal interest may submit to the
6 Secretary of the Interior proposals for eligible projects in the form of
7 completed feasibility studies.

8 “(2) AUTHORITY TO PROVIDE ASSISTANCE.—The Secretary of the
9 Interior may provide financial assistance under this subtitle to carry
10 out projects within—

11 “(A) any Reclamation State, including—

12 “(i) Arizona;

13 “(ii) California;

14 “(iii) Colorado;

15 “(iv) Idaho;

16 “(v) Kansas;

17 “(vi) Montana;

18 “(vii) Nebraska;

19 “(viii) Nevada;

20 “(ix) New Mexico;

21 “(x) North Dakota;

22 “(xi) Oklahoma;

23 “(xii) Oregon;

24 “(xiii) South Dakota;

25 “(xiv) Texas;

26 “(xv) Utah;

27 “(xvi) Washington; and

28 “(xvii) Wyoming; and

29 “(B) the States of Alaska and Hawaii.

30 “(3) ELIGIBLE PROJECTS.—A project shall be considered to be
31 eligible for consideration under this subsection if the project reclaims
32 and reuses—

33 “(A) municipal, industrial, domestic, or agricultural
34 wastewater; or

35 “(B) impaired groundwater or surface water.

DISCUSSION DRAFT

1 “(4) REVIEW.—The Secretary of the Interior shall review each
2 feasibility study received under paragraph (1) to determine whether
3 the study, and the process under which the study was developed,
4 comply with Federal laws (including regulations) applicable to
5 feasibility studies of water recycling and reuse projects.

6 “(f) Competitive Grant Funding of Water Recycling and Reuse
7 Projects.—

8 “(1) IN GENERAL.—The Secretary of the Interior shall administer a
9 competitive grant program under which the non-Federal project
10 sponsor of any project determined by the Secretary of the Interior to
11 be feasible under subsection (e)(4) shall be eligible to apply for
12 funding for the planning, design, and construction of the project.

13 “(2) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to
14 be appropriated to the Secretary of the Interior to carry out this
15 subsection \$200,000,000, to remain available until expended.”.

21 SEC. 124. PROMOTING WATER 22 EFFICIENCY WITH WATERSENSE.

23 (a) Authorization.—The Administrator of the Environmental Protection
24 Agency (referred to in this section as the “Administrator”) is authorized to
25 continue to carry out the voluntary program, known as the “WaterSense
26 Program”, to identify and promote water efficient products, buildings,
27 landscapes, facilities, processes, and services so as—

28 (1) to reduce water use;

29 (2) to reduce the strain on water, wastewater, and stormwater
30 infrastructure;

31 (3) to conserve energy used to pump, heat, transport, and treat
32 water; and

33 (4) to preserve water resources for future generations, through
34 voluntary labeling of, or other forms of communications regarding,
35 products, buildings, landscapes, facilities, processes, and services that
36 meet the highest water efficiency and performance criteria.

37 (b) Review.—Not less frequently than once every 4 years, the
38 Administrator shall regularly review and, if appropriate, update
39 WaterSense criteria that have been adopted for the voluntary labeling of
40 categories of products, buildings, landscapes, facilities, processes, and
41 services.

DISCUSSION DRAFT

1 (c) Transparency.—The Administrator shall, to the maximum extent
2 practicable, regularly estimate and make available to the public the
3 production and relative market shares of, and the savings of water, energy,
4 and capital costs of water, wastewater, and stormwater infrastructure
5 attributable to the use of WaterSense-labeled products, buildings,
6 landscapes, facilities, processes, and services, at least annually.

7 (d) Public Comment.—Prior to establishing or revising a WaterSense
8 category, specification, installation criterion, or other criterion, the
9 Administrator shall—

10 (1) solicit comments from interested parties and the public; and

11 (2) provide reasonable notice to interested parties and the public of
12 any changes (including effective dates), on the adoption of a new or
13 revised category, specification, installation criterion, or other
14 criterion.

15 (e) Authorization of Appropriations.—There is authorized to be
16 appropriated to carry out the WaterSense program of the Environmental
17 Protection Agency \$2,500,000 for each of fiscal years 2016 through 2019.

18 Subtitle D—Reclamation Infrastructure Finance 19 and Innovation

20 SEC. 131. PURPOSES.

21 The purposes of this subtitle are—

22 (1) to promote increased development of critical water resources
23 infrastructure by establishing additional opportunities for financing
24 water resources projects;

25 (2) to attract new investment capital to infrastructure projects that
26 are capable of generating revenue streams through user fees or other
27 dedicated funding sources;

28 (3) to complement existing Federal funding sources and address
29 budgetary constraints on Bureau of Reclamation programs; and

30 (4) to leverage private investment in water resources infrastructure.

31 SEC. 132. DEFINITIONS.

32 In this subtitle:

33 (1) ELIGIBLE ENTITY.—The term “eligible entity” means—

34 (A) a corporation;

35 (B) a partnership;

36 (C) a joint venture;

DISCUSSION DRAFT

1 (D) a trust;

2 (E) a State, or local governmental entity, agency, or
3 instrumentality; and

4 (F) a conservancy district, irrigation district, canal company,
5 mutual water company, water users' association, Indian tribe,
6 agency created by interstate compact, or any other entity that has
7 the capacity to contract with the United States under the
8 reclamation laws.

9 (2) FEDERAL CREDIT INSTRUMENT.—The term “Federal credit
10 instrument” means a secured loan or loan guarantee authorized to be
11 made available under this title with respect to a project.

12 (3) INVESTMENT-GRADE RATING.—The term “investment-grade
13 rating” means a rating of BBB minus, Baa3, bbb minus, BBB (low),
14 or higher as assigned by a rating agency to project obligations.

15 (4) LENDER.—

16 (A) IN GENERAL.—The term “lender” means any non-Federal
17 qualified institutional buyer (as defined in section 230.144A(a)
18 of title 17, Code of Federal Regulations (or a successor
19 regulation) (commonly known as “Rule 144A(a) of the
20 Securities and Exchange Commission” and issued under the
21 Securities Act of 1933 (15 U.S.C. 77a et seq.))).

22 (B) INCLUSIONS.—The term “lender” includes—

23 (i) a qualified retirement plan (as defined in section 4974
24 of the Internal Revenue Code of 1986) that is a qualified
25 institutional buyer; and

26 (ii) a governmental plan (as defined in section 414 of the
27 Internal Revenue Code of 1986) that is a qualified
28 institutional buyer.

29 (5) LOAN GUARANTEE.—The term “loan guarantee” means any
30 guarantee or other pledge by the Secretary of the Interior to pay all or
31 part of the principal of, and interest on, a loan or other debt obligation
32 issued by an obligor and funded by a lender.

33 (6) OBLIGOR.—The term “obligor” means an eligible entity that is
34 primarily liable for payment of the principal of, or interest on, a
35 Federal credit instrument.

36 (7) PROJECT OBLIGATION.—

37 (A) IN GENERAL.—The term “project obligation” means any
38 note, bond, debenture, or other debt obligation issued by an
39 obligor in connection with the financing of a project.

40 (B) EXCLUSION.—The term “project obligation” does not

DISCUSSION DRAFT

1 include a Federal credit instrument.

2 (8) RATING AGENCY.—The term “rating agency” means a credit
3 rating agency registered with the Securities and Exchange
4 Commission as a nationally recognized statistical rating organization
5 (as defined in section 3(a) of the Securities Exchange Act of 1934 (15
6 U.S.C. 78c(a)).

7 (9) RECLAMATION STATE.—The term “Reclamation State” means
8 any of the States of—

9 (A) Arizona;

10 (B) California;

11 (C) Colorado;

12 (D) Idaho;

13 (E) Kansas;

14 (F) Montana;

15 (G) Nebraska;

16 (H) Nevada;

17 (I) New Mexico;

18 (J) North Dakota;

19 (K) Oklahoma;

20 (L) Oregon;

21 (M) South Dakota;

22 (N) Texas;

23 (O) Utah;

24 (P) Washington; and

25 (Q) Wyoming.

26 (10) SECURED LOAN.—The term “secured loan” means a direct
27 loan or other debt obligation issued by an obligor and funded by the
28 Secretary in connection with the financing of a project under subtitle
29 A.

30 (11) SUBSIDY AMOUNT.—The term “subsidy amount” means the
31 amount of budget authority sufficient to cover the estimated long-
32 term cost to the Federal Government of a Federal credit instrument,
33 as calculated on a net present value basis, excluding administrative
34 costs and any incidental effects on Governmental receipts or outlays
35 in accordance with the Federal Credit Reform Act of 1990 (2 U.S.C.
36 661 et seq.).

37 (12) SUBSTANTIAL COMPLETION.—The term “substantial

DISCUSSION DRAFT

1 completion”, with respect to a project, means the earliest date on
2 which a project is considered to perform the functions for which the
3 project is designed.

4 SEC. 133. AUTHORITY TO PROVIDE 5 ASSISTANCE.

6 The Secretary of the Interior may provide financial assistance under this
7 subtitle to carry out projects within—

- 8 (1) any Reclamation State;
- 9 (2) any other State in which the Bureau of Reclamation is
10 authorized to provide project assistance; and
- 11 (3) the States of Alaska and Hawaii.

12 SEC. 134. APPLICATIONS.

13 To be eligible to receive assistance under this subtitle, an eligible entity
14 shall submit to the Secretary of the Interior an application at such time, in
15 such manner, and containing such information as the Secretary of the
16 Interior may require.

17 SEC. 135. ELIGIBILITY FOR ASSISTANCE.

18 (a) Eligible Projects.—The following non-federally owned projects that
19 contribute to a safe, adequate water supply for domestic, agricultural,
20 environmental, or municipal and industrial use may be carried out using
21 assistance made available under this subtitle:

- 22 (1) A project for the reclamation and reuse of wastewater, and
23 naturally impaired ground and surface waters, which has a completed
24 feasibility study that complies with Reclamation standards.
- 25 (2) A new water infrastructure facility project, including a water
26 conduit, pipeline, canal, pumping, power, and associated facilities.
- 27 (3) A project for accelerated repair and replacement of an aging
28 water distribution facility.
- 29 (4) A brackish or sea water desalination project.
- 30 (5) A project for groundwater replenishment, groundwater storage,
31 or surface storage.
- 32 (6) A combination of projects, each of which is eligible under
33 paragraphs (1) through (5), for which an eligible entity or group of
34 eligible entities submits a single application.

35 (b) Activities Eligible for Assistance.—For purposes of this subtitle, an
36 eligible activity with respect to an eligible project under subsection (a)
37 includes the cost of—

DISCUSSION DRAFT

1 (1) development-phase activities, including planning, feasibility
2 analysis, revenue forecasting, environmental review, permitting,
3 preliminary engineering and design work, and other preconstruction
4 activities;

5 (2) construction, reconstruction, rehabilitation, and replacement
6 activities;

7 (3) the acquisition of real property (including water rights, land
8 relating to the project, and improvements to land), environmental
9 mitigation, construction contingencies, and acquisition of equipment
10 subject to subsection (c);

11 (4) capitalized interest necessary to meet market requirements,
12 reasonably required reserve funds, capital issuance expenses, and
13 other carrying costs during construction; and

14 (5) refinancing interim construction funding, existing long-term
15 project obligations, or a secured loan or loan guarantee made under
16 this subtitle.

17 (c) Limitation on Use.—The proceeds from Federal credit instruments
18 made available under this subtitle may only be used to acquire non-
19 Federal land or interest in land from a willing seller, when the seller does
20 not contest the purchase or price paid.

21 SEC. 136. DETERMINATION OF 22 ELIGIBILITY AND PROJECT SELECTION.

23 (a) Eligibility Requirements.—To be eligible to receive financial
24 assistance under this subtitle, a project shall meet the following criteria, as
25 determined by the Secretary of the Interior:

26 (1) CREDITWORTHINESS.—

27 (A) IN GENERAL.—Subject to subparagraph (B), the project
28 shall be creditworthy, as determined by the Secretary of the
29 Interior, who shall ensure that any financing for the project has
30 appropriate security features, such as a rate covenant, to ensure
31 repayment.

32 (B) PRELIMINARY RATING OPINION LETTER.—The Secretary of
33 the Interior shall require each applicant to provide a preliminary
34 rating opinion letter from at least 1 rating agency indicating that
35 the senior obligations of the project (which may be the Federal
36 credit instrument) have the potential to achieve an investment-
37 grade rating.

38 (2) ELIGIBLE PROJECT COSTS.—The eligible project costs of a
39 project shall be reasonably anticipated to be not less than
40 \$20,000,000.

DISCUSSION DRAFT

1 (3) DEDICATED REVENUE SOURCES.—The Federal credit instrument
2 for the project shall be repayable, in whole or in part, from dedicated
3 revenue sources that also secure the project obligations.

4 (4) PUBLIC SPONSORSHIP OF PRIVATE ENTITIES.—A project carried
5 out by a private entity shall be sponsored by a State, department of a
6 State, subdivision of a State, or a public agency organized pursuant to
7 State law.

8 (b) Selection Criteria.—

9 (1) ESTABLISHMENT.—The Secretary of the Interior shall establish
10 criteria for the selection of projects that meet the eligibility
11 requirements of subsection (a), in accordance with paragraph (2).

12 (2) CRITERIA.—The selection criteria shall include the following:

13 (A) The extent to which a project serves a region with
14 significant water resources challenges.

15 (B) The extent to which the project is nationally or regionally
16 significant.

17 (C) The extent to which assistance under this section would
18 foster innovative public-private partnerships and attract private
19 debt or equity investment.

20 (D) The extent to which the project fosters—

21 (i) collaborative partnerships between cities, counties,
22 water districts, and State and Federal agencies; and

23 (ii) innovative recycling programs that augment a
24 combination of industrial, commercial, residential, and
25 agricultural uses.

26 (E) The likelihood that assistance under this section would
27 enable the project to proceed at an earlier date than the project
28 would otherwise be able to proceed.

29 (F) The amount of budget authority required to fund the
30 Federal credit instrument made available under this subtitle.

31 (G) The extent to which the project helps maintain or protect
32 the environment.

33 (3) CONSISTENCY OF CRITERIA.—Not later than 180 days after the
34 date of enactment of this Act, the Secretary of the Interior shall issue
35 eligibility requirements under this title for water recycling projects
36 that reclaim and reuse municipal, industrial, domestic, or agricultural
37 wastewater or impaired ground or surface waters.

38 (c) Receipt of Other Federal Funding.—Receipt of a Federal grant or
39 contract or other Federal funding to support an eligible project shall not
40 preclude the project from being eligible for assistance under this subtitle.

DISCUSSION DRAFT

1 Assistance under this subtitle shall not be counted as Federal funding
2 under cost-sharing requirements otherwise applicable to a project eligible
3 for assistance under this subtitle.

4 SEC. 137. SECURED LOANS.

5 (a) Agreements.—

6 (1) IN GENERAL.—Subject to paragraphs (2) through (4), the
7 Secretary of the Interior may enter into agreements with 1 or more
8 obligors to make secured loans, the proceeds of which shall be
9 used—

10 (A) to finance eligible project costs of any project selected
11 under section 136;

12 (B) to refinance interim construction financing of eligible
13 project costs of any project selected under section 136; or

14 (C) to refinance long-term project obligations or Federal
15 credit instruments, if that refinancing provides additional
16 funding capacity for the completion, enhancement, or expansion
17 of any project that—

18 (i) is selected under section 136; or

19 (ii) otherwise meets the requirements of section 136.

20 (2) LIMITATION ON REFINANCING OF INTERIM CONSTRUCTION
21 FINANCING.—A secured loan under paragraph (1) shall not be used to
22 refinance interim construction financing under paragraph (1)(B) later
23 than 1 year after the date of substantial completion of the applicable
24 project.

25 (3) RISK ASSESSMENT.—Before entering into an agreement under
26 this subsection for a secured loan, the Secretary of the Interior, in
27 consultation with the Director of the Office of Management and
28 Budget and each rating agency providing a preliminary rating opinion
29 letter under section 136(a)(1)(B), shall determine an appropriate
30 capital reserve subsidy amount for the secured loan, taking into
31 account each such preliminary rating opinion letter.

32 (4) INVESTMENT-GRADE RATING REQUIREMENT.—The execution of
33 a secured loan under this section shall be contingent on receipt by the
34 senior obligations of the project of an investment-grade rating.

35 (b) Terms and Limitations.—

36 (1) IN GENERAL.—A secured loan provided for a project under this
37 section shall be subject to such terms and conditions, and contain
38 such covenants, representations, warranties, and requirements
39 (including requirements for audits), as the Secretary of the Interior
40 determines to be appropriate.

DISCUSSION DRAFT

1 (2) NONSUBORDINATION.—A secured loan under this section shall
2 not be subordinated to the claims of any holder of project obligations
3 in the event of bankruptcy, insolvency, or liquidation of the obligor
4 of the project.

5 (3) MAXIMUM AMOUNT.—The amount of a secured loan under this
6 section shall not exceed the lesser of—

7 (A) an amount equal to 49 percent of the reasonably
8 anticipated eligible project costs; and

9 (B) if the secured loan does not receive an investment-grade
10 rating, an amount equal to other project obligations that have
11 received an investment-grade rating.

12 (4) PAYMENT.—A secured loan under this section—

13 (A) shall be payable, in whole or in part, from State or local
14 taxes, user fees, or other dedicated revenue sources that also
15 secure the senior project obligations of the relevant project;

16 (B) shall include a rate covenant, coverage requirement, or
17 similar security feature supporting the project obligations; and

18 (C) may have a lien on revenues described in subparagraph
19 (A), subject to any lien securing project obligations.

20 (5) INTEREST RATE.—The interest rate on a secured loan under this
21 section shall be not less than the yield on United States Treasury
22 securities of a similar maturity to the maturity of the secured loan on
23 the date of execution of the loan agreement.

24 (6) MATURITY DATE.—The final maturity date of a secured loan
25 under this section shall be not later than 35 years after the date of
26 substantial completion of the relevant project.

27 (7) FEES.—The Secretary of the Interior may establish fees, in
28 accordance with section 138(b)(2) at a level sufficient to cover all or
29 a portion of the costs to the Federal Government of making a secured
30 loan under this section.

31 (8) NON-FEDERAL SHARE.—The proceeds of a secured loan under
32 this section may be used to pay any non-Federal share of project costs
33 required if the loan is repayable from non-Federal funds.

34 (9) MAXIMUM FEDERAL INVOLVEMENT.—The total amount of
35 Federal assistance provided for a project for which assistance is
36 provided under this subtitle from all sources (including this subtitle)
37 shall not exceed 80 percent of the total cost of the project.

38 (c) Repayment.—

39 (1) SCHEDULE.—The Secretary of the Interior shall establish a
40 repayment schedule for each secured loan provided under this

DISCUSSION DRAFT

1 section, based on the projected cash flow from project revenues and
2 other repayment sources.

3 (2) COMMENCEMENT.—Scheduled loan repayment of principal or
4 interest on a secured loan under this section shall commence not later
5 than 5 years after the date of substantial completion of the project,
6 with interest accruing during those 5 years and during construction.

7 (3) DEFERRED PAYMENTS.—

8 (A) AUTHORIZATION.—If, at any time after the date of
9 substantial completion of a project for which a secured loan is
10 provided under this section, the project is unable to generate
11 sufficient revenues to pay the scheduled loan repayments of
12 principal and interest on the secured loan, the Secretary of the
13 Interior may allow the obligor, subject to subparagraph (C), to
14 add unpaid principal and interest to the outstanding balance of
15 the secured loan.

16 (B) INTEREST.—Any payment deferred under subparagraph
17 (A) shall—

18 (i) continue to accrue interest in accordance with
19 subsection (b)(5) until fully repaid; and

20 (ii) be scheduled to be amortized over the remaining
21 term of the secured loan.

22 (C) CRITERIA.—

23 (i) IN GENERAL.—Any payment deferral under
24 subparagraph (A) shall be contingent on the project
25 meeting such criteria as the Secretary of the Interior may
26 establish.

27 (ii) REPAYMENT STANDARDS.—The criteria established
28 under clause (i) shall include standards for reasonable
29 assurance of repayment.

30 (4) PREPAYMENT.—

31 (A) USE OF EXCESS REVENUES.—Any excess revenues that
32 remain after satisfying scheduled debt service requirements on
33 the project obligations and secured loan and all deposit
34 requirements under the terms of any trust agreement, bond
35 resolution, or similar agreement securing project obligations
36 may be applied annually to prepay a secured loan under this
37 section without penalty.

38 (B) USE OF PROCEEDS OF REFINANCING.—A secured loan
39 under this section may be prepaid at any time without penalty
40 from the proceeds of refinancing from non-Federal funding
41 sources.

DISCUSSION DRAFT

1 (d) Sale of Secured Loans.—

2 (1) IN GENERAL.—Subject to paragraph (2), as soon as practicable
3 after the date of substantial completion of a project and after
4 providing a notice to the obligor, the Secretary of the Interior may
5 sell to another entity or reoffer into the capital markets a secured loan
6 for a project under this section, if the Secretary of the Interior
7 determines that the sale or reoffering can be made on favorable terms.

8 (2) CONSENT OF OBLIGOR.—In making a sale or reoffering under
9 paragraph (1), the Secretary of the Interior may not change the
10 original terms and conditions of the secured loan without the written
11 consent of the obligor.

12 (e) Loan Guarantees.—

13 (1) IN GENERAL.—The Secretary of the Interior may provide a loan
14 guarantee to a lender in lieu of making a secured loan under this
15 section, if the Secretary of the Interior determines that the budgetary
16 cost of the loan guarantee is substantially the same as that of a
17 secured loan.

18 (2) TERMS.—The terms of a loan guarantee provided under this
19 subsection shall be consistent with the terms established in this
20 section for a secured loan, except that the rate on the guaranteed loan
21 and any prepayment features shall be negotiated between the obligor
22 and the lender, with the consent of the Secretary of the Interior.

23 SEC. 138. PROGRAM ADMINISTRATION.

24 (a) Requirement.—The Secretary of the Interior shall establish a
25 uniform system to service the Federal credit instruments made available
26 under this subtitle.

27 (b) Reclamation Loan Finance Capital Reserve Fund.—

28 (1) ESTABLISHMENT.—

29 (A) IN GENERAL.—There is established in the Treasury of the
30 United States a fund, to be known as the “Reclamation Loan
31 Finance Capital Reserve Fund”.

32 (B) DEPOSITS TO FUND.—The Secretary of the Treasury shall
33 deposit in the fund established by subparagraph (A) an amount
34 equal to the amount of capital reserve fees collected under
35 paragraph (2) for each applicable fiscal year.

36 (C) TREATMENT.—The amounts deposited in the fund under
37 subparagraph (B) shall be credited as offsetting collections.

38 (2) CAPITAL RESERVE FEES.—

39 (A) IN GENERAL.—To the extent required by appropriations

DISCUSSION DRAFT

1 Acts, the Secretary of the Interior may assess, collect, and spend
2 capital reserve fees at a level that is sufficient to cover all or a
3 portion of the costs to the Federal Government of servicing the
4 Federal credit instruments provided under this subtitle, including
5 all or a portion of the outlays associated with the provision of
6 the Federal credit instruments under this subtitle.

7 (B) AMOUNT.—The capital reserve fees under this paragraph
8 shall be established at amounts that will result in the collection,
9 during each fiscal year, of an amount that can be reasonably
10 expected to equal the outlays associated with the provision of
11 the Federal credit instruments under this subtitle.

12 (c) Servicer.—

13 (1) IN GENERAL.—The Secretary of the Interior may appoint a
14 financial entity to assist the Secretary in servicing the Federal credit
15 instruments provided under this subtitle.

16 (2) DUTIES.—A servicer appointed under paragraph (1) shall act as
17 the agent for the Secretary of the Interior.

18 (3) FEE.—A servicer appointed under paragraph (1) shall receive a
19 servicing fee, subject to approval by the Secretary of the Interior.

20 SEC. 139. STATE AND LOCAL PERMITS.

21 (a) Establishment of Pilot Program.—

22 (1) ASSUMPTION OF RESPONSIBILITY.—

23 (A) IN GENERAL.—Subject to the provisions of the pilot
24 program established by this section, the Secretary of the Interior
25 and a State identified pursuant to subsection (b) may enter into a
26 written agreement, which may be in the form of a memorandum
27 of understanding, under which the Secretary of the Interior may
28 designate the State as lead agency for purposes of the National
29 Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

30 (B) PROCEDURAL AND SUBSTANTIVE REQUIREMENTS.—If
31 designated as the lead agency under subparagraph (A), the State
32 shall assume responsibility under this section, subject to the
33 same procedural and substantive requirements that would apply
34 if that responsibility were carried out by the Secretary of the
35 Interior.

36 (2) PRESERVATION OF FEDERAL RESPONSIBILITY AND AUTHORITY.—

37 (A) FEDERAL RESPONSIBILITY.—Any responsibility of the
38 Secretary of the Interior not explicitly assumed by the State by
39 written agreement under this section shall remain the
40 responsibility of the Secretary of the Interior.

DISCUSSION DRAFT

1 (B) NO EFFECT ON AUTHORITY.—Nothing in this section
2 preempts or interferes with any power, jurisdiction,
3 responsibility, or authority of an agency, other than the
4 Department of the Interior, under applicable law (including
5 regulations) with respect to a project.

6 (3) PRESERVATION OF FLEXIBILITY.—The Secretary of the Interior
7 may not require a State, as a condition of participation and assuming
8 lead agency status in the pilot program under this section, to forego
9 project delivery methods that are otherwise permissible for projects.

10 (b) State Participation.—

11 (1) PARTICIPATING STATES.—The Secretary of the Interior shall
12 permit the State of California, and not more than 4 additional States,
13 to participate in the pilot program under this section, subject to the
14 limitations described in paragraph (4).

15 (2) APPLICATION.—Not later than 270 days after the date of
16 enactment of this Act, the Secretary of the Interior shall amend, as
17 appropriate, regulations that establish requirements relating to
18 information required to be contained in an application of a State to
19 participate in the pilot program under this section and to assume lead
20 agency status, including, at a minimum—

21 (A) the projects or classes of projects for which the State
22 anticipates exercising the authority that may be granted under
23 the pilot program under this section;

24 (B) verification of the financial, regulatory, and enforcement
25 resources necessary to carry out the authority that may be
26 granted under the pilot program under this section; and

27 (C) evidence of the notice and solicitation of public comment
28 by the State relating to participation of the State in the pilot
29 program under this section, including copies of comments
30 received from that solicitation.

31 (3) PUBLIC NOTICE.—

32 (A) IN GENERAL.—A State that submits an application under
33 this subsection shall give notice of the intent of the State to
34 participate in the pilot program under this section not later than
35 30 days before the date of submission of the application.

36 (B) METHOD OF NOTICE AND SOLICITATION.—A State shall
37 provide notice and solicit public comment under this paragraph
38 by publishing the complete application of the State in
39 accordance with the appropriate public notice State law.

40 (4) SELECTION CRITERIA.—The Secretary of the Interior may
41 approve the application of a State under this section only if—

DISCUSSION DRAFT

1 (A) the regulatory requirements of paragraph (2) have been
2 met;

3 (B) the Secretary of the Interior determines that the State has
4 the capability, including financial, regulatory, and enforcement
5 capability and personnel, to assume the responsibility of a lead
6 agency for the project; and

7 (C) the head of the State agency with primary jurisdiction
8 over water infrastructure matters enters into a written agreement
9 with the Secretary of the Interior described in subsection (c).

10 (c) Written Agreement.—A written agreement under this section
11 shall—

12 (1) be executed by the Governor or the top ranking water
13 infrastructure official in the State who is charged with responsibility
14 for water infrastructure construction;

15 (2) be in such form as the Secretary of the Interior may prescribe;

16 (3) provide that the State—

17 (A) agrees to assume all or part of the responsibilities of the
18 Secretary of the Interior described in subsection (a), including
19 all responsibilities as a lead agency;

20 (B) expressly consents, on behalf of the State, to accept the
21 jurisdiction of the Federal courts for the compliance, discharge,
22 and enforcement of any responsibility of the Secretary of the
23 Interior assumed by the State;

24 (C) certifies that State laws (including regulations) are in
25 effect that authorize the State to take the actions necessary to
26 carry out the responsibilities being assumed; and

27 (D) agrees to maintain the financial resources necessary to
28 carry out the responsibilities being assumed;

29 (4) require the State to provide to the Secretary of the Interior any
30 information that the Secretary of the Interior considers necessary to
31 ensure that the State is adequately carrying out the responsibilities
32 assigned to the State;

33 (5) have a term of not more than 5 years; and

34 (6) be renewable.

35 (d) Jurisdiction.—

36 (1) IN GENERAL.—The United States district courts shall have
37 exclusive jurisdiction over any civil action against a State for failure
38 to carry out any responsibility of the State under this section.

39 (2) LEGAL STANDARDS AND REQUIREMENTS.—A civil action under

DISCUSSION DRAFT

1 paragraph (1) shall be governed by the legal standards and
2 requirements that would apply in such a civil action against the
3 Secretary of the Interior if the Secretary of the Interior had taken the
4 actions in question.

5 (3) INTERVENTION.—The Secretary of the Interior shall have the
6 right to intervene in any action described in paragraph (1).

7 (e) Effect of Assumption of Responsibility.—A State that assumes
8 responsibility under subsection (a)(2) shall be solely responsible and
9 solely liable for carrying out, in lieu of the Secretary of the Interior, the
10 responsibilities assumed under subsection (a), until the pilot program is
11 terminated as provided in subsection (h).

12 (f) Audits.—

13 (1) IN GENERAL.—To ensure compliance by a State with any
14 agreement of the State under subsection (c) (including compliance by
15 the State with all Federal laws for which responsibility is assumed
16 under subsection (a)(2)), for each State participating in the pilot
17 program under this section, the Secretary of the Interior shall
18 conduct—

19 (A) semiannual audits during each of the first 2 years of State
20 participation; and

21 (B) annual audits during of the third and fourth years of State
22 participation.

23 (2) PUBLIC AVAILABILITY AND COMMENT.—

24 (A) IN GENERAL.—An audit conducted under paragraph (1)
25 shall be made available to the public for comment.

26 (B) RESPONSE.—Not later than 60 days after the date on
27 which the period for public comment ends, the Secretary of the
28 Interior shall respond to public comments received under
29 subparagraph (A).

30 (g) Monitoring.—After the fourth year of the participation of a State in
31 the pilot program, the Secretary of the Interior shall monitor compliance
32 by the State with the written agreement, including the provision by the
33 State of financial resources to carry out the written agreement.

34 (h) Termination.—

35 (1) TERMINATION BY SECRETARY OF THE INTERIOR.—The Secretary
36 of the Interior may terminate the participation of any State in the pilot
37 program if—

38 (A) the Secretary of the Interior determines that the State is
39 not adequately carrying out the responsibilities assigned to the
40 State;

DISCUSSION DRAFT

- 1 (B) the Secretary of the Interior provides to the State—
2 (i) notification of the determination of noncompliance;
3 and
4 (ii) a period of at least 30 days during which to take such
5 corrective action as the Secretary of the Interior determines
6 is necessary to comply with the applicable agreement; and
7 (C) the State, after the notification and period provided under
8 subparagraph (B), fails to take satisfactory corrective action, as
9 determined by Secretary of the Interior.
- 10 (2) TERMINATION BY STATE.—The State may terminate the
11 participation of the State in the pilot program at any time by
12 providing to the Secretary of the Interior a notice by not later than the
13 date that is 90 days before the date of termination, and subject to such
14 terms and conditions as the Secretary of the Interior may provide.
- 15 (i) Limitations on Agreements.—Nothing in this section or pilot
16 program—
- 17 (1) authorizes a State to assume any rulemaking authority of the
18 Secretary of the Interior under any Federal law;
- 19 (2) relieves any recipient of the assistance of any obligation to
20 obtain any other required State or local permit or approval with
21 respect to the project;
- 22 (3) limits the right of any unit of State or local government to
23 approve or regulate any rate of return on private equity invested in
24 the project; or
- 25 (4) otherwise supersedes any State or local law (including any
26 regulation) applicable to the construction or operation of the project.

27 SEC. 140. REGULATIONS.

28 The Secretary of the Interior may promulgate such regulations as the
29 Secretary of the Interior determines to be appropriate to carry out this
30 subtitle.

31 SEC. 141. FUNDING.

32 (a) In General.—There is authorized to be appropriated to the Secretary
33 of the Interior to carry out this subtitle \$200,000,000.

34 (b) Offset Required.—No funds made available under this section may
35 be used to provide financial assistance under this subtitle unless sufficient
36 funds have been appropriated to offset any decrease in Federal revenue
37 resulting from the use by any unit of State or local government of
38 proceeds of any obligation—

39 (1) the interest on which is exempt from the tax imposed under

DISCUSSION DRAFT

1 chapter 1 of the Internal Revenue Code of 1986; or

2 (2) with respect to which credit is allowable under subpart I or J of
3 part IV of subchapter A of chapter 1 of that Code.

4 (c) Administrative Costs.—Of the funds made available to carry out this
5 subtitle, the Secretary of the Interior may use for the administration of this
6 subtitle not more than \$2,200,000 for each of fiscal years 2016 through
7 2020.

8 TITLE II—LISTED SPECIES AND WILDLIFE

9 SEC. 201. ACTIONS TO BENEFIT 10 ENDANGERED FISH POPULATIONS.

11 (a) Findings.—Congress finds that—

12 (1) minimizing or eliminating stressors to fish and their habitat in
13 an efficient and structured manner is a key aspect of a fish recovery
14 strategy;

15 (2) functioning, diverse, and interconnected habitats are necessary
16 for a species to be viable; and

17 (3) providing for increased fish habitat may not only allow for a
18 more robust fish recovery, but also reduce impacts to water supplies.

19 (b) Actions for Benefit of Endangered Species.—There is authorized to
20 be appropriated the following amounts:

21 (1) \$35,000,000 for the Secretary of Commerce, through the
22 Administrator of the National Oceanic and Atmospheric
23 Administration, to carry out the following activities in accordance
24 with the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.):

25 (A) Gravel and rearing area additions and habitat restoration
26 to the Sacramento River to benefit Chinook salmon and
27 steelhead trout.

28 (B) Alternative methods, models, and equipment to improve
29 temperature modeling and related forecasted information for
30 purposes of predicting impacts to salmon and salmon habitat as
31 a result of water management at Shasta.

32 (C) Methods to improve the Delta salvage systems, including
33 alternative methods to redeposit salvaged salmon smolts and
34 other fish from the Delta in a manner that reduces predation
35 losses.

36 (2) \$6,000,000 for the Secretary of the Interior to conduct the Delta
37 smelt distribution study referenced in section 301.

38 (c) Commencement.—If the Administrator of the National Oceanic and

DISCUSSION DRAFT

1 Atmospheric Administration determines that a proposed activity is feasible
2 and beneficial for protecting and recovering a fish population, the
3 Administrator shall commence implementation of the activity by not later
4 than 1 year after the date of enactment of this Act.

5 (d) Consultation.—The Administrator shall take such steps as are
6 necessary to partner with, and coordinate the efforts of, the Department of
7 the Interior, the Department of Commerce, and other relevant Federal
8 departments and agencies to ensure that all Federal reviews, analyses,
9 opinions, statements, permits, licenses, and other approvals or decisions
10 required under Federal law are completed on an expeditious basis,
11 consistent with Federal law.

12 (e) Trap and Barge Pilot Program.—

13 (1) IN GENERAL.—The Department of Commerce, in collaboration
14 with the Department of the Interior, the California Department of
15 Fish and Wildlife, applicable water agencies, and other interested
16 parties, shall design, permit, implement, and evaluate a pilot program
17 to test the efficacy of an experimental trap and barge program to
18 improve survival of juvenile salmonids emigrating from the San
19 Joaquin watershed through the Delta.

20 (2) PLAN.—

21 (A) WORKING GROUP.—Not later than 30 days after the date
22 of enactment of this Act, the Assistant Administrator and the
23 Commissioner shall convene a working group, to be comprised
24 of representatives of relevant agencies and other interested
25 parties, to develop and execute a plan for the design, budgeting,
26 implementation, and evaluation of the pilot program under this
27 subsection, using such existing expertise regarding trap and
28 barge programs as may be available.

29 (B) REQUIREMENTS.—The plan under this paragraph shall—

30 (i) include a schedule and budget for the pilot program;
31 and

32 (ii) identify the responsible parties for each element of
33 the program.

34 (3) IMPLEMENTATION.—The Assistant Administrator and the
35 Commissioner shall seek to commence implementation of the pilot
36 program under this subsection during calendar year 2016, if
37 practicable.

38 (4) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to
39 be appropriated to carry out this subsection \$4,000,000.

40 (f) Conservation Fish Hatcheries.—

41 (1) IN GENERAL.—Not later than 2 years after the date of enactment

DISCUSSION DRAFT

1 of this Act, the Secretaries of the Interior and Commerce, in
2 coordination with the Director of the California Department of Fish
3 and Wildlife, shall develop and implement as necessary the expanded
4 use of conservation hatchery programs to enhance, supplement, and
5 rebuild Delta smelt and Endangered Species Act-listed fish species
6 under the smelt and salmonid biological opinions.

7 (2) REQUIREMENTS.—The conservation hatchery programs
8 established under paragraph (1) and the associated hatchery and
9 genetic management plans shall be designed—

10 (A) to benefit, enhance, support, and otherwise recover
11 naturally spawning fish species to the point where the measures
12 provided under the Endangered Species Act of 1973 (16 U.S.C.
13 1531 et seq.) are no longer necessary; and

14 (B) to minimize adverse effects to Central Valley Project and
15 State Water Project operations.

16 (3) PRIORITY; COOPERATIVE AGREEMENTS.—In implementing this
17 section, the Secretaries of the Interior and Commerce—

18 (A) shall give priority to existing and prospective hatchery
19 programs and facilities within the Delta and the riverine
20 tributaries thereto; and

21 (B) may enter into cooperative agreements for the operation
22 of conservation hatchery programs with States, Indian tribes,
23 and other nongovernmental entities for the benefit,
24 enhancement, and support of naturally spawning fish species.

25 (g) Acquisition of Land, Water, or Interests From Willing Sellers for
26 Environmental Purposes in California.—

27 (1) IN GENERAL.—The Secretary of the Interior is authorized to
28 acquire by purchase, lease, donation, or otherwise, land, water, or
29 interests in land or water from willing sellers in California—

30 (A) to benefit listed or candidate species under the
31 Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.) or the
32 California Endangered Species Act (California Fish and Game
33 Code sections 2050 through 2116);

34 (B) to meet requirements of, or otherwise provide water
35 quality benefits under, the Federal Water Pollution Control Act
36 (33 U.S.C. 1251 et seq.) or the Porter Cologne Water Quality
37 Control Act (division 7 of the California Water Code); or

38 (C) for protection and enhancement of the environment, as
39 determined by the Secretary of the Interior.

40 (2) FINANCIAL ASSISTANCE.—In implementing this section, the
41 Secretary of the Interior is authorized to provide financial assistance

DISCUSSION DRAFT

1 to the State of California or otherwise hold such interests in joint
2 ownership with the State of California based on a cost share deemed
3 appropriate by the Secretary.

4 (3) TREATMENT.—Any expenditures under this subsection shall be
5 nonreimbursable and nonreturnable to the United States.

6 SEC. 202. ACTIONS TO BENEFIT REFUGES.

7 (a) In General.—In addition to funding under section 3407 of the
8 Central Valley Project Improvement Act (Public Law 102–575; 106 Stat.
9 4726), there is authorized to be appropriated to the Secretary of the
10 Interior \$2,000,000 for each of fiscal years 2016 through 2020 for the
11 acceleration and completion of water infrastructure and conveyance
12 facilities necessary to achieve full water deliveries to Central Valley
13 wildlife refuges and habitat areas pursuant to section 3406(d) of that Act
14 (Public Law 102–575; 106 Stat. 4722).

15 (b) Cost-sharing.—

16 (1) FEDERAL SHARE.—The Federal share of the cost of carrying out
17 an activity described in this section shall be not more than 50 percent.

18 (2) NON-FEDERAL SHARE.—The non-Federal share of the cost of
19 carrying out an activity described in this section—

20 (A) shall be not less than 50 percent; and

21 (B) may be provided in cash or in-kind.

22 SEC. 203. NON-FEDERAL PROGRAM TO 23 PROTECT NATIVE ANADROMOUS FISH IN 24 STANISLAUS RIVER.

25 (a) Definition of District.—In this section, the term “district” means—

26 (1) the Oakdale Irrigation District of the State of California; and

27 (2) the South San Joaquin Irrigation District of the State of
28 California.

29 (b) Establishment.—The Secretary of Commerce, acting through the
30 Assistant Administrator of the National Marine Fisheries Service, and the
31 districts, in consultation with the Director of the California Department of
32 Fish and Wildlife, shall jointly establish and conduct a nonnative predator
33 research and pilot fish removal program to study the effects of removing
34 from the Stanislaus River—

35 (1) nonnative striped bass, smallmouth bass, largemouth bass,
36 black bass; and

37 (2) other nonnative predator fish species.

DISCUSSION DRAFT

1 (c) Requirements.—The program under this section shall—

2 (1) be scientifically based, with research questions determined
3 jointly by—

4 (A) National Marine Fisheries Service scientists; and

5 (B) technical experts of the districts;

6 (2) include methods to quantify by, among other things, evaluating
7 the number of juvenile anadromous fish that migrate past the rotary
8 screw trap located at Caswell—

9 (A) the number and size of predator fish removed each year;
10 and

11 (B) the impact of the removal on—

12 (i) the overall abundance of predator fish in the
13 Stanislaus River; and

14 (ii) the populations of juvenile anadromous fish in the
15 Stanislaus River;

16 (3) among other methods, consider using wire fyke trapping,
17 portable resistance board weirs, and boat electrofishing; and

18 (4) be implemented as quickly as practicable after the date of
19 issuance of all necessary scientific research permits.

20 (d) Management.—The management of the program shall be the joint
21 responsibility of the Assistant Administrator and the districts, which
22 shall—

23 (1) work collaboratively to ensure the performance of the program;
24 and

25 (2) discuss and agree on, among other things—

26 (A) qualified scientists to lead the program;

27 (B) research questions;

28 (C) experimental design;

29 (D) changes in the structure, management, personnel,
30 techniques, strategy, data collection and access, reporting, and
31 conduct of the program; and

32 (E) the need for independent peer review.

33 (e) Conduct.—

34 (1) IN GENERAL.—For each applicable calendar year, the districts,
35 on agreement of the Assistant Administrator, may elect to conduct
36 the program under this section using—

37 (A) the personnel of the Assistant Administrator or districts;

DISCUSSION DRAFT

1 (B) qualified private contractors hired by the districts;

2 (C) personnel of, on loan to, or otherwise assigned to the
3 National Marine Fisheries Service; or

4 (D) a combination of the individuals described in
5 subparagraphs (A) through (C).

6 (2) PARTICIPATION BY NATIONAL MARINE FISHERIES SERVICE.—

7 (A) IN GENERAL.—If the districts elect to conduct the program
8 using district personnel or qualified private contractors hired
9 under subparagraph (A) or (B) of paragraph (1), the Assistant
10 Administrator may assign an employee of, on loan to, or
11 otherwise assigned to the National Marine Fisheries Service, to
12 be present for all activities performed in the field to ensure
13 compliance with subsection (d).

14 (B) COSTS.—The districts shall pay the cost of participation
15 by the employee under subparagraph (A), in accordance with
16 subsection (f).

17 (3) TIMING OF ELECTION.—The districts shall notify the Assistant
18 Administrator of an election under paragraph (1) by not later than
19 October 15 of the calendar year preceding the calendar year for
20 which the election applies.

21 (f) Funding.—

22 (1) IN GENERAL.—The districts shall be responsible for 100 percent
23 of the cost of the program.

24 (2) CONTRIBUTED FUNDS.—The Secretary of Commerce may
25 accept and use contributions of funds from the districts to carry out
26 activities under the program.

27 (3) ESTIMATION OF COST.—

28 (A) IN GENERAL.—Not later than December 1 of each year of
29 the program, the Secretary of Commerce shall submit to the
30 districts an estimate of the cost to be incurred by the National
31 Marine Fisheries Service for the program during the following
32 calendar year, if any, including the cost of any data collection
33 and posting under subsection (g).

34 (B) FAILURE TO FUND.—If an amount equal to the estimate of
35 the Secretary of Commerce is not provided through
36 contributions pursuant to paragraph (2) before December 31 of
37 that calendar year—

38 (i) the Secretary shall have no obligation to conduct the
39 program activities otherwise scheduled for the following
40 calendar year until the amount is contributed by the

DISCUSSION DRAFT

1 districts; and

2 (ii) the districts may not conduct any aspect of the
3 program until the amount is contributed by the districts.

4 (4) ACCOUNTING.—

5 (A) IN GENERAL.—Not later than September 1 of each year,
6 the Secretary of Commerce shall provide to the districts an
7 accounting of the costs incurred by the Secretary for the
8 program during the preceding calendar year.

9 (B) EXCESS AMOUNTS.—If the amount contributed by the
10 districts pursuant to paragraph (2) for a calendar year was
11 greater than the costs incurred by the Secretary of Commerce
12 during that year, the Secretary shall—

13 (i) apply the excess amounts to the cost of activities to be
14 performed by the Secretary under the program, if any,
15 during the following calendar year; or

16 (ii) if no such activities are to be performed, repay the
17 excess amounts to the districts.

18 (g) Publication and Evaluation of Data.—

19 (1) IN GENERAL.—All data generated through the program,
20 including by any private consultants, shall be routinely provided to
21 the Assistant Administrator.

22 (2) INTERNET.—Not later than the 15th day of each month of the
23 program, the Assistant Administrator shall publish on the Internet
24 website of the National Marine Fisheries Service a tabular summary
25 of the raw data collected under the program during the preceding
26 month.

27 (3) REPORT.—On completion of the program, the Assistant
28 Administrator shall prepare a final report evaluating the effectiveness
29 of the program, including recommendations for future research and
30 removal work.

31 (h) Consistency With Law.—

32 (1) IN GENERAL.—The programs in this section and section 204 are
33 found to be consistent with the requirements of the Central Valley
34 Project Improvement Act (Public Law 102–575; 106 Stat. 4706).

35 (2) LIMITATION.—No provision, plan, or definition under that Act,
36 including section 3406(b)(1) of that Act (Public Law 102–575; 106
37 Stat. 4714), shall be used—

38 (A) to prohibit the implementation of the programs in this
39 section and section 204; or

40 (B) to prevent the accomplishment of the goals of the

DISCUSSION DRAFT

1 programs.

2 (3) STATE LAW.—The Secretary of the Interior, the Secretary of
3 Commerce, and the participating districts shall comply with
4 applicable requirements of State law with respect to the program
5 under this subsection.

6 SEC. 204. PILOT PROJECTS TO IMPLEMENT 7 CALFED INVASIVE SPECIES PROGRAM.

8 (a) In General.—Not later than January 1, 2017, the Secretary of the
9 Interior, in collaboration with the Secretary of Commerce, the Director of
10 the California Department of Fish and Wildlife, and other relevant
11 agencies and interested parties, shall establish and carry out pilot projects
12 to implement the invasive species control program under section
13 103(d)(6)(A)(iv) of Public Law 108–361 (118 Stat. 1690).

14 (b) Requirements.—The pilot projects under this section shall—

15 (1) seek to reduce invasive aquatic vegetation (such as water
16 hyacinth), predators, and other competitors that contribute to the
17 decline of native listed pelagic and anadromous species that occupy
18 the Sacramento and San Joaquin Rivers and their tributaries and the
19 Delta; and

20 (2) remove, reduce, or control the effects of species including
21 Asiatic clams, silversides, gobies, Brazilian water weed, largemouth
22 bass, smallmouth bass, striped bass, crappie, bluegill, white and
23 channel catfish, zebra and quagga mussels, and brown bullheads.

24 (c) Emergency Environmental Reviews.—To expedite environmentally
25 beneficial programs in this title for the conservation of threatened and
26 endangered species, the Secretaries of the Interior and Commerce shall
27 consult with the Council on Environmental Quality in accordance with
28 section 1506.11 of title 40, Code of Federal Regulations (or successor
29 regulations), to develop alternative arrangements to comply with the
30 National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) for
31 those programs.

32 TITLE III—CALIFORNIA EMERGENCY 33 DROUGHT RELIEF AND OPERATIONAL 34 FLEXIBILITY

35 SEC. 301. TAKING INTO ACCOUNT 36 INCREASED REAL-TIME MONITORING 37 AND UPDATED SCIENCE.

38 (a) Smelt Biological Opinion.—The Director shall use the best scientific

DISCUSSION DRAFT

1 and commercial data available to implement, continuously evaluate, and
2 refine or amend, as appropriate, the reasonable and prudent alternative
3 described in the smelt biological opinion.

4 (b) Increased Monitoring to Inform Real-time Operations.—

5 (1) IN GENERAL.—The Secretary of the Interior shall conduct
6 additional surveys, on an annual basis at the appropriate time of year
7 based on environmental conditions, in collaboration with interested
8 stakeholders regarding the science of the Delta in general, and to
9 enhance real time decisionmaking in particular, working in close
10 coordination with relevant State authorities.

11 (2) REQUIREMENTS.—In carrying out this subsection, the Secretary
12 of the Interior shall use—

13 (A) the most appropriate and accurate survey methods
14 available for the detection of Delta smelt to determine the extent
15 to which adult Delta smelt are distributed in relation to certain
16 levels of turbidity or other environmental factors that may
17 influence salvage rate; and

18 (B) results from appropriate surveys for the detection of Delta
19 smelt to determine how the Central Valley Project and State
20 Water Project may be operated more efficiently to maximize
21 fish and water supply benefits.

22 (3) WINTER MONITORING.—During the period between December
23 1 and March 31, if suspended sediment loads enter the Delta from the
24 Sacramento River, and the suspended sediment loads appear likely to
25 raise turbidity levels in the Old River north of the export pumps from
26 values below 12 Nephelometric Turbidity Units (NTUs) to values
27 above 12 NTUs, the Secretary of the Interior shall—

28 (A) conduct daily monitoring using appropriate survey
29 methods at locations including the vicinity of Station 902 to
30 determine the extent to which adult Delta smelt are moving with
31 turbidity toward the export pumps; and

32 (B) use results from the monitoring under subparagraph (A) to
33 determine how increased trawling can inform daily real-time
34 Central Valley Project and State Water Project operations to
35 maximize fish and water supply benefits.

36 (c) Periodic Review of Monitoring.—Not later than 1 year after the date
37 of enactment of this Act, the Secretary of the Interior shall—

38 (1) evaluate whether the monitoring program under subsection (b),
39 combined with other monitoring programs for the Delta, is providing
40 sufficient data to inform Central Valley Project and State Water
41 Project operations to maximize the water supply for fish and water
42 supply benefits; and

DISCUSSION DRAFT

1 (2) determine whether the monitoring efforts should be changed in
2 the short or long term to provide more useful data.

3 (d) Delta Smelt Distribution Study.—

4 (1) IN GENERAL.—Not later than March 15, 2019, the Secretary of
5 the Interior shall—

6 (A) complete studies, to be initiated by not later than 90 days
7 after the date of enactment of this Act, designed—

8 (i) to understand the location and distribution of Delta
9 smelt throughout the range of the Delta smelt; and

10 (ii) to determine potential methods to minimize the
11 effects of Central Valley Project and State Water Project
12 operations on the Delta smelt;

13 (B) based on the best available science, if appropriate and
14 practicable, implement new targeted sampling and monitoring of
15 Delta smelt in order to maximize fish and water supply benefits
16 prior to completion of the study under subparagraph (A);

17 (C) to the maximum extent practicable, use new technologies
18 to allow for better tracking of Delta smelt, such as acoustic
19 tagging, optical recognition during trawls, and fish detection
20 using residual deoxyribonucleic acid (DNA); and

21 (D) if new sampling and monitoring is not implemented under
22 subparagraph (B), provide a detailed explanation of the
23 determination of the Secretary of the Interior that no change is
24 warranted.

25 (2) CONSULTATION.—In determining the scope of the studies under
26 this subsection, the Secretary of the Interior shall consult with—

27 (A) Central Valley Project and State Water Project water
28 contractors and public water agencies;

29 (B) other public water agencies;

30 (C) the California Department of Fish and Wildlife and the
31 California Department of Water Resources; and

32 (D) nongovernmental organizations.

33 (e) Scientifically Supported Implementation of OMR Flow
34 Requirements.—

35 (1) ENVIRONMENTAL PROTECTION MANDATE.—The Secretaries of
36 the Interior and Commerce shall take no action pursuant to this Act
37 that would cause additional adverse effects on the listed fish species
38 beyond the range of effects anticipated to occur to the listed fish
39 species for the duration of the applicable biological opinion, using the
40 best scientific and commercial data available.

DISCUSSION DRAFT

1 (2) REAL-TIME MANAGEMENT TO ACHIEVE MULTIPLE GOALS.—
2 Building upon previous drought operations in calendar years 2014
3 and 2015, the Secretaries of the Interior and Commerce shall monitor
4 in real time to determine the location and densities of listed fish
5 species relative to the pumps, Delta conditions, and other relevant
6 factors, in order to identify more accurately and precisely—

7 (A) opportunities to increase water pumping without violating
8 the standard in paragraph (1) or other applicable environmental
9 laws and regulations; and

10 (B) circumstances where it is necessary to decrease water
11 pumping to protect listed fish species.

12 (3) MANAGEMENT.—In implementing the smelt biological opinion
13 and the salmonid biological opinion, the Secretaries of the Interior
14 and Commerce shall manage the OMR in accordance with those
15 opinions to maximize water supplies for the Central Valley Project
16 and State Water Project, to the extent consistent with paragraph (1).

17 (4) REVERSE FLOW.—

18 (A) IN GENERAL.—With respect to the management of reverse
19 flow in the OMR under the smelt biological opinion, the
20 Secretary of the Interior shall implement the relevant provisions
21 of the smelt biological opinion to maximize Central Valley
22 Project and State Water Project water supplies, to the extent
23 consistent with paragraph (1).

24 (B) REQUIREMENTS.—If the Secretary determines to manage
25 rates of pumping at the C.W. “Bill” Jones and the Harvey O.
26 Banks pumping plants in the southern Delta to achieve a reverse
27 OMR flow rate less negative than -5,000 cubic feet per second,
28 the Secretary shall—

29 (i) document in writing any significant facts regarding
30 real-time conditions relevant to the determinations of OMR
31 reverse flow rates, including—

32 (I) targeted real-time fish monitoring in the Old
33 River pursuant to this section, including monitoring in
34 the vicinity of Station 902; and

35 (II) near-term forecasts with available salvage
36 models under prevailing conditions of the effects on
37 Delta smelt of OMR flow of -5,000 cubic feet per
38 second; and

39 (ii) explain in writing why any decision to manage OMR
40 reverse flow at rates less negative than -5,000 cubic feet per
41 second is necessary to comply with the environmental
42 standard in subparagraph (e)(1), after considering relevant

DISCUSSION DRAFT

1 factors such as—

2 (I) the distribution of Delta smelt throughout the
3 Delta;

4 (II) the potential effects of high entrainment risk on
5 subsequent Delta smelt abundance;

6 (III) the water temperature;

7 (IV) other significant factors relevant to the
8 determination, as required by applicable Federal or
9 State laws;

10 (V) turbidity; and

11 (VI) whether any alternative measures could have a
12 substantially lesser water supply impact.

13 (5) IMMEDIATE ACTION.—Nothing in this section shall prevent the
14 Secretaries of the Interior or Commerce from taking immediate
15 action to reduce pumping if necessary to do so to comply with the
16 Endangered Species Act, its implementing regulations, or to avoid
17 additional adverse effects on the listed fish species beyond the range
18 of effects anticipated to occur to the listed fish species for the
19 duration of the applicable biological opinion.

20 (f) First Sediment Flush.—During the first flush of sediment out of the
21 Delta in each water year, based on objective evidence and notwithstanding
22 subsection (e), the Secretary of the Interior may manage OMR flow,
23 pursuant to the portion of the smelt biological opinion that protects adult
24 Delta smelt from the first flush (Action 1 of the Reasonable and Prudent
25 Alternative Component 1), at rates less negative than -5,000 cubic feet per
26 second for the shortest time period necessary to avoid movement of adult
27 Delta smelt to areas in the southern Delta that would be likely to increase
28 entrainment at any Central Valley Project or State Water Project pumping
29 plant.

30 (g) Construction.—The Secretaries of the Interior and Commerce
31 may—

32 (1) implement subsection (e) building on, and taking into account
33 the effects of, previous operations in the 2014 and 2015 water years;
34 and

35 (2) use the results of monitoring through early warning surveys to
36 make real-time operational decisions under the applicable biological
37 opinion.

38 (h) Calculation of Reverse Flow in OMR.—Not later than 180 days
39 after the date of enactment of this Act, the Secretary, in consultation with
40 the California Department of Water Resources, consistent with the smelt
41 biological opinion and the salmonid biological opinion, shall—

DISCUSSION DRAFT

1 (1) review, including seeking public comment regarding, whether
2 any revision to the method used to calculate reverse flow in the OMR
3 for implementation of the reasonable and prudent alternatives in the
4 smelt biological opinion and the salmonid biological opinion for the
5 purpose of using the best available science and monitoring to
6 maximize fish and water supply benefits is warranted; and

7 (2) implement the revised method to calculate reverse flow in the
8 OMR pursuant to paragraph (1).

9 (i) Successor Biological Opinions.—The Secretaries of the Interior and
10 Commerce shall apply the provisions of this Act to successor biological
11 opinions to the salmonid biological opinion and the smelt biological
12 opinion, to the extent that the Secretaries of the Interior and Commerce
13 determine to be consistent with—

14 (1) section 701(a)(3); and

15 (2) the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.)
16 and the regulations implementing that Act.

17 SEC. 302. EMERGENCY OPERATIONS.

18 (a) Water Supplies.—

19 (1) IN GENERAL.—The Secretaries of the Interior and Commerce
20 shall provide the maximum quantity of water supplies practicable to
21 Central Valley Project agricultural, municipal, and industrial
22 contractors, water service or repayment contractors, water rights
23 settlement contractors, exchange contractors, refuge contractors, and
24 State Water Project contractors, by approving, in accordance with
25 applicable Federal and State laws (including regulations), operations
26 or temporary projects to provide additional water supplies as quickly
27 as practicable, based on available information, to address the
28 emergency conditions.

29 (2) APPLICATION.—

30 (A) IN GENERAL.—Subject to subparagraph (B), paragraph (1)
31 applies to any operation or temporary project involving the
32 Klamath Project, if the project or operation would benefit
33 Federal water contractors or otherwise alleviate drought
34 conditions in the State of California.

35 (B) EFFECT.—Nothing in this subsection limits or affects the
36 ability of the Secretaries of the Interior and Commerce to meet
37 the legal obligations of the Secretary, including all tribal trust
38 obligations.

39 (b) Administration.—In carrying out subsection (a), the Secretaries of
40 the Interior and Commerce shall, in accordance with applicable laws
41 (including regulations)—

DISCUSSION DRAFT

1 (1)(A) in close coordination with the California Department of
2 Water Resources and the California Department of Fish and Wildlife,
3 implement a pilot project to test and evaluate the ability to operate the
4 Delta cross-channel gates daily or as otherwise may be appropriate to
5 keep the gates open to the maximum extent practicable to protect out-
6 migrating salmonids, manage salinities in the interior Delta and any
7 other water quality issues, and maximize Central Valley Project and
8 State Water Project pumping, subject to the condition that the pilot
9 project shall be designed and implemented consistent with
10 operational criteria and monitoring criteria required by the California
11 State Water Resources Control Board, including its order, “Order
12 Approving a Temporary Urgency Change in License and Permit
13 Terms in Response to Drought Conditions”, effective on January 31,
14 2014 (or a successor order); and

15 (B) design, implement, and evaluate those real-time monitoring
16 capabilities to enable effective real-time operations of the cross-
17 channel in order efficiently to meet the objectives described in
18 subparagraph (A);

19 (2) with respect to the operation of the Delta cross-channel gates
20 described in paragraph (1), collect data on the impact of that
21 operation on—

22 (A) species listed as threatened or endangered under the
23 Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.);

24 (B) water quality; and

25 (C) water supply benefits;

26 (3) collaborate with the California Department of Water Resources
27 to install a deflection barrier at Georgiana Slough and the Delta
28 cross-channel gate to protect migrating salmonids, consistent with
29 knowledge gained from related activities carried out during 2014 and
30 2015;

31 (4) not later than May 15, 2016, submit to the Committees on
32 Energy and Natural Resources and Environment and Public Works of
33 the Senate and the Committee on Natural Resources of the House of
34 Representatives a notice and explanation regarding the extent to
35 which the gates are able to remain open pursuant to paragraphs (1)
36 through (3);

37 (5) implement turbidity control strategies that may allow for
38 increased water deliveries while avoiding jeopardy to adult Delta
39 smelt due consistent with the smelt biological opinion;

40 (6) adopt a 1:1 inflow-to-export ratio for the increment of
41 increased flow, as measured as a 3-day running average at Vernalis
42 during the period beginning on April 1 and ending on May 31, that

DISCUSSION DRAFT

1 results from the voluntary sale, transfer, or exchange, unless the
2 Secretaries of the Interior and Commerce determine in writing that
3 the ratio will cause additional adverse effects on any salmonid listed
4 fish species beyond the range of effects anticipated to occur to the
5 listed fish species for the duration of the salmonid biological opinion
6 using the best scientific and commercial data available and subject to
7 the condition that any individual sale, transfer, or exchange using that
8 ratio may only proceed if—

9 (A) the Secretary of the Interior determines that the
10 environmental effects of the proposed sale, transfer, or exchange
11 are consistent with effects permitted under applicable law
12 (including the Endangered Species Act (16 U.S.C. 1531 et seq.),
13 the Federal Water Pollution Control Act (33 U.S.C. 1381 et
14 seq.), and the Porter-Cologne Water Quality Control Act
15 (California Water Code 13000 et seq.);

16 (B) Delta conditions are suitable to allow movement of the
17 acquired, transferred, or exchanged water through the Delta, in
18 accordance with existing Central Valley Project and State Water
19 Project permitted water rights and the requirements of section
20 3405(a)(1)(H) of the Central Valley Project Improvement Act
21 (Public Law 102–575; 106 Stat. 4711); and

22 (C) the voluntary sale, transfer, or exchange of water results
23 in flow that is in addition to flow that otherwise would occur in
24 the absence of the voluntary sale, transfer, or exchange;

25 (7)(A) issue all necessary permit decisions under the authority of
26 the Secretaries of the Interior and Commerce by not later than 60
27 days after the date of receipt of a completed application by the State
28 of California to place and use temporary barriers or operable gates in
29 Delta channels to improve water quantity and quality for State Water
30 Project and Central Valley Project south-of-Delta water contractors
31 and other water users, which barriers or gates shall provide benefits
32 for species protection and in-Delta water user water quality, subject
33 to the condition that the barriers or gates shall be designed so that, if
34 practicable, formal consultations under section 7 of the Endangered
35 Species Act of 1973 (16 U.S.C. 1536) are not necessary; or

36 (B) take a longer period to issue the permit decisions described in
37 subparagraph (A) only if the Secretaries of the Interior and
38 Commerce determine in writing that an environmental impact
39 statement is needed for the proposal to comply with the National
40 Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.);

41 (8) allow and facilitate, consistent with existing priorities, water
42 transfers through the C.W. “Bill” Jones Pumping Plant or the Harvey
43 O. Banks Pumping Plant during the period beginning on April 1 and

DISCUSSION DRAFT

1 ending on November 30, subject to the condition that the transfers—

2 (A) are consistent with applicable Federal and State laws
3 (including regulations), including the California Environmental
4 Quality Act (California Public Resources Code 21000–21177);
5 and

6 (B) are consistent with the smelt biological opinion and the
7 salmonid biological opinion;

8 (9) require the Director and the Commissioner—

9 (A)(i) to determine whether a written transfer proposal is
10 complete by not later than 30 days after the date of submission
11 of the proposal; and

12 (ii) if the proposal is determined to be incomplete, to State
13 with specificity what shall be supplemented or revised to
14 complete the proposal; and

15 (B)(i) complete all requirements under the National
16 Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and
17 the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.)
18 necessary to make final permit decisions on water transfer
19 requests in the State of California by—

20 (I) not later than 30 days after the date of receipt of such
21 a request; or

22 (II) such later date as the Director or the Commissioner
23 determines to be necessary, only if the Director or the
24 Commissioner determines in writing that an environmental
25 impact statement is needed for the proposal to comply with
26 the National Environmental Policy Act of 1969 (42 U.S.C.
27 4321 et seq.); and

28 (ii) approve any water transfer request described in clause (i)
29 to maximize the quantity of water supplies, subject to the
30 condition that actions associated with the water transfer comply
31 with applicable Federal and State laws (including regulations)
32 and are consistent with—

33 (I) existing permitted water rights; and

34 (II) the requirements of section 3405(a)(1)(H) of the
35 Central Valley Project Improvement Act (Public Law 102–
36 575; 106 Stat. 4711);

37 (10) in coordination with the Secretary of Agriculture, enter into an
38 agreement with the National Academy of Sciences to conduct a
39 comprehensive study, to be completed not later than 1 year after the
40 date of enactment of this Act, on the effectiveness and environmental
41 impacts of saltcedar biological control efforts on increasing water

DISCUSSION DRAFT

1 supplies and improving riparian habitats of the Colorado River and its
2 principal tributaries, in the State of California and elsewhere;

3 (11) pursuant to the research and adaptive management provisions
4 of the smelt biological opinion and the salmonid biological opinion—

5 (A) use all available scientific tools to identify any changes to
6 real-time operations of Bureau of Reclamation, State of
7 California, or local water projects that could result in the
8 availability of additional water supplies; and

9 (B) determine whether alternative operational or other
10 management measures would meet applicable regulatory
11 requirements for listed species while maximizing water supplies
12 and water supply reliability; and

13 (12) continue to vary the averaging period of the maximum percent
14 of Delta Inflow Diverted (Delta export-inflow ratio), to the extent
15 consistent with any applicable California Water Resources Control
16 Board orders under decision D-1641 (which sets water quality
17 objectives for the San Francisco Bay/Sacramento-San Joaquin Delta
18 Estuary) to operate—

19 (A) to a ratio using a 3-day averaging period on the rising
20 limb of a Delta inflow hydrograph; and

21 (B) to a 14-day averaging period on the falling limb of the
22 Delta inflow hydrograph.

23 (c) Other Agencies.—To the extent that a Federal department or agency
24 other than the Department of the Interior or the Department of Commerce
25 has a role in approving a project described in subsection (a) or (b), this
26 section shall apply to the Federal department or agency.

27 (d) Accelerated Project Decision and Elevation.—

28 (1) IN GENERAL.—On request of the Governor of California, the
29 Secretaries of the Interior and Commerce shall use the expedited
30 procedures under this subsection to make final decisions relating to
31 Federal or federally approved projects or operational changes
32 proposed pursuant to subsections (a) and (b) to provide additional
33 water supplies or otherwise address emergency drought conditions.

34 (2) REQUEST FOR RESOLUTION.—

35 (A) IN GENERAL.—On request of the Governor of California,
36 the Secretaries of the Interior and Commerce or the head of
37 another Federal department or agency responsible for carrying
38 out a review of a project, as applicable, shall convene a final
39 project decision meeting with the heads of all relevant Federal
40 agencies to decide whether to approve a project to provide
41 emergency water supplies or otherwise address emergency

DISCUSSION DRAFT

1 drought conditions.

2 (B) MEETING.—A meeting under subparagraph (A) shall
3 convene not later than 7 days after the date of receipt of the
4 meeting request.

5 (3) NOTIFICATION.—On receipt of a request for a meeting under
6 this subsection, the Secretary of the Interior shall notify the heads of
7 all relevant Federal departments and agencies of the request,
8 including a description of—

9 (A) the project to be reviewed; and

10 (B) the date for the meeting.

11 (4) DECISION.—Not later than 10 days after the date on which a
12 meeting is requested under paragraph (2), the head of the relevant
13 Federal agency shall issue a final decision on the project.

14 (5) MEETING CONVENED BY SECRETARY.—The Secretary of the
15 Interior may convene a final project decision meeting under this
16 subsection at any time, at the discretion of the Secretary, regardless
17 of whether a meeting is requested under paragraph (2).

18 (6) LIMITATION.—The expedited procedures under this subsection
19 apply only—

20 (A) to proposed new Federal projects or operational changes
21 pursuant to subsection (a) or (b); and

22 (B) to the extent the procedures are consistent with applicable
23 laws (including regulations).

24 (e) Drought Plan.—For any year during which this section is in effect,
25 the Secretaries of the Interior and Commerce, in consultation with
26 appropriate State officials, shall develop a drought operations plan that is
27 consistent with this Act and other applicable Federal and State laws,
28 including provisions intended to provide additional water supplies that
29 could be of assistance during the drought in existence on the date of
30 enactment of this Act.

31 SEC. 303. TEMPORARY OPERATIONAL 32 FLEXIBILITY TO CAPTURE PEAK FLOWS 33 FROM WINTER STORMS.

34 (a) Environmental Protection Mandate.—The Secretaries of the Interior
35 and Commerce shall take no action pursuant to this Act that would cause
36 additional adverse effects on the listed fish species beyond the range of
37 effects anticipated to occur to the listed fish species for the duration of the
38 applicable biological opinion, using the best scientific and commercial
39 data available.

DISCUSSION DRAFT

1 (b) Real-time Management to Achieve Multiple Goals.—Pursuant to the
2 adaptive management provisions of the smelt biological opinion and the
3 salmonid biological opinion, the Secretaries of the Interior and Commerce
4 shall monitor in real time to determine the location and densities of listed
5 fish species relative to the pumps and Delta conditions, in order to identify
6 more accurately and precisely—

7 (1) opportunities to increase water pumping without violating the
8 standard in subsection (a) or other environmental laws and
9 regulations; and

10 (2) circumstances where it is necessary to decrease water pumping
11 to protect listed fish species.

12 (c) Requirement.—When consistent with the environmental protection
13 mandate in subsection (a) and other environmental protections under
14 subsection (e), the Secretaries of the Interior and Commerce, through the
15 drought contingency plans, shall evaluate and may authorize the Central
16 Valley Project and the State Water Project, combined, to operate at levels
17 that result in daily average OMR flows more negative than -5,000 cubic
18 feet per second (based on United States Geological Survey gauges on
19 OMR) to capture peak flows during storm-related events, in accordance
20 with subsections (d), (e), and (f).

21 (d) Factors to Be Considered.—In determining additional adverse
22 effects on any listed fish species beyond the range of effects anticipated to
23 occur to the listed fish species for the duration of the smelt biological
24 opinion or salmonid biological opinion, using the best scientific and
25 commercial data available, the Secretaries of the Interior and Commerce
26 may consider the following factors:

27 (1) The real-time distribution of listed species.

28 (2) Relevant physical parameters including projected inflows,
29 turbidity, salinities, and tidal cycles.

30 (3) Any other factor under the relevant biological opinion.

31 (e) Other Environmental Protections.—

32 (1) STATE LAW.—The actions of the Secretaries of the Interior and
33 Commerce pursuant to this section shall be consistent with applicable
34 regulatory requirements under State law.

35 (2) FIRST SEDIMENT FLUSH.—During the first flush of sediment out
36 of the Delta during each water year, subject to the condition that the
37 determination is based on objective evidence, OMR flow may be
38 pursuant to the salmonid biological opinion and Action 1 of
39 Reasonable and Prudent Alternative Component 1 in the smelt
40 biological opinion at rates less negative than -5,000 cubic feet per
41 second for the shortest time period necessary to avoid movement of
42 adult Delta smelt to areas in the southern Delta that would be likely

DISCUSSION DRAFT

1 to increase entrainment at Central Valley Project or State Water
2 Project pumping plants.

3 (3) APPLICABILITY.—

4 (A) IN GENERAL.—This section on capturing peak flows from
5 winter storms shall not affect the application of the salmonid
6 biological opinion during the period beginning on April 1 and
7 ending on May 31, unless the Secretary of Commerce
8 determines that this section can be applied during part or all of
9 that time period to provide emergency water supply relief
10 without resulting in additional adverse effects beyond those
11 anticipated to occur for the duration the salmonid biological
12 opinion.

13 (B) THROUGH-DELTA WATER TRANSFERS.—In addition to any
14 other actions to benefit water supply, the Secretaries of the
15 Interior and Commerce shall consider allowing through-Delta
16 water transfers to occur during the period referred to in
17 subparagraph (A), in accordance with section 302(b)(8).

18 (C) CVPIA.—A water transfer solely or exclusively through
19 the State Water Project shall not be required to be consistent
20 with section 3405(a)(1)(H) of the Central Valley Project
21 Improvement Act (Public Law 102–575; 106 Stat. 4711).

22 (4) MONITORING.—In implementing this section, the
23 Commissioner, in coordination with the Director, the Assistant
24 Administrator, and the California Department of Fish and Wildlife,
25 shall carry out a monitoring program and other data gathering
26 activities—

27 (A) to ensure incidental take levels are not exceeded; and

28 (B) to identify potential negative impacts, if any.

29 (f) Effect of High Outflows.—When exercising their authorities
30 pursuant to drought contingency plans to capture peak flows pursuant to
31 subsection (c), the Secretaries of the Interior and Commerce shall not
32 count any day during that period toward the 5-day or 14-day running
33 averages of tidally filtered daily OMR flow requirements under the smelt
34 biological opinion or the salmonid biological opinion unless doing so is
35 required to avoid additional adverse effects on listed fish species beyond
36 the range of effects anticipated to occur to the listed fish species for the
37 duration of the biological opinions, using the best scientific and
38 commercial data available.

39 SEC. 304. EMERGENCY ENVIRONMENTAL 40 REVIEWS.

41 To minimize the time spent carrying out environmental reviews and

DISCUSSION DRAFT

1 quickly to deliver water that is needed to address emergency drought
2 conditions in the State of California, the head of each applicable Federal
3 department or agency shall, in carrying out this title, consult with the
4 Council on Environmental Quality in accordance with section 1506.11 of
5 title 40, Code of Federal Regulations (or successor regulations), to develop
6 alternative arrangements to comply with the National Environmental
7 Policy Act of 1969 (42 U.S.C. 4321 et seq.) during the emergency.

8 SEC. 305. LEVEL OF DETAIL REQUIRED 9 FOR ANALYSIS.

10 In articulating the determinations and demonstrations required under
11 this title, the Secretaries of the Interior and Commerce shall—

12 (1) fully satisfy the requirements of this title using such quantity of
13 written supporting detail as is reasonable within the timeframe
14 permitted for timely decisionmaking in response to changing
15 conditions in the Delta; and

16 (2) make the decision document available on a publicly accessible
17 Internet website.

18 TITLE IV—WATER RIGHTS

19 SEC. 401. OFFSET FOR STATE WATER 20 PROJECT.

21 (a) Implementation Impacts.—The Secretary of the Interior shall confer
22 with the California Department of Fish and Wildlife in connection with
23 the implementation of this Act regarding potential impacts to any
24 consistency determination for operations of the State Water Project issued
25 pursuant to section 2080.1 of the California Fish and Game Code.

26 (b) Additional Yield.—If, as a result of the application of this Act, the
27 California Department of Fish and Wildlife—

28 (1) determines that operations of the State Water Project are
29 inconsistent with the consistency determinations issued pursuant to
30 California Fish and Game Code section 2080.1 for operations of the
31 State Water Project; or

32 (2) requires take authorization under California Fish and Game
33 Code section 2081 for operation of the State Water Project,

34 in a manner that directly or indirectly results in reduced water supply to
35 the State Water Project as compared with the water supply available under
36 the smelt biological opinion and the salmonid biological opinion, and as a
37 result, Central Valley Project yield is greater than it otherwise would have
38 been, then that additional yield shall be made available to the State Water
39 Project for delivery to State Water Project contractors to offset the reduced

DISCUSSION DRAFT

1 water supply, provided that if it is necessary to reduce water supplies for
2 any Central Valley Project authorized uses or contractors to make
3 available to the State Water Project that additional yield, such reductions
4 shall be applied to those uses or contractors that benefit from that
5 increased yield.

6 (c) Notification Related to Environmental Protections.—The Secretaries
7 of the Interior and Commerce shall—

8 (1) notify the Director of the California Department of Fish and
9 Wildlife regarding any changes in the manner in which the smelt
10 biological opinion or the salmonid biological opinion is implemented;
11 and

12 (2) confirm that those changes are consistent with the Endangered
13 Species Act of 1973 (16 U.S.C. 1531 et seq.).

14 (d) Savings.—Nothing in this section shall have any effect on the
15 application of the California Endangered Species Act (California Fish and
16 Game Code sections 2050 through 2116).

17 SEC. 402. AREA OF ORIGIN AND WATER 18 RIGHTS PROTECTIONS.

19 (a) In General.—In carrying out this Act, the Secretaries of the Interior
20 and Commerce shall not take any action that—

21 (1) diminishes, impairs, or otherwise affects in any manner any
22 area of origin, watershed of origin, county of origin, or any other
23 water rights protection, including rights to water appropriated before
24 December 19, 1914, provided under California law;

25 (2) limits, expands, or otherwise affects the application of section
26 10505, 10505.5, 11128, 11460, 11461, 11462, 11463, or 12200
27 through 12220 of the California Water Code or any other provision of
28 California water rights law, without respect to whether such a
29 provision is specifically referred to in this Act; or

30 (3) diminishes, impairs, or otherwise affects in any manner any
31 water rights or water rights priorities under applicable law.

32 (b) Effect of Act.—Nothing in this Act—

33 (1) affects or modifies any obligation of the Secretary of the
34 Interior under section 8 of the Act of June 17, 1902 (32 Stat. 390,
35 chapter 1093); or

36 (2) diminishes, impairs, or otherwise affects in any manner any
37 project purposes or priorities for the allocation, delivery, or use of
38 water under applicable law, including the project purposes and
39 priorities established under sections 3402 and section 3406 of the
40 Central Valley Project Improvement Act (Public Law 102–575; 106

DISCUSSION DRAFT

1 Stat. 4706).

2 SEC. 403. NO REDIRECTED ADVERSE 3 IMPACTS.

4 (a) Applicability.—

5 (1) IN GENERAL.—The Secretaries of the Interior and Commerce
6 shall not carry out any specific action pursuant to this Act that will
7 directly or, through State agency action, indirectly result in the
8 involuntary reduction of water supply to an individual, district, or
9 agency that has in effect a contract for water with the State Water
10 Project or the Central Valley Project, including settlement and
11 exchange contracts, refuge contracts, and Friant Division contracts,
12 as compared to the water supply that would be provided in the
13 absence of action under this Act.

14 (2) EFFECT OF ACT.—Nothing in this Act modifies, amends, or
15 affects any right or obligation of any party to a contract described in
16 paragraph (1).

17 (b) Action on Determination.—If, after exploring all options, the
18 Secretary makes a final determination that a proposed action under this
19 Act cannot be carried out in accordance with subsection (a), the
20 Secretary—

21 (1) shall document that determination in writing with regard to that
22 action, including a statement of the facts relied on, and an
23 explanation of the basis, for the decision; and

24 (2) is subject to applicable law, including the Endangered Species
25 Act of 1973 (16 U.S.C. 1531 et seq.).

26 SEC. 404. ALLOCATIONS FOR 27 SACRAMENTO VALLEY WATER SERVICE 28 CONTRACTORS.

29 (a) Definitions.—In this section:

30 (1) EXISTING CENTRAL VALLEY PROJECT AGRICULTURAL WATER
31 SERVICE CONTRACTOR WITHIN SACRAMENTO RIVER WATERSHED.—
32 The term “existing Central Valley Project agricultural water service
33 contractor within the Sacramento River Watershed” means any water
34 service contractor within the Shasta, Trinity, or Sacramento River
35 Division of the Central Valley Project that has in effect a water
36 service contract on the date of enactment of this Act that provides
37 water for irrigation.

38 (2) YEAR TERMS.—The terms “Above Normal”, “Below Normal”,
39 “Dry”, and “Wet”, with respect to a year, have the meanings given

DISCUSSION DRAFT

1 those terms in the Sacramento Valley Water Year Type (40–30–30)
2 Index.

3 (b) Allocations of Water.—

4 (1) ALLOCATIONS.—Subject to subsection (c), the Secretary of the
5 Interior shall make every reasonable effort in the operation of the
6 Central Valley Project to allocate water provided for irrigation
7 purposes to each existing Central Valley Project agricultural water
8 service contractor within the Sacramento River Watershed in
9 accordance with the following:

10 (A) Not less than 100 percent of the contract quantity shall be
11 allocated to the Central Valley Project agricultural water service
12 contractor within the Sacramento River Watershed in a Wet
13 year.

14 (B) Not less than 100 percent of the contract quantity shall be
15 allocated to the Central Valley Project agricultural water service
16 contractor within the Sacramento River Watershed in an Above
17 Normal year.

18 (C) Not less than 100 percent of the contract quantity shall be
19 allocated to the Central Valley Project agricultural water service
20 contractor within the Sacramento River Watershed in a Below
21 Normal year that is preceded by an Above Normal or Wet year.

22 (D) Not less than 50 percent of the contract quantity shall be
23 allocated to the existing Central Valley Project agricultural
24 water service contractor within the Sacramento River Watershed
25 in a Dry year that is preceded by a Below Normal, Above
26 Normal, or Wet year.

27 (E) Subject to paragraph (2), in any other year not identified
28 in any of subparagraphs (A) through (D), the Secretary shall
29 allocate not less than twice the allocation percentage to south-of-
30 Delta Central Valley Project agricultural water service
31 contractors, up to 100 percent.

32 (2) EFFECT OF SUBPARAGRAPH.—In the event of anomalous
33 circumstances, nothing in paragraph (1)(E) precludes an allocation to
34 an existing Central Valley Project agricultural water service
35 contractor within the Sacramento River Watershed that is greater than
36 twice the allocation percentage to a south-of-Delta Central Valley
37 Project agricultural water service contractor.

38 (c) Protection of Environment, Municipal, and Industrial Supplies and
39 Other Contractors.—

40 (1) ENVIRONMENT.—Nothing in subsection (b) shall adversely
41 affect any protections for the environment, including—

DISCUSSION DRAFT

- 1 (A) the cold water pool behind Shasta Dam or any other
2 Central Valley Project reservoir;
- 3 (B) the obligation of the Secretary of the Interior to make
4 water available to managed wetlands pursuant to section 3406(d)
5 of the Central Valley Project Improvement Act (Public Law
6 102–575; 106 Stat. 4722); or
- 7 (C) any obligation—
- 8 (i) of the Secretaries of the Interior and Commerce under
9 the smelt biological opinion, the salmonid biological
10 opinion, or any other applicable biological opinion; or
- 11 (ii) under the Endangered Species Act of 1973 (16
12 U.S.C. 1531 et seq.), the Central Valley Project
13 Improvement Act (Public Law 102–575; 106 Stat. 4706), or
14 any other applicable law (including regulations).
- 15 (2) MUNICIPAL AND INDUSTRIAL SUPPLIES.—Nothing in subsection
16 (b)—
- 17 (A) modifies any provision of a water service contract that
18 addresses municipal or industrial water shortage policies of the
19 Secretaries of the Interior and Commerce;
- 20 (B) affects or limits the authority of the Secretaries of the
21 Interior and Commerce—
- 22 (i) to adopt or modify municipal and industrial water
23 shortage policies; or
- 24 (ii) to implement a municipal or industrial water shortage
25 policy;
- 26 (C) constrains, governs, or affects, directly or indirectly, the
27 operations of the American River Division of the Central Valley
28 Project or any deliveries from that Division or a unit or facility
29 of that Division; or
- 30 (D) affects any allocation to a Central Valley Project
31 municipal or industrial water service contractor by increasing or
32 decreasing allocations to the contractor, as compared to the
33 allocation the contractor would have received absent subsection
34 (b).
- 35 (3) OTHER CONTRACTORS.—Nothing in subsection (b)—
- 36 (A) affects the priority of any individual or entity with a
37 Sacramento River settlement contract over water service or
38 repayment contractors;
- 39 (B) affects the obligation of the United States to make a
40 substitute supply of water available to the San Joaquin River

DISCUSSION DRAFT

1 exchange contractors;

2 (C) affects the allocation of water to Friant Division
3 contractors of the Central Valley Project;

4 (D) results in the involuntary reduction in contract water
5 allocations to individuals or entities with contracts to receive
6 water from the Friant Division; or

7 (E) authorizes any actions inconsistent with State water rights
8 law.

9 TITLE V—MISCELLANEOUS PROVISIONS

10 SEC. 501. AUTHORIZED SERVICE AREA.

11 (a) In General.—The service area of the Central Valley Project, as
12 authorized by the Central Valley Project Improvement Act (Public Law
13 102–575; 106 Stat. 4706), shall include the area within the boundaries of
14 the Kettleman City Community Services District of California, as in
15 existence on the date of enactment of this Act.

16 (b) Long-term Contract.—

17 (1) IN GENERAL.—Notwithstanding the Central Valley Project
18 Improvement Act (Public Law 102–575; 106 Stat. 4706) and subject
19 to paragraph (2), the Secretary of the Interior, in accordance with the
20 reclamation laws, shall enter into a long-term contract with the
21 Kettleman City Community Services District of California, under
22 terms and conditions mutually agreeable to the parties, for the
23 delivery of up to 900 acre-feet of Central Valley Project water for
24 municipal and industrial use.

25 (2) LIMITATION.—A Central Valley Project water delivery under
26 the contract entered into under paragraph (1) shall be limited to the
27 minimal quantity necessary to meet the immediate needs of the
28 Kettleman City Community Services District, in the event that local
29 supplies or State Water Project allocations are insufficient to meet
30 those needs.

31 (c) Permit.—The Secretary shall apply to the State of California for a
32 permit for a joint place of use for water deliveries under the contract
33 entered into under subsection (b) with respect to the expanded service area
34 under subsection (a), in accordance with State law.

35 (d) Additional Costs.—The applicable non-Federal entity shall pay the
36 costs of any additional infrastructure, water treatment, or related costs are
37 needed to carry out this section.

38 SEC. 502. OVERSIGHT OVER AND PUBLIC 39 INPUT INTO RESTORATION FUND

DISCUSSION DRAFT

1 ACTIVITIES.

2 Section 3407 of the Central Valley Project Improvement Act (Public
3 Law 102–575; 106 Stat. 4726) is amended by striking subsection (f) and
4 inserting the following:

5 “(f) Restoration Fund Financial Reports.—

6 “(1) TRANSPARENCY IN EXPENDITURES.—For the effective period
7 of the California Emergency Drought Relief Act, the Secretary shall
8 make available, on a publicly accessible Internet website, a report
9 describing a detailed work plan for the expenditure of all amounts
10 deposited in the Restoration Fund during the preceding fiscal year,
11 including—

12 “(A) a description of all receipts to, and uses of, funds
13 deposited in the Restoration Fund and the Restoration Account
14 during the preceding fiscal year;

15 “(B) a projection of the expected receipts to the Restoration
16 Fund and Restoration Account for the following fiscal year; and

17 “(C) an analysis of the effectiveness of each expenditure
18 included in the report covering the preceding fiscal year.

19 “(2) PUBLIC PARTICIPATION FOR PLANNED EXPENDITURES.—

20 “(A) IN GENERAL.—For each fiscal year, the Secretary shall
21 make available on a publicly accessible Internet website a
22 proposed draft work plan for the following fiscal year regarding
23 priorities and spending levels for projects and programs to be
24 carried out under this title.

25 “(B) PUBLIC COMMENT.—The draft work plan under this
26 paragraph shall be made available for public comment for a
27 period not less than 30 days.”.

28 SEC. 503. BASIN STUDIES.

29 (a) In General.—The Secretary of the Interior shall—

30 (1) expand opportunities and expedite completion of assessments
31 under the Secure Water Act (section 9503(b) of Public Law 111–11
32 (42 U.S.C. 10363(b)), together with non-Federal partners, of
33 individual sub-basins and watersheds within major Reclamation river
34 basins; and

35 (2) ensure prompt decisionmaking regarding, and expedited
36 implementation of, adaptation and mitigation strategies developed
37 through the special study process.

38 (b) Contributed Funds.—The Secretary may accept and use
39 contributions of funds from the non-Federal partners to carry out activities

DISCUSSION DRAFT

1 under the special studies consistent with the administration of basin
2 studies program criteria.

3 SEC. 504. TECHNICAL AND MODELING 4 ASSISTANCE.

5 (a) In General.—The Secretaries of the Interior and Commerce may
6 provide technical and modeling assistance on request to the State Water
7 Resources Control Board during the drought emergency in effect on the
8 date of enactment of this Act.

9 (b) Data Availability.—The Secretaries of the Interior and Commerce
10 shall make publicly available on request any modeling and data provided
11 under subsection (a).

12 SEC. 505. REPORT ON RESULTS OF WATER 13 USAGE.

14 The Secretary of the Interior, in consultation with the Secretary of
15 Commerce and the Secretary of Natural Resources of the State of
16 California, shall publish an annual report describing, with respect to the
17 period covered by the report—

- 18 (1) instream flow releases from the Central Valley Project and
19 State Water Project;
20 (2) the explicit purpose and authority of those releases; and
21 (3) all measured environmental benefits as a result of the releases.

22 SEC. 506. ADDITIONAL STORAGE AT NEW 23 MELONES.

24 (a) Coordination.—The Commissioner shall coordinate with local water
25 and irrigation districts in the Stanislaus River Basin to identify the
26 quantity of water storage made available by the draft plan of operations in
27 New Melones Reservoir (referred to in this section as the “draft plan”)
28 for—

- 29 (1) water conservation programs;
30 (2) conjunctive use projects;
31 (3) water transfers;
32 (4) rescheduled project water; and
33 (5) other projects to maximize water storage and ensure the
34 beneficial use of the water resources in the Stanislaus River Basin.

35 (b) Requirement.—The programs and projects described in subsection
36 (a) shall be implemented in accordance with applicable laws (including

DISCUSSION DRAFT

1 regulations).

2 (c) Source of Water.—The source of water for any storage program
3 carried out under this section at New Melones Reservoir shall be made
4 available under a valid water right, in accordance with—

5 (1) the water transfer guidelines of the State of California; and

6 (2) any other applicable State water law.

7 (d) Report.—Not later than 18 months after the date of identification of
8 the quantity of storage made available under the draft plan that has been
9 allocated under this section, the Commissioner shall submit to Congress a
10 report describing the implementation of this section, including proposals
11 received by the Commissioner from interested parties for purposes of this
12 section.

13 SEC. 507. CONTRACTING AUTHORITIES.

14 (a) Delta Research Station Leases.—Notwithstanding section 585 of
15 title 40, United States Code, the Secretaries of the Interior and Commerce
16 may enter directly into any lease of real property for the Delta Research
17 Station.

18 (b) Collaborative Processes.—Notwithstanding the Federal Advisory
19 Committee Act (5 U.S.C. App.) and applicable Federal acquisitions and
20 contracting authorities, the Secretaries of the Interior and Commerce may
21 use the collaborative processes under the Collaborative Science Adaptive
22 Management Program to enter into contracts with specific individuals or
23 organizations directly or in conjunction with appropriate State agencies.

24 SEC. 508. SINGLE ANNUAL REPORT.

25 To the maximum extent practicable, the Secretary of the Interior shall
26 combine into 1 report the annual reports required to be submitted under
27 this Act to the Committees on Appropriations and Energy and Natural
28 Resources of the Senate and the Committees on Appropriations and
29 Natural Resources of the House of Representatives.

30 TITLE VI—OFFSETS

31 SEC. 601. DEAUTHORIZATION OF 32 INACTIVE PROJECTS.

33 (a) Purposes; Definitions.—

34 (1) PURPOSES.—The purposes of this section are—

35 (A) to identify Bureau of Reclamation projects and programs
36 that are no longer feasible due to—

37 (i) a lack of local support;

DISCUSSION DRAFT

1 (ii) a lack of available Federal or non-Federal resources;
2 or

3 (iii) an authorized purpose that is no longer relevant or
4 feasible;

5 (B) to establish an efficient and transparent process for
6 deauthorizing Reclamation projects and programs that have
7 failed to receive a minimum level of investment to ensure active
8 projects can move forward while reducing the backlog of
9 authorized projects;

10 (C) to create an expedited and definitive process to
11 deauthorize Reclamation projects and programs;

12 (D) to allow the continued authorization of programs and
13 projects that are feasible; and

14 (E) to establish a process for identifying authorized
15 Reclamation projects and programs that are no longer—

16 (i) in the Federal interest; or

17 (ii) feasible.

18 (2) DEFINITIONS.—In this section:

19 (A) RECLAMATION PROJECT OR PROGRAM.—The term
20 “Reclamation project or program” includes any project or
21 program that is administered by the Bureau of Reclamation.

22 (B) SECRETARY.—The term “Secretary” means the Secretary
23 of the Interior.

24 (b) Comprehensive Reports.—

25 (1) MINIMUM FUNDING LIST.—Not later than 180 days after the
26 date of enactment of this Act, the Secretary shall submit to the
27 Committee on Energy and Natural Resources of the Senate and the
28 Committee on Natural Resources of the House of Representatives,
29 and make available on a publicly accessible Internet website in a
30 manner that is downloadable, searchable, and sortable, a list of—

31 (A) Reclamation programs authorized, and for which funding
32 was obligated, during the current fiscal year or any of the
33 preceding 5 fiscal years; and

34 (B)(i) Reclamation projects or separable elements of projects
35 authorized for construction for which funding has been obligated
36 during the current fiscal year or any of the 5 preceding fiscal
37 years;

38 (ii) the amount of funding obligated for each such project or
39 separable element per fiscal year;

DISCUSSION DRAFT

- 1 (iii) the current phase of each such project or separable
2 element; and
- 3 (iv) the amount required to complete the current phase of each
4 such project or separable element.
- 5 (2) BACKLOG REPORT.—Together with the report under paragraph
6 (1), the Secretary shall submit to the Committee on Energy and
7 Natural Resources of the Senate and the Committee on Natural
8 Resources of the House of Representatives, and make available on a
9 publicly accessible Internet website in a manner that is downloadable,
10 searchable, and sortable, a list of—
- 11 (A) Reclamation programs that are authorized and for which
12 funding was not obligated during the current fiscal year or any
13 of the preceding 5 fiscal years; and
- 14 (B)(i) projects or separable elements that are authorized for
15 construction but have not been completed;
- 16 (ii) the date of authorization of the project or separable
17 element, including any subsequent modifications to the original
18 authorization;
- 19 (iii) the original budget authority for the project or separable
20 element;
- 21 (iv) a brief description of the project or separable element;
- 22 (v) the estimated date of completion of the project or
23 separable element;
- 24 (vi) the estimated cost of completion of the project or
25 separable element; and
- 26 (vii) any amounts appropriated for the project or separable
27 element that remain unobligated.
- 28 (c) Interim Deauthorization List.—
- 29 (1) IN GENERAL.—The Secretary shall develop an interim
30 deauthorization list that identifies each authorized Reclamation
31 program or project, or separable element of a Reclamation program
32 or project, for which Federal or non-Federal funds were not obligated
33 for construction during—
- 34 (A) the applicable fiscal year; or
- 35 (B) any of the 5 preceding fiscal years.
- 36 (2) SPECIAL RULE FOR PROJECTS RECEIVING FUNDS FOR POST-
37 AUTHORIZATION STUDY.—A Reclamation project or separable
38 element of a Reclamation project may not be identified on the interim
39 deauthorization list, or on the final deauthorization list under
40 subsection (d), if the Reclamation project or separable element

DISCUSSION DRAFT

1 received funding for a post-authorization study during—

2 (A) the applicable fiscal year; or

3 (B) any of the 5 preceding fiscal years.

4 (3) PUBLIC COMMENT AND CONSULTATION.—

5 (A) IN GENERAL.—The Secretary shall solicit comments from
6 the public and the Governors of each applicable State regarding
7 the interim deauthorization list developed under paragraph (1).

8 (B) COMMENT PERIOD.—The public comment period under
9 subparagraph (A) shall be 90 days.

10 (4) SUBMISSION TO CONGRESS; PUBLICATION.—Not later than 90
11 days after the date of submission of the list required under subsection
12 (b), the Secretary shall—

13 (A) submit the interim deauthorization list to the Committee
14 on Energy and Natural Resources of the Senate and the
15 Committee on Natural Resources of the House of
16 Representatives; and

17 (B) publish the interim deauthorization list in the Federal
18 Register.

19 (d) Final Deauthorization List.—

20 (1) IN GENERAL.—The Secretary shall develop a final
21 deauthorization list of each Reclamation program or project, or
22 separable element of a Reclamation program or project, described in
23 subsection (c)(1) that is identified pursuant to this subsection.

24 (2) IDENTIFICATION OF PROJECTS.—

25 (A) SEQUENCING.—

26 (i) IN GENERAL.—The Secretary shall identify
27 Reclamation projects and separable elements of
28 Reclamation projects for inclusion on the final
29 deauthorization list according to the order in which the
30 Reclamation projects and separable elements were
31 authorized, beginning with the earliest-authorized
32 Reclamation projects and separable elements.

33 (ii) FACTORS FOR CONSIDERATION.—The Secretary may
34 identify a Reclamation program, project, or separable
35 element of a Reclamation program or project for exclusion
36 from the final deauthorization list if the Secretary
37 determines, on a case-by-case basis, that the Reclamation
38 program, project, or separable element is critical for
39 interests of the United States, based on the possible impact
40 of the Reclamation program, project, or separable element

DISCUSSION DRAFT

1 on—

2 (I) public health and safety;

3 (II) the national economy; or

4 (III) the environment.

5 (iii) CONSIDERATION OF PUBLIC COMMENTS.—In making
6 a determination under clause (i) or (ii), the Secretary shall
7 take into consideration any comments received under
8 subsection (c)(3).

9 (B) APPENDIX.—The Secretary shall include as part of the
10 final deauthorization list an appendix that—

11 (i) identifies each Reclamation program, project, and
12 separable element of a Reclamation program or project on
13 the interim deauthorization list developed under subsection
14 (c) that is not included on the final deauthorization list; and

15 (ii) describes the reasons why the Reclamation program,
16 project, or separable element is not included.

17 (3) SUBMISSION TO CONGRESS; PUBLICATION.—Not later than 120
18 days after the date of expiration of the public comment period under
19 subsection (c)(3), the Secretary shall—

20 (A) submit the final deauthorization list and the appendix
21 under paragraph (2)(B) to the Committee on Energy and Natural
22 Resources of the Senate and the Committee on Natural
23 Resources of the House of Representatives; and

24 (B) publish the final deauthorization list and the appendix in
25 the Federal Register.

26 (e) Deauthorization; Congressional Review.—

27 (1) IN GENERAL.—Subject to paragraph (2), effective beginning on
28 the date that is 180 days after the date of submission of the final
29 deauthorization list under subsection (d), a Reclamation program,
30 project, or separable element of a Reclamation program or project
31 included on the list is deauthorized, unless Congress passes a joint
32 resolution disapproving the final deauthorization report before that
33 date.

34 (2) NON-FEDERAL CONTRIBUTIONS.—A Reclamation program,
35 project, or separable element included on the final deauthorization list
36 under subsection (d) shall not be deauthorized under this subsection
37 if, before the expiration of the 180-day period referred to in
38 paragraph (1), the non-Federal interest of the Reclamation program,
39 project, or separable element provides sufficient funds to complete
40 the Reclamation program, project, or separable element.

DISCUSSION DRAFT

1 (f) Treatment of Project Modifications.—For purposes of this section, if
2 an authorized water resources development Reclamation program, project,
3 or separable element of the program or project has been modified by an
4 Act of Congress, the date of authorization of the Reclamation program,
5 project, or separable element shall be deemed to be the date of the most
6 recent modification.

7 (g) Exemption.—Any Reclamation project that would yield an average
8 of more than 200,000 acre-feet of water per year shall be exempt from this
9 subsection.

10 SEC. 602. ACCELERATED REVENUE, 11 REPAYMENT, AND SURFACE WATER 12 STORAGE ENHANCEMENT.

13 (a) Short Title.—This section may be cited as the “Accelerated
14 Revenue, Repayment, and Surface Water Storage Enhancement Act”.

15 (b) Definitions.—In this section:

16 (1) ACCOUNT.—The term “Account” means the Reclamation
17 Surface Water Storage Account established under subsection (f)(1).

18 (2) CONSTRUCTION.—

19 (A) IN GENERAL.—The term “construction” means the
20 designing, materials engineering and testing, surveying, and
21 building of surface water storage.

22 (B) INCLUSIONS.—The term “construction” includes—

23 (i) any addition to existing surface water storage; and

24 (ii) construction of a new surface water storage facility.

25 (C) EXCLUSIONS.—The term “construction” excludes any
26 Federal statutory or regulatory obligation relating to any permit,
27 review, approval, or other similar requirement.

28 (3) SECRETARY.—The term “Secretary” means the Secretary of the
29 Interior.

30 (4) SURFACE WATER STORAGE.—The term “surface water storage”
31 means storage at—

32 (A) any federally owned facility under the jurisdiction of the
33 Bureau of Reclamation; or

34 (B) any non-Federal facility used for the surface storage and
35 supply of water resources.

36 (5) TREASURY RATE.—The term “Treasury rate” means the 20-year
37 constant maturity treasury rate published by the United States
38 Treasury, as in existence on the effective date of the applicable

DISCUSSION DRAFT

1 contract.

2 (6) WATER USERS ASSOCIATION.—

3 (A) IN GENERAL.—The term “water users association” means
4 an entity organized and recognized under State law that is
5 eligible to enter into contracts with the Commissioner—

6 (i) to receive contract water for delivery to users of the
7 water; and

8 (ii) to pay any applicable charges.

9 (B) INCLUSIONS.—The term “water users association”
10 includes—

11 (i) an association;

12 (ii) a conservatory district;

13 (iii) an irrigation district;

14 (iv) a municipality; and

15 (v) a water project contract unit.

16 (c) Conversion and Prepayment of Contracts.—

17 (1) CONVERSION.—

18 (A) IN GENERAL.—On receipt of a request from a water users
19 association, the Secretary shall convert any water service
20 contract in effect on the date of enactment of this Act between
21 the United States and the water users association to allow for
22 prepayment of the repayment contract in accordance with this
23 paragraph under mutually agreeable terms and conditions.

24 (B) MANNER.—The manner of conversion under this
25 paragraph shall be as follows:

26 (i) Water service contracts entered under section 9(c)(2)
27 of the Act of August 4, 1939 (53 Stat. 1194, chapter 418),
28 to be converted under this section shall be converted to a
29 contract under section 9(c)(1) of that Act (53 Stat. 1194,
30 chapter 418).

31 (ii) Water service contracts entered into under section
32 9(e) of the Act of August 4, 1939 (53 Stat. 1196, chapter
33 418), to be converted under this section shall be converted
34 to repayment contracts under section 9(d) of that Act (53
35 Stat. 1195, chapter 418).

36 (2) PREPAYMENT.—

37 (A) SECTION 9(C)(1).—Except for a repayment contract under
38 which the applicable water users association has previously

DISCUSSION DRAFT

1 negotiated for prepayment, each repayment contract under
2 section 9(c)(1) of the Act of August 4, 1939 (53 Stat. 1194,
3 chapter 418) (including any contract converted pursuant to
4 paragraph (1)(B)(i)), in effect on the date of enactment of this
5 Act shall, at the request of the water users association—

6 (i) provide for the repayment in lump sum of the
7 remaining construction costs identified in an applicable
8 water project-specific municipal or industrial rate
9 repayment schedule (as adjusted to reflect payment not
10 reflected in the schedule) and properly assignable for
11 ultimate return by the water users association, subject to the
12 condition that an estimate of the remaining construction
13 costs, as adjusted, shall be provided by the Secretary to the
14 water users association by not later than 90 days after the
15 date of receipt of the request of the water users association;

16 (ii) require that any construction costs or other
17 capitalized costs that were incurred after the effective date
18 of the contract, were not reflected in the rate schedule
19 referred to in clause (i), or were not properly assignable to
20 the water users association, and were incurred as a result of
21 a collective annual allocation of capital costs to the water
22 users association electing contract conversion under this
23 subsection, shall be repaid—

24 (I) for costs equal to less than \$5,000,000, by not
25 later than the date that is 5 years after the date of
26 notification of the allocation; or

27 (II) for costs equal to \$5,000,000 or more, in
28 accordance with applicable reclamation laws; and

29 (iii) continue in effect for the period during which the
30 water users association pays applicable charges in
31 accordance with section 9(c)(1) of the Act of August 4,
32 1939 (53 Stat. 1194, chapter 418), and other applicable law.

33 (B) SECTION 9(D).—Except for a repayment contract under
34 which the applicable water users association has previously
35 negotiated for prepayment, each repayment contract under
36 section 9(d) of the Act of August 4, 1939 (53 Stat. 1195, chapter
37 418) (including any contract converted pursuant to paragraph
38 (1)(B)(ii)), in effect on the date of enactment of this Act shall, at
39 the request of the water users association—

40 (i) provide for repayment of the remaining construction
41 costs identified in an applicable water project-specific
42 irrigation rate repayment schedule (as adjusted to reflect
43 payment not reflected in the schedule) and properly

DISCUSSION DRAFT

1 assignable for ultimate return by the water users association
2 in lump sum, by accelerated prepayment, or if made in
3 approximately equal installments, by not later than 3 years
4 after the effective date of the repayment contract, subject to
5 the conditions that—

6 (I) the amount shall be discounted by $\frac{1}{2}$ the
7 Treasury rate; and

8 (II) the estimate of the remaining construction costs,
9 as adjusted, shall be provided by the Secretary to the
10 water users association by not later than 90 days after
11 the date of receipt of the request of the water users
12 association;

13 (ii) require that any construction costs or other
14 capitalized costs that were incurred after the effective date
15 of the contract, were not reflected in the rate schedule
16 referred to in clause (i), or were not properly assignable to
17 the water users association, and were incurred as a result of
18 a collective annual allocation of capital costs to the water
19 users association electing contract conversion under this
20 subsection, shall be repaid—

21 (I) for costs equal to less than \$5,000,000, by not
22 later than the date that is 5 years after the date of
23 notification of the allocation; or

24 (II) for costs equal to \$5,000,000 or more, in
25 accordance with applicable reclamation laws;

26 (iii) provide that power revenues will not be available to
27 aid in repayment of construction costs allocated to
28 irrigation under the contract; and

29 (iv) continue in effect for the period during which the
30 water users association pays applicable charges in
31 accordance with section 9(d) of the Act of August 4, 1939
32 (53 Stat. 1195, chapter 418), and other applicable law.

33 (3) TREATMENT.—A contract entered into pursuant to this
34 subsection—

35 (A) shall not be adjusted on the basis of the type of
36 prepayment financing used by the applicable water users
37 association;

38 (B) shall conform to any other applicable agreement, such as
39 a settlement agreement or a new constructed appurtenant facility
40 agreement; and

41 (C) shall not modify any other—

DISCUSSION DRAFT

- 1 (i) water service, repayment, exchange, or transfer
2 contractual right between the water users association, and
3 the Bureau of Reclamation; or
4 (ii) right, obligation, or relationship of the water users
5 association and an applicable landowner in accordance with
6 State law.

7 (d) Accounting.—

8 (1) ADJUSTMENT.—The amounts paid pursuant to subsection (c)
9 shall be subject to adjustment following a final cost allocation by the
10 Secretary.

11 (2) DEFICIENCIES.—

12 (A) IN GENERAL.—If the final cost allocation under paragraph
13 (1) indicates that the costs properly assignable to a water users
14 association are greater than the costs paid by the water users
15 association, the water users association shall be obligated to pay
16 to the Secretary the remaining allocated costs under an
17 additional repayment contract under subparagraph (B).

18 (B) ADDITIONAL REPAYMENT CONTRACTS.—An additional
19 repayment contract required by subparagraph (A) shall—

20 (i) have a term of—

21 (I) not less than 1 year; and

22 (II) not more than 10 years; and

23 (ii) include such mutually agreeable provisions regarding
24 the rate of repayment of the deficient amount as may be
25 developed by the parties.

26 (3) OVERPAYMENTS.—If the final cost allocation under paragraph
27 (1) indicates that the costs properly assignable to a water users
28 association are less than the costs paid by the water users association,
29 the Secretary shall credit the amount of the overpayment as an offset
30 against any outstanding or future obligation of the water users
31 association.

32 (e) Applicability of Certain Provisions.—

33 (1) EFFECT OF EXISTING LAW.—On compliance by a water users
34 association with, and discharge of the obligation of repayment of the
35 construction costs pursuant to, a contract entered into under to
36 subsection (c)(2)(B), subsections (a) and (b) of section 213 of the
37 Reclamation Reform Act of 1982 (43 U.S.C. 390mm) shall apply to
38 any affected land.

39 (2) EFFECT OF OTHER OBLIGATIONS.—The obligation of a water
40 users association to repay any construction costs or other capitalized

DISCUSSION DRAFT

1 cost described in subparagraph (A)(ii) or (B)(ii) of subsection (c)(2),
2 or subsection (d), shall not, on repayment, affect—

3 (A) the status of the water users association as having repaid
4 all of the construction costs assignable to the water users
5 association; or

6 (B) the applicability of subsection (a) or (b) of section 213 of
7 the Reclamation Reform Act of 1982 (43 U.S.C. 390mm).

8 (f) Surface Water Storage Enhancement Program.—

9 (1) ESTABLISHMENT OF ACCOUNT.—The Secretary shall establish
10 an account, to be known as the “Reclamation Surface Storage
11 Account”, consisting of such amounts as are deposited in the Account
12 under paragraph (2), to fund the construction of surface water
13 storage.

14 (2) DEPOSITS.—Not later than 3 years after the date of enactment
15 of this Act, an amount equal to 50 percent of receipts generated from
16 the prepayment of contracts under this section in excess of amounts
17 necessary to cover the amount of receipts forgone from scheduled
18 payments under applicable law in effect on that date of enactment
19 during the 10-year period beginning on that date of enactment shall
20 be deposited in the Account.

21 (3) USE.—

22 (A) COOPERATIVE AGREEMENTS.—The Secretary may—

23 (i) enter into cooperative agreements with water users
24 associations for the construction of surface water storage;
25 and

26 (ii) use amounts in the Account to fund construction
27 under such a cooperative agreement.

28 (B) TREATMENT.—A surface water storage project that is
29 otherwise not federally authorized shall not be considered to be
30 a Federal facility as a result of the allocation of any amount from
31 the Account for any portion of the project.

32 (4) REPAYMENT.—Any amount from the Account used for surface
33 water storage construction shall be fully reimbursed to the Account in
34 accordance with applicable requirements under the reclamation laws,
35 except that all funds reimbursed shall be deposited in the Account.

36 (5) AVAILABILITY OF AMOUNTS.—The amounts deposited in the
37 Account under this subsection shall—

38 (A) be made available for the storage projects identified in
39 section 402, subject to appropriation; and

40 (B) be in addition to amounts appropriated for those purposes

DISCUSSION DRAFT

1 under any other provision of law.

2 (6) PURPOSES OF SURFACE WATER STORAGE.—The construction of
3 surface water storage under this section shall be made available for
4 the federally owned and State-led storage projects pursued under this
5 Act, provided that funds are limited to the Federal cost-share (up to
6 25 percent for State-led projects and up to 50 percent for federally
7 owned projects).

8 (g) Effect of Section.—Nothing in this section—

9 (1) alters the repayment obligation of any water service or
10 repayment contractor receiving water from a water project, or shifts
11 any costs that would otherwise have been properly assignable to a
12 water users association described in subsection (c) or another
13 contractor, absent this section, including operation and maintenance
14 costs, construction costs, or other capitalized costs incurred after the
15 date of enactment of this Act; or

16 (2) alters any specific requirement for the disposition of amounts
17 received as repayments by the Secretary under the reclamation laws.

18 TITLE VII—DURATION AND EFFECT ON 19 EXISTING OBLIGATIONS

20 SEC. 701. SAVINGS CLAUSE.

21 (a) In General.—This Act shall not be interpreted or implemented in a
22 manner that—

23 (1) preempts or modifies any obligation of the United States to act
24 in conformance with applicable State law;

25 (2) affects or modifies any obligation under the Central Valley
26 Project Improvement Act (Public Law 102–575; 106 Stat. 4706),
27 except for the procedural provisions relating to public input and
28 savings provisions for the Stanislaus River predator management
29 program expressly established by sections 203 and 502; or

30 (3) overrides, modifies, or amends the applicability of the
31 Endangered Species Act of 1973 (16 U.S.C. 1531 et seq) or the
32 application of the smelt and salmonid biological opinions to the
33 operation of the Central Valley Project or the State Water Project.

34 (b) Sense of Congress.—It is the sense of Congress that there is no
35 conflict between this Act and the salmonid biological opinion, the smelt
36 biological opinion, the Endangered Species Act of 1973 (16 U.S.C. 1531
37 et seq.), and the Central Valley Project and State Water Project Drought
38 Contingency Plan of 2015.

39

DISCUSSION DRAFT

1 **SEC. 702. TERMINATION.**

2 All of title III (relating to California emergency drought relief and
3 operational flexibility), except for subsections (a) through (d) of section
4 301, and title IV (relating to water rights) shall expire on the date that is
5 the later of—

6 (1) the date on which the Governor of the State of California
7 declares an end to the State drought emergency; or

8 (2) two years after the date of enactment of this Act.
9