

114TH CONGRESS
1ST SESSION

S. _____

To provide short-term water supplies to drought-stricken California.

IN THE SENATE OF THE UNITED STATES

_____ introduced the following bill; which was read twice
and referred to the Committee on _____

A BILL

To provide short-term water supplies to drought-stricken
California.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the
5 “California Emergency Drought Relief Act of 2015”.

6 (b) **TABLE OF CONTENTS.**—The table of contents of
7 this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Definitions.

TITLE I—CALIFORNIA EMERGENCY DROUGHT RELIEF

Subtitle A—Drought Relief Actions

Sec. 101. Emergency operations.

Sec. 102. Emergency environmental reviews.

2

Sec. 103. State revolving funds.

Subtitle B—Protection of Third-party Water Rights

Sec. 111. Offset for State water project.

Sec. 112. Area of origin and water rights protections.

Sec. 113. No redirected adverse impacts.

Subtitle C—General Provisions

Sec. 121. Effect on existing obligations.

Sec. 122. Level of detail required for analysis.

Sec. 123. Progress report.

Sec. 124. Termination.

TITLE II—ACTIONS TO BENEFIT FISH AND REFUGES

Sec. 201. Actions to benefit threatened and endangered fish populations.

Sec. 202. Pilot program to protect native anadromous fish in Stanislaus River, Delta, and other Delta tributaries.

Sec. 203. Improved science to better protect threatened and endangered fish.

Sec. 204. Actions to benefit refuges.

TITLE III—LONG-TERM WATER SUPPLY PROJECTS

Subtitle A—Desalination and Water Reuse

Sec. 301. Water recycling and desalination projects.

Sec. 302. Reauthorization of Desalination Act.

Subtitle B—Storage

Sec. 311. Definitions.

Sec. 312. Federal support for investments in storage.

Sec. 313. CALFED storage projects.

Sec. 314. Authorization to increase reservoir capacity as part of dam safety projects.

Sec. 315. Reservoir operation improvement.

Sec. 316. Report to Congress.

Subtitle C—Water Recycling, Conservation, Efficiency, and Other Programs

Sec. 321. Promoting water efficiency with WaterSense.

Sec. 322. Increasing opportunities for agricultural conservation.

Sec. 323. Assistance for drought-stricken communities.

Sec. 324. Conservation at California military installations.

Sec. 325. Support for State Water Resources Control Board curtailment of illegal water diversions.

Sec. 326. Combating water theft for illegal marijuana cultivation.

Sec. 327. Support for innovative water supply and conservation technologies.

Sec. 328. Open water data system.

TITLE IV—FEDERAL SUPPORT FOR STATE AND LOCAL DROUGHT RESILIENCY PROJECTS

Subtitle A—Reclamation Infrastructure Finance and Innovation Act

Sec. 401. Purposes.

Sec. 402. Definitions.

- Sec. 403. Authority to provide assistance.
- Sec. 404. Applications.
- Sec. 405. Eligibility for assistance.
- Sec. 406. Determination of eligibility and project selection.
- Sec. 407. Secured loans.
- Sec. 408. Program administration.
- Sec. 409. State and local permits.
- Sec. 410. Regulations.
- Sec. 411. Funding.
- Sec. 412. Deauthorization of inactive projects.

Subtitle B—Expansion of Water Storage, Integrated Regional Water
Management, and WaterSMART

- Sec. 421. Water storage, integrated regional water management, reclamation,
and recycling projects.

Subtitle C—Water Recycling Eligibility

- Sec. 431. New water recycling and reuse projects.

Subtitle D—Federal Support for State and Local Drought Solutions Fund

- Sec. 441. Establishment.
- Sec. 442. Accounts.
- Sec. 443. Deposits to Fund.
- Sec. 444. Expenditures from Fund.
- Sec. 445. Investments of amounts.
- Sec. 446. Transfers of amounts.
- Sec. 447. Termination.

1 SEC. 2. DEFINITIONS.

2 In this Act:

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

8 (2) **DELTA.**—The term “Delta” means the Sac-
9 ramento-San Joaquin Delta and the Suisun Marsh
10 (as defined in section 12220 of the California Water
11 Code and section 29101 of the California Public Re-

1 sources Code (as in effect on the date of enactment
2 of this Act)).

3 (3) SALMONID BIOLOGICAL OPINION.—The
4 term “salmonid biological opinion” means the bio-
5 logical and conference opinion of the National Ma-
6 rine Fisheries Service, dated June 4, 2009, on the
7 long-term operation of the Central Valley Project
8 and the State Water Project, including the operative
9 incidental take statement of that opinion.

10 (4) SMELT BIOLOGICAL OPINION.—The term
11 “smelt biological opinion” means the biological opin-
12 ion, dated December 15, 2008, on the coordinated
13 operation of the Central Valley Project and the
14 State Water Project, including the operative inci-
15 dental take statement of that opinion.

16 (5) STATE.—The term “State” means the State
17 of California.

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

1 **TITLE I—CALIFORNIA**
2 **EMERGENCY DROUGHT RELIEF**
3 **Subtitle A—Drought Relief Actions**

4 **SEC. 101. EMERGENCY OPERATIONS.**

5 (a) WATER SUPPLIES.—

6 (1) IN GENERAL.—In response to the declara-
7 tion of a state of drought emergency by the Gov-
8 ernor of the State, the Secretary of the Interior and
9 Secretary of Commerce shall provide the maximum
10 quantity of water supplies possible to Central Valley
11 Project agricultural, municipal and industrial, and
12 refuge service and repayment contractors, State
13 Water Project contractors, and any other locality or
14 municipality in the State by approving, consistent
15 with applicable laws (including regulations), projects
16 and operations to provide additional water supplies
17 as quickly as possible, based on available informa-
18 tion, to address the emergency conditions.

19 (2) APPLICATION.—Paragraph (1) applies to
20 any project or operation involving the Klamath
21 Project, if the project or operation would benefit
22 Federal water contractors in the State.

23 (b) LIMITATION.—Nothing in this section allows any
24 Federal department or agency to approve a project—

1 (1) that would otherwise require congressional
2 authorization; or

3 (2) without following procedures required by
4 applicable law.

5 (c) ADMINISTRATION.—In carrying out subsection
6 (a), the Secretary of the Interior and Secretary of Com-
7 merce shall, consistent with applicable laws (including reg-
8 ulations)—

9 (1) authorize and implement actions to ensure
10 that the Delta Cross Channel Gates shall remain
11 open to the greatest extent possible, timed to maxi-
12 mize the peak flood tide period and provide water
13 supply and water quality benefits for the duration of
14 the drought emergency declaration of the State, con-
15 sistent with operational criteria and monitoring cri-
16 teria developed pursuant to the California State
17 Water Resources Control Board’s Order Approving a
18 Temporary Urgency Change in License and Permit
19 Terms in Response to Drought Conditions, effective
20 January 31, 2014 (or a successor order);

21 (2) collect data associated with the operation of
22 the Delta Cross Channel Gates described in para-
23 graph (1) and the impact of the operation on species
24 listed as threatened or endangered under the Endan-

1 gered Species Act of 1973 (16 U.S.C. 1531 et seq.),
2 water quality, and water supply;

3 (3)(A) implement turbidity control strategies
4 that allow for increased water deliveries while avoid-
5 ing jeopardy to adult Delta smelt (*Hypomesus*
6 *transpacificus*) due to entrainment at Central Valley
7 Project and State Water Project pumping plants;
8 and

9 (B) manage reverse flow in the Old and Middle
10 Rivers, as prescribed by the smelt biological opinion
11 and salmonid biological opinion, to minimize water
12 supply reductions for the Central Valley Project and
13 the State Water Project;

14 (4)(A) in a timely manner, evaluate any pro-
15 posal to increase flow in the San Joaquin River
16 through a voluntary sale, transfer, or exchange of
17 water from an agency with rights to divert water
18 from the San Joaquin River or its tributaries; and

19 (B) adopt a 1:1 inflow to export ratio for the
20 increment of increased flow, as measured as a 3-day
21 running average at Vernalis during the period from
22 April 1 through May 31, that results from the vol-
23 untary sale, transfer, or exchange, unless the Sec-
24 retary of the Interior and Secretary of Commerce
25 determine that a 1:1 inflow-to-export ratio for that

1 increment of increased flow will cause impacts on
2 species listed as threatened or endangered under the
3 Endangered Species Act of 1973 (16 U.S.C. 1531 et
4 seq.) beyond those anticipated to occur through the
5 implementation of the salmonid biological opinion.
6 Any individual sale, transfer, or exchange using a
7 1:1 inflow to export ratio adopted under the author-
8 ity of this section may only proceed if—

9 (i) the Secretary of the Interior determines
10 that the environmental effects of the proposed
11 sale, transfer, or exchange are consistent with
12 effects permitted under applicable law (includ-
13 ing the Endangered Species Act (16 U.S.C.
14 1531 et seq.), the Federal Water Pollution Con-
15 trol Act (33 U.S.C. 1381 et seq.), and the Por-
16 ter-Cologne Water Quality Control Act (Cali-
17 fornia Water Code 13000 et seq.);

18 (ii) Delta conditions are suitable to allow
19 movement of the acquired, transferred, or ex-
20 changed water through the Delta consistent
21 with existing water rights; and

22 (iii) such voluntary sale, transfer, or ex-
23 change of water results in flow that is in addi-
24 tion to flow that otherwise would occur in the

1 absence of the voluntary sale, transfer, or ex-
2 change;

3 (5) issue all necessary permit decisions under
4 the authority of the Secretary of the Interior and
5 Secretary of Commerce within the shortest prac-
6 ticable time period after receiving a completed appli-
7 cation by the State to place and use temporary bar-
8 riers or operable gates in Delta channels to improve
9 water quantity and quality for State Water Project
10 and Central Valley Project south-of-Delta water con-
11 tractors and other water users, which barriers or
12 gates shall provide benefits for species protection
13 and in-Delta water user water quality;

14 (6) require the Director of the United States
15 Fish and Wildlife Service and the Commissioner of
16 Reclamation to complete all requirements under the
17 National Environmental Policy Act of 1969 (42
18 U.S.C. 4321 et seq.) and the Endangered Species
19 Act of 1973 (16 U.S.C. 1531 et seq.) necessary to
20 make final permit decisions on water transfer re-
21 quests associated with voluntarily fallowing non-
22 permanent crops in the State, within the shortest
23 practicable time period after receiving such a re-
24 quest;

1 (7) in coordination with the Secretary of Agri-
2 culture, enter into an agreement with the National
3 Academy of Sciences to conduct a comprehensive
4 study, to be completed not later than 1 year after
5 the date of enactment of this Act, on the effective-
6 ness and environmental impacts of saltcedar biologi-
7 cal control efforts on increasing water supplies and
8 improving riparian habitats of the Colorado River
9 and its principal tributaries, in the State and else-
10 where; and

11 (8) use all available scientific tools to identify
12 any changes to real-time operations of Bureau of
13 Reclamation, State, and local water projects that
14 could result in the availability of additional water
15 supplies.

16 (d) OTHER AGENCIES.—To the extent that a Federal
17 agency other than the Department of the Interior and the
18 Department of Commerce has a role in approving projects
19 described in subsections (a) and (c), this section shall
20 apply to the Federal agency.

21 (e) ACCELERATED PROJECT DECISION AND ELE-
22 VATION.—

23 (1) IN GENERAL.—Upon the request of the
24 State, the heads of Federal agencies shall use the
25 expedited procedures under this subsection to make

1 final decisions relating to a Federal project or oper-
2 ation to provide additional water supplies or address
3 emergency drought conditions pursuant to sub-
4 sections (a) and (c).

5 (2) REQUEST FOR RESOLUTION.—

6 (A) IN GENERAL.—Upon the request of
7 the State, the head of a Federal agency re-
8 ferred to in subsection (a), or the head of an-
9 other Federal agency responsible for carrying
10 out a review of a project, as applicable, the Sec-
11 retary of the Interior shall convene a final
12 project decision meeting with the heads of all
13 relevant Federal agencies to decide whether to
14 approve a project to provide emergency water
15 supplies.

16 (B) MEETING.—The Secretary of the Inte-
17 rior shall convene a meeting requested under
18 subparagraph (A) not later than 7 days after
19 receiving the meeting request.

20 (3) NOTIFICATION.—Upon receipt of a request
21 for a meeting under this subsection, the Secretary of
22 the Interior shall notify the heads of all relevant
23 Federal agencies of the request, including a descrip-
24 tion of the project to be reviewed and the date for
25 the meeting.

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

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

10 **SEC. 102. EMERGENCY ENVIRONMENTAL REVIEWS.**

11 To minimize the time spent carrying out environ-
12 mental reviews and quickly to deliver water that is needed
13 to address emergency drought conditions in the State, the
14 head of each applicable Federal agency shall, in carrying
15 out this Act, consult with the Council on Environmental
16 Quality in accordance with section 1506.11 of title 40,
17 Code of Federal Regulations (or successor regulations), to
18 develop alternative arrangements to comply with the Na-
19 tional Environmental Policy Act of 1969 (42 U.S.C. 4321
20 et seq.) during the emergency.

21 **SEC. 103. STATE REVOLVING FUNDS.**

22 (a) IN GENERAL.—The Administrator of the Envi-
23 ronmental Protection Agency, in allocating amounts for
24 each of the fiscal years during which the emergency
25 drought declaration of the State is in force to State water

1 pollution control revolving funds established under title VI
2 of the Federal Water Pollution Control Act (33 U.S.C.
3 1381 et seq.) and the State drinking water treatment re-
4 volving loan funds established under section 1452 of the
5 Safe Drinking Water Act (42 U.S.C. 300j–12), shall, for
6 those projects that are eligible to receive assistance under
7 section 603 of the Federal Water Pollution Control Act
8 (33 U.S.C. 1383) or section 1452(a)(2) of the Safe Drink-
9 ing Water Act (42 U.S.C. 300j–12(a)(2)), respectively,
10 that the State determines will provide additional water
11 supplies most expeditiously to areas that are at risk of
12 having an inadequate supply of water for public health and
13 safety purposes or to improve resiliency to drought—

14 (1) require the State to review and prioritize
15 funding;

16 (2) make a finding on any request for a waiver
17 received from the State within 30 days of the con-
18 clusion of the informal public comment period pursu-
19 ant to section 436(e) of division G of Public Law
20 113–76 (128 Stat. 347); and

21 (3) authorize, at the request of the State, 40-
22 year financing for assistance under section
23 603(d)(2) of the Federal Water Pollution Control
24 Act (33 U.S.C. 1383(d)(2)) or section 1452(f)(2) of

1 the Safe Drinking Water Act (42 U.S.C. 300j–
2 12(f)(2)).

3 (b) EFFECT OF SECTION.—Nothing in this section
4 authorizes the Administrator of the Environmental Pro-
5 tection Agency to modify any funding allocation, funding
6 criteria, or other requirement relating to State water pol-
7 lution control revolving funds established under title VI
8 of the Federal Water Pollution Control Act (33 U.S.C.
9 1381 et seq.) or the State drinking water treatment re-
10 volving loan funds established under section 1452 of the
11 Safe Drinking Water Act (42 U.S.C. 300j–12) for any
12 other State.

13 **Subtitle B—Protection of Third-** 14 **party Water Rights**

15 **SEC. 111. OFFSET FOR STATE WATER PROJECT.**

16 (a) IMPLEMENTATION IMPACTS.—The Secretary of
17 the Interior shall confer with the California Department
18 of Fish and Wildlife in connection with the implementa-
19 tion of this title on potential impacts to any consistency
20 determination for operations of the State Water Project
21 issued pursuant to section 2080.1 of the California Fish
22 and Game Code (as in effect on the date of enactment
23 of this Act).

24 (b) ADDITIONAL YIELD.—If, as a result of the appli-
25 cation of this title, the California Department of Fish and

1 Wildlife requires take authorization under section 2081 of
2 the California Fish and Game Code (as in effect on the
3 date of enactment of this Act) for operation of the State
4 Water Project in a manner that directly or indirectly re-
5 sults in reduced water supply to the State Water Project,
6 as compared with the water supply available under the
7 smelt biological opinion and the salmonid biological opin-
8 ion, and as a consequence of the action of the Department,
9 Central Valley Project yield is greater than the yield would
10 have been absent those actions, that additional yield shall
11 be made available to the State Water Project for delivery
12 to State Water Project contractors to offset losses result-
13 ing from the action of the Department.

14 (c) NOTIFICATION RELATING TO ENVIRONMENTAL
15 PROTECTIONS.—The Secretary of the Interior and Sec-
16 retary of Commerce shall—

17 (1) notify the Director of the California Depart-
18 ment of Fish and Wildlife regarding any changes in
19 the manner in which the smelt biological opinion or
20 the salmonid biological opinion is implemented; and

21 (2) confirm that those changes are authorized
22 under the smelt biological opinion or the salmonid
23 biological opinion.

1 **SEC. 112. AREA OF ORIGIN AND WATER RIGHTS PROTEC-**
2 **TIONS.**

3 (a) IN GENERAL.—Nothing in this title—

4 (1) diminishes, impairs, or otherwise affects in
5 any manner any area of origin, watershed of origin,
6 county of origin, or any other water rights protec-
7 tion, including rights to water appropriated prior to
8 December 19, 1914, provided under State law;

9 (2) limits or otherwise affects the application of
10 section 10505, 10505.5, 11128, 11460, 11463, or
11 12200 through 12220 of the California Water Code
12 or any other provision of State water rights law,
13 without respect to whether such a provision is spe-
14 cifically referred to in this Act; or

15 (3) diminishes, impairs, or otherwise affects in
16 any manner any water rights priorities under appli-
17 cable law.

18 (b) EFFECT OF SECTION.—Nothing in this section
19 affects or modifies any obligation of the Secretary of the
20 Interior under section 8 of the Act of June 17, 1902 (32
21 Stat. 390, chapter 1093).

22 **SEC. 113. NO REDIRECTED ADVERSE IMPACTS.**

23 (a) IN GENERAL.—The Secretary of the Interior and
24 Secretary of Commerce shall not carry out any specific
25 action authorized under this title that will directly result
26 in the involuntary reduction of water supply to an indi-

1 vidual or district that has in effect a contract for water
2 with the State Water Project or the Central Valley
3 Project, or to any other water user or purveyor organized
4 under State law that obtains water based on any other
5 legal right, as compared to the water supply that would
6 be provided in the absence of action under this Act.

7 (b) ACTION ON DETERMINATION.—

8 (1) IN GENERAL.—If, after exploring all op-
9 tions, the Secretary of the Interior or the Secretary
10 of Commerce makes a final determination that a
11 proposed action under this title cannot be carried
12 out in accordance with subsection (a), that Secretary
13 shall—

14 (A) document that determination in writ-
15 ing for that action, including a statement of the
16 facts relied on, and an explanation of the basis,
17 for the decision; and

18 (B) comply with any other applicable law
19 that requires or authorizes action under the cir-
20 cumstances, including the Endangered Species
21 Act (16 U.S.C. 1531 et seq.), the Federal
22 Water Pollution Control Act (33 U.S.C. 1381 et
23 seq.), and the Porter-Cologne Water Quality
24 Control Act (California Water Code 13000 et
25 seq.).

1 (2) SUBSTITUTE ACTIONS.—If the Secretary
2 takes a substitute action as so required or author-
3 ized under paragraph (1)(B), the substitute action
4 shall—

5 (A) be limited to replacement of the spe-
6 cific action identified in paragraph (1);

7 (B) not be subject to the requirements of
8 this title; and

9 (C) comply with other existing laws (in-
10 cluding regulations), as applicable, including—

11 (i) the Endangered Species Act of
12 1973 (16 U.S.C. 1531 et seq.); and

13 (ii) the salmonid biological opinion
14 and the smelt biological opinion.

15 **Subtitle C—General Provisions**

16 **SEC. 121. EFFECT ON EXISTING OBLIGATIONS.**

17 Nothing in this Act—

18 (1) authorizes the Secretary of the Interior, the
19 Secretary of Commerce, or any other Federal official
20 to take any action that—

21 (A) is likely to jeopardize the continued ex-
22 istence of any endangered species or threatened
23 species or result in the destruction or adverse
24 modification of habitat of such a species that is
25 determined by 1 of the Secretaries, after appro-

1 appropriate consultation with affected States, to be
2 critical; or

3 (B) would cause any additional adverse ef-
4 fect on a species listed as threatened or endan-
5 gered under the Endangered Species Act of
6 1973 (16 U.S.C. 1531 et seq.) beyond those ef-
7 fects anticipated to occur through implementa-
8 tion of the smelt biological opinion and
9 salmonid biological opinion;

10 (2) preempts or modifies any obligation of the
11 United States under the reclamation laws to operate
12 the Central Valley Project in conformance with State
13 law; or

14 (3) affects or modifies any obligation under the
15 Central Valley Project Improvement Act (Public
16 Law 102–575; 106 Stat. 4706).

17 **SEC. 122. LEVEL OF DETAIL REQUIRED FOR ANALYSIS.**

18 In articulating the determinations and demonstra-
19 tions required under this title, the Secretary of the Inte-
20 rior and Secretary of Commerce —

21 (1) shall fully satisfy the requirements of this
22 title; but

23 (2) shall not be expected to provide a greater
24 level of supporting detail for any analysis than is
25 feasible to provide within the timeframe permitted

1 for timely decisionmaking in response to changing
2 conditions in the Delta.

3 **SEC. 123. PROGRESS REPORT.**

4 Not later than 90 days after the date of enactment
5 of this Act, and not less frequently than once every 90
6 days thereafter, the Secretary of the Interior and Sec-
7 retary of Commerce shall submit to the Committee on En-
8 ergy and Natural Resources and the Committee on Envi-
9 ronment and Public Works of the Senate and the Com-
10 mittee on Natural Resources of the House of Representa-
11 tives a progress report describing the implementation of
12 sections 101 and 102.

13 **SEC. 124. TERMINATION.**

14 This title shall expire on the later of—

15 (1) the date on which the Governor of the State
16 declares an end to the State drought emergency; and

17 (2) September 30, 2017.

18 **TITLE II—ACTIONS TO BENEFIT**
19 **FISH AND REFUGES**

20 **SEC. 201. ACTIONS TO BENEFIT THREATENED AND ENDAN-**
21 **GERED FISH POPULATIONS.**

22 (a) IMPLEMENTATION OF NATIONAL OCEANIC AND
23 ATMOSPHERIC ADMINISTRATION'S SALMON RESTORATION
24 PLAN.—

1 (1) AUTHORIZATION.—There is authorized to
2 be appropriated \$4,000,000 for each fiscal year
3 through 2020 to carry out the National Oceanic and
4 Atmospheric Administration’s Recovery Plan for
5 Sacramento River winter-run Chinook salmon, Cen-
6 tral Valley spring-run Chinook salmon, and Central
7 Valley steelhead.

8 (2) REQUIREMENT.—The Secretary of the Inte-
9 rior shall take such steps as are necessary to partner
10 with, and coordinate the efforts of, the Department
11 of the Interior, the Department of Commerce, and
12 other relevant Federal agencies to ensure that all
13 Federal reviews, analyses, opinions, statements, per-
14 mits, licenses, or other approvals or decisions re-
15 quired under Federal law to allow the construction
16 and operation of salmon recovery projects that are
17 part of the Sacramento Salmon Recovery Program
18 are completed on an expeditious basis, consistent
19 with Federal law.

20 (b) NONSTRUCTURAL BARRIERS AT DELTA CROSS-
21 CHANNEL GATES AND OTHER KEY DELTA JUNCTIONS.—

22 (1) IN GENERAL.—To increase protections of
23 fish listed under the smelt biological opinion and the
24 salmonid biological opinion, the Secretary of the In-

1 terior, in consultation with the Secretary of Com-
2 merce, shall submit to Congress—

3 (A) by not later than 90 days after the
4 date of enactment of this Act, a report describ-
5 ing the current progress of evaluating non-
6 structural barriers at Deadhorse Island and
7 other locations to prevent straying of threat-
8 ened or endangered salmonids through the
9 Delta cross-channel gates and other key Delta
10 junctions; and

11 (B) by not later than 1 year after the date
12 of enactment of this Act, a report describing
13 the effectiveness of the nonstructural barriers
14 described in subparagraph (A) in preventing
15 straying of endangered salmonids.

16 (2) COORDINATION.—In carrying out para-
17 graph (1), the Secretary of the Interior shall coordi-
18 nate with the California Water Resources Control
19 Board and the California Departments of Fish and
20 Wildlife and Water Resources.

21 (3) AUTHORIZATION OF APPROPRIATIONS.—
22 There is authorized to be appropriated to carry out
23 this subsection \$2,000,000 for the period of fiscal
24 years 2016 through 2020.

1 (c) GRAVEL AND REARING AREA ADDITIONS TO
2 UPPER SACRAMENTO RIVER.—

3 (1) IN GENERAL.—Not later than 180 days
4 after the date of enactment of this Act, the Sec-
5 retary of the Interior, in consultation with the Sec-
6 retary of Commerce, shall submit to Congress—

7 (A) a report on the cost and effectiveness
8 of additional gravel that was placed downstream
9 of the Keswick Dam in 2013 and 2014 in im-
10 proving salmon spawning rates;

11 (B) a report on the feasibility of imple-
12 menting gravel additions at additional locations
13 to improve salmon and steelhead spawning
14 rates, including the timetable for implementing
15 any approved locations; and

16 (C) a report on the feasibility of con-
17 structing or restoring additional natural rearing
18 areas in the upper mainstem Sacramento River
19 to improve salmon and steelhead population re-
20 covery.

21 (2) COMMENCEMENT.—If the Secretary of the
22 Interior determines, in the feasibility reports de-
23 scribed in paragraph (1), that additions of gravel
24 and natural rearing areas are feasible and beneficial
25 for protecting and recovering fish populations, the

1 Secretary shall commence implementation of those
2 additions by not later than 1 year after the date of
3 submission of the feasibility reports.

4 (3) COORDINATION.—In carrying out para-
5 graphs (1) and (2), the Secretary shall coordinate
6 with the California Department of Fish and Wildlife
7 and the Secretary of Commerce.

8 (4) AUTHORIZATION OF APPROPRIATIONS.—
9 There is authorized to be appropriated to carry out
10 this subsection \$4,000,000 for the period of fiscal
11 years 2016 through 2020.

12 (d) ALTERNATIVE HATCHERY SALMON RELEASE
13 STRATEGIES.—

14 (1) IN GENERAL.—The Secretary of the Inte-
15 rior, in consultation with the Secretary of Com-
16 merce, shall—

17 (A) establish pilot programs to test alter-
18 native release strategies for hatchery-raised,
19 winter-run salmon to reduce mortality rates be-
20 yond those in effect on the date of enactment
21 of this Act, including alternative release loca-
22 tions, trucking options, or barging options; and

23 (B) not later than 3 years after the date
24 of enactment of this Act, and annually there-
25 after, submit to Congress reports regarding the

1 progress and results of the pilot programs
2 under subparagraph (A), including rec-
3 ommendations on whether those pilot programs
4 should be continued.

5 (2) AUTHORIZATION OF APPROPRIATIONS.—

6 There is authorized to be appropriated to carry out
7 this subsection \$7,000,000 for the period of fiscal
8 years 2016 through 2020.

9 (e) REDUCING PREDATOR HABITAT.—

10 (1) IN GENERAL.—Not later than 2 years after
11 the date of enactment of this Act, the Secretary of
12 the Interior and Secretary of Commerce shall imple-
13 ment a pilot program—

14 (A) to identify natural and artificial fac-
15 tors in the Sacramento River and the Sac-
16 ramento-San Joaquin River Delta watershed
17 that could be providing favorable predatory fish
18 habitat for fish that prey on juvenile salmon;

19 (B) to collect scientific data at those loca-
20 tions to determine whether those natural or ar-
21 tificial factors are contributing to predation of
22 endangered fish; and

23 (C) to provide recommendations on wheth-
24 er those natural or artificial factors that enable
25 the formation or continuation of predatory fish

1 habitat could be feasibly and effectively modi-
2 fied, in compliance with all applicable State and
3 Federal laws (including regulations), to reduce
4 predation.

5 (2) AUTHORIZATION OF APPROPRIATIONS.—

6 There is authorized to be appropriated to carry out
7 this subsection \$6,000,000 for the period of fiscal
8 years 2016 through 2020.

9 (f) ELIMINATING OR REDUCING LIGHTING AT IN-
10 RIVER STRUCTURES.—

11 (1) IN GENERAL.—The Secretary of the Inte-
12 rior and Secretary of Commerce shall—

13 (A) assess the effectiveness of lowering
14 light intensity at artificial structures in the Sac-
15 ramento-San Joaquin River Delta to reduce
16 predation of endangered fish; and

17 (B) implement actions to lower light inten-
18 sity at other artificial structures in the Delta if
19 the assessment under subparagraph (A) results
20 in a determination that the action is effective in
21 reducing predation.

22 (2) COORDINATION.—In carrying out para-
23 graph (1), the Secretary of the Interior and Sec-
24 retary of Commerce shall coordinate with the Cali-

1 California Department of Fish and Wildlife and other
2 relevant local and State authorities.

3 (3) AUTHORIZATION OF APPROPRIATIONS.—

4 There is authorized to be appropriated to carry out
5 this subsection \$3,000,000 for the period of fiscal
6 years 2016 through 2020.

7 (g) EVALUATING AND IMPROVING DELTA PUMP FISH
8 SALVAGE SYSTEM.—

9 (1) IN GENERAL.—Not later than 1 year after
10 the date of enactment of this Act, the Secretary of
11 the Interior and Secretary of Commerce shall evalu-
12 ate and submit to Congress a report that describes
13 alternatives—

14 (A) to redeposit salvaged salmon smolts
15 and other fish from the Delta that would reduce
16 predation losses; and

17 (B) to reduce predation at the existing fish
18 salvage system.

19 (2) COORDINATION.—In carrying out actions
20 under paragraph (1), the Secretary of the Interior
21 and Secretary of Commerce shall coordinate with the
22 California Department of Fish and Wildlife.

23 (3) AUTHORIZATION OF APPROPRIATIONS.—

24 There is authorized to be appropriated to carry out

1 this subsection \$10,000,000 for the period of fiscal
2 years 2016 through 2020.

3 (h) TRAP AND BARGE PILOT PROJECT TO INCREASE
4 FISH SURVIVAL THROUGH DELTA.—

5 (1) PILOT PROGRAM.—

6 (A) IN GENERAL.—The Assistant Adminis-
7 trator for Fisheries of the National Marine
8 Fisheries Service and the Commissioner of Rec-
9 lamation, in collaboration with the United
10 States Fish and Wildlife Service, the California
11 Department of Fish and Wildlife, applicable
12 water agencies, and other interested parties,
13 shall design, permit, implement, and evaluate a
14 pilot program to test the efficacy of an experi-
15 mental trap and barge program to improve sur-
16 vival of juvenile salmonids emigrating from the
17 San Joaquin watershed though the Delta.

18 (B) PLAN.—

19 (i) WORKING GROUP.—Not later than
20 30 days after the date of enactment of this
21 Act, the Assistant Administrator and the
22 Commissioner shall convene a working
23 group, to be comprised of representatives
24 of relevant agencies and other interested
25 parties, to develop and execute a plan for

1 the design, budgeting, implementation, and
2 evaluation of the pilot program under this
3 paragraph using such existing expertise on
4 trap and barge programs as may be avail-
5 able.

6 (ii) REQUIREMENTS.—The plan under
7 this subparagraph shall—

8 (I) include a schedule and budget
9 for the pilot program; and

10 (II) identify the responsible par-
11 ties for each element of the program.

12 (C) IMPLEMENTATION.—The Assistant Ad-
13 ministrator and the Commissioner shall seek to
14 commence implementation of the pilot program
15 under this paragraph during calendar year
16 2016, if practicable.

17 (D) REPORTS.—Not less frequently than
18 once each calendar year, the Assistant Adminis-
19 trator and the Commissioner shall jointly sub-
20 mit to the Committees on Environment and
21 Public Works and Energy and Natural Re-
22 sources of the Senate and the Committee on
23 Natural Resources of the House of Representa-
24 tives a report that describes—

1 (i) progress made in implementing
2 this subsection;

3 (ii) estimated survival rates through
4 the Delta for both juvenile salmonids that
5 were barged through the Delta and those
6 that were not barged; and

7 (iii) if the survival rates described in
8 clause (ii) are significantly higher for
9 barged fish, as compared to other
10 outmigrating smolts, recommendations re-
11 garding broadening the pilot program.

12 (2) AUTHORIZATION OF APPROPRIATIONS.—

13 There is authorized to be appropriated to carry out
14 this subsection \$3,000,000 for the period of fiscal
15 years 2016 through 2020.

16 (i) IMPROVED TEMPERATURE MODELING AND RE-
17 LATED FORECASTED INFORMATION.—There is authorized
18 to be appropriated \$4,000,000 for the Commissioner to
19 improve temperature modeling and related forecasted in-
20 formation for purposes of predicting impacts to salmon
21 and salmon habitat as a result of water management.

1 **SEC. 202. PILOT PROGRAM TO PROTECT NATIVE**
2 **ANADRAMOUS FISH IN STANISLAUS RIVER,**
3 **DELTA, AND OTHER DELTA TRIBUTARIES.**

4 (a) NONNATIVE PREDATOR FISH REMOVAL PRO-
5 GRAM ON STANISLAUS RIVER.—

6 (1) IN GENERAL.—The Assistant Administrator
7 for Fisheries of the National Marine Fisheries Serv-
8 ice (referred to in this section as the “Assistant Ad-
9 ministrator”) and the Oakdale Irrigation District
10 and South San Joaquin Irrigation District (referred
11 to in this section as the “participating districts”), in
12 consultation with the United States Fish and Wild-
13 life Service, the California Department of Fish and
14 Wildlife, and other interested parties, shall jointly
15 develop and implement a scientifically based pilot
16 program to remove nonnative predator fish from the
17 Stanislaus River not later than 180 days after the
18 date of enactment of this Act.

19 (2) REQUIREMENTS.—In implementing the pro-
20 gram, the following requirements shall apply:

21 (A) STAFFING.—By agreement between
22 the Assistant Administrator and the partici-
23 pating districts, the pilot program may be con-
24 ducted by any combination of participating dis-
25 trict personnel, qualified private contractors,
26 and personnel of, on loan to, or otherwise as-

1 signed to the National Marine Fisheries Serv-
2 ice.

3 (B) PARTICIPATION BY NATIONAL MARINE
4 FISHERIES SERVICE.—

5 (i) IN GENERAL.—In the event the
6 participating districts elect to conduct the
7 program using the personnel or qualified
8 private contractors of the participating dis-
9 tricts, the Assistant Administrator may as-
10 sign an employee of, on loan to, or other-
11 wise assigned to the National Marine Fish-
12 eries Service to be present for all activities
13 performed in the field.

14 (ii) COST.—The participating districts
15 shall pay 100 percent of the cost of partici-
16 pation under clause (i), in accordance with
17 paragraph (3).

18 (C) TIMING OF AGREEMENT.—The partici-
19 pating districts and the Assistant Administrator
20 shall reach agreement on the work plan for the
21 subsequent calendar year on or before October
22 15 of each calendar year of the pilot program.

23 (3) FUNDING.—

24 (A) CONTRIBUTED FUNDS.—The Assistant
25 Administrator is authorized to receive and ex-

1 pend contributed funds for the purposes for
2 which the funds are contributed in a like man-
3 ner as if said sums had been specifically appro-
4 priated for said purposes.

5 (B) ANNUAL FUNDING.—

6 (i) IN GENERAL.—The participating
7 districts shall be responsible through con-
8 tributed funds for 100 percent of the cost
9 of the pilot program.

10 (ii) ESTIMATES.—Not later than De-
11 cember 1 of each year of the pilot pro-
12 gram, the Assistant Administrator shall
13 submit to the participating districts an es-
14 timate of the cost to be incurred by the
15 National Marine Fisheries Service during
16 the following calendar year, if any.

17 (C) ACCOUNTING.—

18 (i) IN GENERAL.—On or before Sep-
19 tember 1 of each calendar year, the Assist-
20 ant Administrator shall provide an ac-
21 counting of the expenses of the prior cal-
22 endar year to the participating districts.

23 (ii) UNDERESTIMATE.—If the esti-
24 mate paid by the participating districts

1 was less than the actual costs incurred by
2 the National Marine Fisheries Service—

3 (I) the participating districts
4 shall have until September 30 of that
5 calendar year to pay the difference
6 pursuant to subparagraph (A); or

7 (II) the National Marine Fish-
8 eries Service shall have no obligation
9 to conduct any activities otherwise
10 scheduled to be carried out under the
11 pilot program under this subsection.

12 (iii) OVERESTIMATE.—If the estimate
13 paid by the participating districts was
14 greater than the actual costs incurred by
15 the National Marine Fisheries Service, a
16 credit shall be provided to the participating
17 districts, which shall be deducted from the
18 estimate payment the participating dis-
19 tricts shall make for the work performed
20 by the National Marine Fisheries Service,
21 if any, during the following calendar year.

22 (4) REPORTING AND EVALUATION.—

23 (A) IN GENERAL.—Not later than the 15th
24 day of each month, the Assistant Administrator
25 shall post on the website of the National Marine

1 Fisheries Service a tabular summary of the raw
2 data collected during the prior month.

3 (B) REPORT.—Not later than June 30 of
4 the calendar year following the completion of
5 the pilot program, the Assistant Administrator
6 and the participating districts shall jointly sub-
7 mit for peer review a report that—

8 (i) describes any data, analyses, and
9 findings relating to the pilot program; and

10 (ii) makes recommendations for fur-
11 ther study and action.

12 (5) PERMITS PROCESS.—

13 (A) IN GENERAL.—Not later than 180
14 days after the date on which an application to
15 authorize the pilot program is filed, the Sec-
16 retary of the Interior and Secretary of Com-
17 merce shall make a final determination on any
18 permits required under section 10(a)(1) of the
19 Endangered Species Act of 1973 (16 U.S.C.
20 1539(a)(1)) for the performance of the pilot
21 program.

22 (B) STATE LAW.—The Secretary of the In-
23 terior, the Secretary of Commerce, and the par-
24 ticipating districts shall comply with applicable

1 requirements of State law with respect to the
2 program under this subsection.

3 (6) SUNSET.—The authorities provided by this
4 subsection shall expire on the date that is 7 years
5 after the date on which the final applicable permit
6 is issued under paragraph (5).

7 (b) PILOT PROJECTS TO IMPLEMENT CALFED
8 INVASIVE SPECIES PROGRAM.—

9 (1) IN GENERAL.—Not later than January 1,
10 2017, the Secretary of the Interior, in collaboration
11 with the Secretary of Commerce, the Director of the
12 California Department of Fish and Wildlife, and
13 other relevant agencies and interested parties, shall
14 begin pilot projects to implement the invasive species
15 control program authorized pursuant to section
16 103(d)(6)(A)(iv) of Public Law 108–361 (118 Stat.
17 1690).

18 (2) REQUIREMENTS.—The pilot projects shall—

19 (A) seek to reduce invasive aquatic vegeta-
20 tion, predators, and other competitors which
21 contribute to the decline of native listed pelagic
22 and anadromous species that occupy the Sac-
23 ramento and San Joaquin Rivers and their trib-
24 utaries and the Sacramento-San Joaquin Bay-
25 Delta; and

1 (B) remove, reduce, or control the effects
2 of species, including Asiatic clams, silversides,
3 gobies, Brazilian water weed, largemouth bass,
4 smallmouth bass, striped bass, crappie, bluegill,
5 white and channel catfish, and brown bullheads.

6 (3) SUNSET.—The authorities provided under
7 this subsection shall expire on the date that is 7
8 years after the date on which the Secretary of the
9 Interior and Secretary of Commerce commence im-
10 plementation of the pilot projects pursuant to para-
11 graph (1).

12 (c) EMERGENCY ENVIRONMENTAL REVIEWS.—To
13 expedite the environmentally beneficial programs for the
14 conservation of threatened and endangered species, the
15 Secretary of the Interior and Secretary of Commerce shall
16 consult with the Council on Environmental Quality in ac-
17 cordance with section 1506.11 of title 40, Code of Federal
18 Regulations (or successor regulations), to develop alter-
19 native arrangements to comply with the National Environ-
20 mental Policy Act of 1969 (42 U.S.C. 4321 et seq.) for
21 the programs.

1 **SEC. 203. IMPROVED SCIENCE TO BETTER PROTECT**
2 **THREATENED AND ENDANGERED FISH.**

3 (a) DELTA SMELT DISTRIBUTION STUDY.—Not later
4 than January 1, 2016, contingent on funding, the Sec-
5 retary of the Interior shall—

6 (1) initiate studies designed to understand the
7 location and distribution of Delta smelt throughout
8 the range of the Delta smelt and to determine poten-
9 tial methods to minimize the effects of Central Val-
10 ley Project and State Water Project operations on
11 the Delta smelt; and

12 (2) utilize, to the maximum extent practicable,
13 new technologies to allow for better tracking of
14 Delta smelt, such as acoustic tagging, optical rec-
15 ognition during trawls, and fish detection using re-
16 sidual DNA.

17 (3) CONSULTATION.—In determining the scope
18 of the studies under this subsection, the Secretary
19 may consult with—

20 (A) Federal and State water users; and

21 (B) appropriate nongovernmental organiza-
22 tions.

23 (4) AUTHORIZATION OF APPROPRIATIONS.—
24 There is authorized to be appropriated to carry out
25 this subsection \$7,500,000 for the period of fiscal
26 years 2016 through 2020.

1 (b) REAL-TIME MONITORING.—Contingent on fund-
2 ing, during the period beginning on December 1, 2015,
3 and ending March 31, 2016, and during each following
4 December-through-March period for which this Act is in
5 effect, if suspended sediment loads enter the Delta from
6 the Sacramento River and the suspended sediment loads
7 appear likely to raise turbidity levels in Old River north
8 of the export pumps from values below 12 Nephelometric
9 Turbidity Units (NTUs) to values above 12 NTUs, the
10 Secretary shall—

11 (1) conduct daily monitoring using appropriate
12 survey methods at locations including the vicinity of
13 Station 902 to determine the extent that adult Delta
14 smelt are moving with turbidity toward the export
15 pumps; and

16 (2) use results from the monitoring surveys at
17 locations including the vicinity of Station 902 to de-
18 termine how increased trawling can inform daily
19 real-time Central Valley Project and State Water
20 Project operations to achieve fish protection and
21 water supply benefits.

22 **SEC. 204. ACTIONS TO BENEFIT REFUGES.**

23 (a) IN GENERAL.—In addition to funding under sec-
24 tion 3407 of the Central Valley Project Improvement Act
25 (Public Law 102–575; 106 Stat. 4726), there is author-

1 ized to be appropriated to the Secretary of the Interior
 2 \$2,000,000 for each of fiscal years 2016 through 2020
 3 for the acceleration and completion of water infrastructure
 4 and conveyance facilities necessary to achieve full water
 5 deliveries to Central Valley wildlife refuges and habitat
 6 areas pursuant to section 3406(d) of that Act (Public Law
 7 102–575; 106 Stat. 4722).

8 (b) COST-SHARING.—

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

12 (2) NON-FEDERAL SHARE.—The non-Federal
 13 share of the cost of carrying out an activity de-
 14 scribed in this section—

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

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

17 **TITLE III—LONG-TERM WATER**
 18 **SUPPLY PROJECTS**

19 **Subtitle A—Desalination and Water**
 20 **Reuse**

21 **SEC. 301. WATER RECYCLING AND DESALINATION**
 22 **PROJECTS.**

23 (a) FINDINGS.—Congress finds that—

24 (1) Federal funding to support water recycling
 25 and desalination projects in recent years has been

1 insufficient to address water supply needs in many
2 regions across the United States;

3 (2) climate change and drought resiliency re-
4 quire additional water supply projects to cope with
5 higher probabilities of longer more intense droughts;

6 (3) the historic drought in California highlights
7 the necessity of long-term projects to address a
8 changing climate;

9 (4) a recycled water project national survey
10 conducted by the National Association of Clean
11 Water Agencies, the Water Reuse Association, the
12 Association of California Water Agencies, and the
13 California Association of Sanitation Agencies in Oc-
14 tober 2013 identified 92 projects in 14 States that
15 are under consideration or development by water
16 districts capable of producing up to approximately
17 900,000 acre-feet of new water supplies if there were
18 sufficient funding or financing tools to facilitate the
19 development of those projects; and

20 (5) desalination of both seawater and brackish
21 water has the potential to provide significant new
22 water supplies to regions of the United States vul-
23 nerable to drought, as is done in Israel, Australia,
24 and many other countries around the world with
25 scarce water supplies.

1 (b) ELIGIBILITY FOR WATER RECYCLING FEDERAL
2 SUPPORT.—Upon the submission of a completed feasi-
3 bility report compliant with Bureau of Reclamation stand-
4 ards, the Secretary of the Interior shall review requests
5 for water recycling project funding assistance and, subject
6 to the availability of appropriations, award funding, on a
7 competitive basis, for projects that meet the eligibility re-
8 quirements of title IV, including among the projects re-
9 viewed water recycling projects sponsored by any of the
10 following:

- 11 (1) Bear Valley Community Services District.
- 12 (2) Beaumont Cherry Valley Water District.
- 13 (3) Burbank Water and Power.
- 14 (4) Cambria Community Services District.
- 15 (5) Central Contra Costa Sanitary District.
- 16 (6) City of American Canyon.
- 17 (7) City of Benicia.
- 18 (8) City of Brentwood.
- 19 (9) City of Camarillo.
- 20 (10) City of Carlsbad (Municipal Water Dis-
21 trict).
- 22 (11) City of Corona Department of Water and
23 Power.
- 24 (12) City of Daly City.
- 25 (13) City of Del Mar.

- 1 (14) City of Escondido.
- 2 (15) City of Fresno.
- 3 (16) City of Hayward.
- 4 (17) City of Los Angeles A. (Bureau of Sanita-
- 5 tion & Department of Water & Power).
- 6 (18) City of Modesto.
- 7 (19) City of Morro Bay.
- 8 (20) City of Mountain View.
- 9 (21) City of Oceanside.
- 10 (22) City of Palo Alto.
- 11 (23) City of Paso Robles.
- 12 (24) City of Pismo Beach.
- 13 (25) City of Pleasanton.
- 14 (26) City of Poway.
- 15 (27) City of Redwood City.
- 16 (28) City of Riverside.
- 17 (29) City of Roseville.
- 18 (30) City of Sacramento.
- 19 (31) City of San Bernardino.
- 20 (32) City of San Diego.
- 21 (33) City of San Luis Obispo.
- 22 (34) City of Santa Barbara.
- 23 (35) City of Santa Rosa.
- 24 (36) City of Shasta Lake.
- 25 (37) City of Sunnyvale.

- 1 (38) City of Turlock.
- 2 (39) City of Vacaville.
- 3 (40) City of Visalia.
- 4 (41) Clear Creek Community Services District.
- 5 (42) Coachella Valley Water District.
- 6 (43) Cucamonga Valley Water District.
- 7 (44) Delta Diablo Sanitation District.
- 8 (45) Desert Water Agency.
- 9 (46) Dublin San Ramon Services District.
- 10 (47) East Bay Municipal Utility District.
- 11 (48) East Valley Water District.
- 12 (49) Eastern Municipal Water District.
- 13 (50) El Dorado Irrigation District.
- 14 (51) Fallbrook Public Utility District.
- 15 (52) Goleta Water District.
- 16 (53) Helendale Community Services District.
- 17 (54) Hi-Desert Water District.
- 18 (55) Idyllwild Water District.
- 19 (56) Inland Empire Utilities Agency.
- 20 (57) Ironhouse Sanitary District.
- 21 (58) Irvine Ranch Water District.
- 22 (59) Las Virgenes Municipal Water District.
- 23 (60) Leucadia Wastewater District.
- 24 (61) Los Carneros Water District.
- 25 (62) Marin Municipal Water District.

- 1 (63) Monterey Regional Water Pollution Con-
- 2 trol Agency.
- 3 (64) Napa County Department of Public
- 4 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 Dis-
- 16 trict.
- 17 (76) Rainbow Municipal Water District.
- 18 (77) Ramona Municipal Water District.
- 19 (78) Rancho California Water District.
- 20 (79) Rincon Del Diablo Municipal Water Dis-
- 21 trict.
- 22 (80) Sacramento Regional County Sanitation
- 23 District.
- 24 (81) San Bernardino County Special Districts.

- 1 (82) San Francisco Public Utilities Commis-
- 2 sion.
- 3 (83) San Jose Water Company.
- 4 (84) San Luis Obispo County.
- 5 (85) Santa Clara Valley Water District.
- 6 (86) Santa Clarita Valley Sanitation District.
- 7 (87) Santa Fe Irrigation District.
- 8 (88) Santa Margarita Water District.
- 9 (89) Sonoma County Water Agency.
- 10 (90) South Orange County Wastewater Author-
- 11 ity.
- 12 (91) South Tahoe Public Utility District.
- 13 (92) Sunnyslope County Water District.
- 14 (93) Town of Yountville.
- 15 (94) Tuolumne Utilities District.
- 16 (95) Upper San Gabriel Valley Municipal Water
- 17 District.
- 18 (96) Valley Center Municipal Water District.
- 19 (97) Valley Sanitary District.
- 20 (98) Ventura County Waterworks District No.
- 21 8.
- 22 (99) Victor Valley Wastewater Reclamation Au-
- 23 thority.
- 24 (100) West Basin Municipal Water District.
- 25 (101) West Bay Sanitary District.

1 (102) West County Wastewater District (Rich-
2 mond, California).

3 (103) Western Municipal Water District of Riv-
4 erside County.

5 (104) Western Riverside County Regional
6 Wastewater Authority.

7 (105) Yucaipa Valley Water District.

8 (c) ELIGIBILITY FOR DESALINATION PROJECT FED-
9 ERAL SUPPORT.—Upon the submission of a completed
10 feasibility report compliant with Bureau of Reclamation
11 standards, the Secretary of the Interior shall review re-
12 quests for water desalination funding assistance and, sub-
13 ject to the availability of appropriations, award funding
14 on a competitive basis for projects that meet the eligibility
15 requirements of title IV, including among the projects re-
16 viewed the following desalination projects referenced in the
17 2013 California Water Plan:

18 (1) Cambria Desalination Project.

19 (2) Camp Pendleton Seawater Desalination
20 Project.

21 (3) Chino Basin Desalter 3.

22 (4) Doheny Ocean Desalination Project.

23 (5) GREAT Program Groundwater Desalina-
24 tion Facility Expansion.

- 1 (6) Huntington Beach Seawater Desalination
- 2 Project.
- 3 (7) Irvine Non-Potable Shallow Groundwater
- 4 Unit Desalter.
- 5 (8) Irvine Ranch Water District Wells 51, 52,
- 6 53, 21 & 22 Potable (Non-exempt) Desalter Plant.
- 7 (9) Long Beach Seawater Desalination Project.
- 8 (10) Marina Desalination Facility Expansion.
- 9 (11) Mission Valley Brackish Groundwater Re-
- 10 covery Project.
- 11 (12) Monterey Bay Regional Water Project De-
- 12 salination Facility (Moss Landing).
- 13 (13) Monterey Peninsula Water Supply Project.
- 14 (14) Monterey Peninsula Water Supply Project
- 15 (Ocean Desalination/Groundwater Replenishment).
- 16 (15) Moorpark Groundwater Desalter.
- 17 (16) North Pleasant Valley Groundwater
- 18 Desalter.
- 19 (17) Oceanside Ocean Desalination Project
- 20 (San Luis Rey Basin).
- 21 (18) Perris II Desalter.
- 22 (19) Ramona Desalting Facility.
- 23 (20) San Diego Formation/Balboa Park
- 24 Goundwater Desal Facility.
- 25 (21) San Elijo Valley Groundwater Project.

1 (22) San Pasqual Brackish Groundwater Re-
2 covery Project.

3 (23) Santa Cruz / Soquel Creek Water District
4 Desalination Plant.

5 (24) South Orange Coastal Ocean Desalination
6 Project.

7 (25) West Basin Seawater Desalination Re-
8 gional Project.

9 (26) West Simi Valley Desalter.

10 (d) ELIGIBILITY FOR WATER SUPPLY PROJECT FED-
11 ERAL SUPPORT.—Upon the submission of a completed
12 feasibility report compliant with Bureau of Reclamation
13 standards, the Secretary of the Interior shall review re-
14 quests for funding assistance and, subject to the avail-
15 ability of appropriations, award funding on a competitive
16 basis for projects that meet the eligibility requirements of
17 title IV, including in the review drought recovery and resil-
18 iency projects for—

19 (1) groundwater recharge;

20 (2) stormwater capture;

21 (3) agricultural or urban water conservation
22 and efficiency; or

23 (4) other innovative projects that can reduce re-
24 liance on surface and groundwater supplies.

1 **SEC. 302. REAUTHORIZATION OF DESALINATION ACT.**

2 (a) DEFINITIONS.—Section 2 of the Water Desalina-
3 tion Act of 1996 (42 U.S.C. 10301 note; Public Law 104–
4 298) is amended—

5 (1) by redesignating paragraphs (1), (2), (3),
6 (4), and (5) as paragraphs (2), (3), (5), (6), and
7 (4), respectively, and moving the paragraphs so as
8 to appear in numerical order; and

9 (2) by inserting before paragraph (2) (as so re-
10 designated) the following:

11 “(1) ADMINISTRATOR.—The term ‘Adminis-
12 trator’ means the Administrator of the Environ-
13 mental Protection Agency.”.

14 (b) AUTHORIZATION OF RESEARCH AND STUDIES.—
15 Section 3 of the Water Desalination Act of 1996 (42
16 U.S.C. 10301 note; Public Law 104–298) is amended by
17 adding at the end the following:

18 “(e) PRIORITIZATION.—In carrying out this section,
19 the Secretary of the Interior shall prioritize funding for
20 research—

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

23 “(2) to reduce the environmental impacts of
24 seawater desalination and develop technology and
25 strategies to minimize those impacts;

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

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

10 “(5) to develop portable or modular desalina-
11 tion units capable of providing temporary emergency
12 water supplies for domestic or military deployment
13 purposes.”.

14 (c) DESALINATION DEMONSTRATION AND DEVELOP-
15 MENT.—Section 4 of the Water Desalination Act of 1996
16 (42 U.S.C. 10301 note; Public Law 104–298) is amended
17 by adding at the end the following:

18 “(c) PRIORITIZATION.—In carrying out demonstra-
19 tion and development activities under this section, the Sec-
20 retary shall prioritize projects—

21 “(1) in drought-stricken States and commu-
22 nities;

23 “(2) in States that have authorized funding for
24 research and development of desalination tech-
25 nologies and projects; and

1 “(3) that can reduce reliance on imported water
2 supplies that have an impact on species listed under
3 the Endangered Species Act of 1973 (16 U.S.C.
4 1531 et seq.).”.

5 (d) AUTHORIZATION OF APPROPRIATIONS.—Section
6 8 of the Water Desalination Act of 1996 (42 U.S.C. 10301
7 note; Public Law 104–298) is amended—

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

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

11 (B) by striking “2013” and inserting
12 “2020”; and

13 (2) in subsection (b), by striking “for each of
14 fiscal years 2012 through 2013” and inserting “for
15 each of fiscal years 2016 through 2020”.

16 (e) CONSULTATION.—Section 9 of the Water Desali-
17 nation Act of 1996 (42 U.S.C. 10301 note; Public Law
18 104–298) is amended—

19 (1) by striking the section designation and
20 heading and all that follows through “In carrying
21 out” in the first sentence and inserting the fol-
22 lowing:

23 **“SEC. 9. CONSULTATION AND COORDINATION.**

24 “(a) CONSULTATION.—In carrying out”;

1 (2) in the second sentence, by striking “The au-
2 thorization” and inserting the following:

3 “(c) OTHER DESALINATION PROGRAMS.—The au-
4 thorization”; and

5 (3) by inserting after subsection (a) (as des-
6 ignated by paragraph (1)) the following:

7 “(b) COORDINATION OF FEDERAL DESALINATION
8 RESEARCH AND DEVELOPMENT.—

9 “(1) IN GENERAL.—The White House Office of
10 Science and Technology Policy shall develop a co-
11 ordinated strategic plan that—

12 “(A) establishes priorities for future Fed-
13 eral investments in desalination; and

14 “(B) coordinates the activities of Federal
15 agencies involved in desalination, including the
16 Bureau of Reclamation, the National Science
17 Foundation, the Office of Naval Research of the
18 Department of Defense, the National Labora-
19 tories of the Department of Energy, the United
20 States Geological Survey, the Environmental
21 Protection Agency, and the National Oceanic
22 and Atmospheric Administration.”.

23 (f) DESALINATION PROJECT ASSISTANCE.—The
24 Water Desalination Act of 1996 (42 U.S.C. 10301 note;

1 Public Law 104–298) is amended by adding at the end
2 the following:

3 **“SEC. 10. FEASIBILITY STUDY AND DESIGN ASSISTANCE.**

4 “(a) IN GENERAL.—In order to facilitate the develop-
5 ment of water desalination projects, the Administrator
6 shall develop and implement a program to provide finan-
7 cial assistance to study the feasibility and support the de-
8 sign of desalination facilities (including associated water
9 distribution infrastructure) that provide usable water.

10 “(b) FEASIBILITY STUDIES.—

11 “(1) IN GENERAL.—The Administrator may
12 provide grant assistance to a non-Federal project
13 sponsor to evaluate and determine the feasibility of
14 a public or public-private desalination project.

15 “(2) FEDERAL SHARE.—The Federal share for
16 a feasibility study under paragraph (1) shall not ex-
17 ceed 50 percent of the cost of the study.

18 “(3) CRITERIA FOR ELIGIBILITY.—In carrying
19 out this subsection, the Administrator shall establish
20 criteria to determine projects eligible for grant fund-
21 ing based on the ability of the projects to provide re-
22 gional water supply benefits, including—

23 “(A) improving water supply reliability in
24 regions subject to frequent and severe drought;

1 “(B) enhancement of public health, safety,
2 ecosystems, and watershed sustainability;

3 “(C) preservation of groundwater through
4 reduction of withdrawals from aquifers;

5 “(D) offsetting demand for water conveyed
6 from environmentally sensitive areas outside
7 service area of the project; and

8 “(E) mitigation of saltwater intrusion to
9 aquifers.

10 “(c) PROJECT DESIGN.—

11 “(1) IN GENERAL.—The Administrator may
12 provide grant assistance to a non-Federal project
13 sponsor for the design of a public or public-private
14 desalination project.

15 “(2) FEDERAL SHARE.—The Federal share for
16 project design under paragraph (1) shall not exceed
17 25 percent of the cost of project design of the
18 project.

19 “(3) CRITERIA FOR ELIGIBILITY.—In carrying
20 out this subsection, the Administrator shall establish
21 criteria to determine projects eligible for grant fund-
22 ing, including—

23 “(A) completion of a feasibility study de-
24 scribed in subsection (b);

1 “(B) demonstration of technical feasibility
2 and cost effectiveness;

3 “(C) completion of all required State and
4 Federal environmental impact analyses;

5 “(D) receipt of all necessary local, State,
6 and Federal permits;

7 “(E) demonstration of financial capability
8 of non-Federal project sponsors;

9 “(F) quantification and net cost of water
10 produced by the project; and

11 “(G) identification of users of produced
12 water supply, including water purchase agree-
13 ments and other contractually binding mecha-
14 nisms.

15 “(d) GUIDANCE.—Not later than 180 days after the
16 date of enactment of this section, the Administrator shall
17 publish appropriate guidance to implement this section.

18 “(e) AUTHORIZATION OF APPROPRIATIONS.—There
19 is authorized to be appropriated to carry out this section
20 \$10,000,000 for each of fiscal years 2016 through 2020,
21 to remain available until expended.

22 “(f) REPORT ON DESALINATION TECHNOLOGY.—Not
23 later than 90 days after the date of enactment of this sec-
24 tion, the Secretary of the Navy shall submit to Congress
25 a report on the application of desalinization technology for

1 defense and national security purposes to provide drought
2 relief to areas impacted by sharp declines in water sup-
3 ply.”.

4 **Subtitle B—Storage**

5 **SEC. 311. DEFINITIONS.**

6 In this subtitle:

7 (1) **FEDERAL STORAGE PROJECT.**—The term
8 “Federal storage project” means any water storage
9 facility to which the United States holds title and
10 which was authorized to be constructed, operated,
11 and maintained pursuant to the reclamation laws.

12 (2) **NON-FEDERAL STORAGE PROJECT.**—The
13 term “non-Federal storage project” means any
14 water storage facility constructed, operated, and
15 maintained by any State, department of a State,
16 subdivision of a State, or public agency organized
17 pursuant to State law.

18 **SEC. 312. FEDERAL SUPPORT FOR INVESTMENTS IN STOR-**

19 **AGE.**

20 (a) **FEDERAL STORAGE PROJECTS.**—

21 (1) **AGREEMENTS.**—On the request of any
22 State, department, agency, or subdivision of a State,
23 or public agency organized pursuant to State law,
24 the Secretary of the Interior may negotiate and
25 enter into an agreement on behalf of the United

1 States for participation in the construction or expansion
2 of any Federal storage project in accordance
3 with this section.

4 (2) FEDERAL COST SHARE.—Subject to the re-
5 quirements of this subsection, the Secretary may
6 participate in a Federal storage project in an
7 amount equal to not more than 50 percent of the
8 total cost of the Federal storage project.

9 (3) COMMENCEMENT.—The construction of a
10 Federal storage project that is the subject of an
11 agreement under this subsection shall not commence
12 until the Secretary secures an agreement providing
13 such funds as are necessary to pay the capital costs
14 for any purpose that would otherwise be considered
15 to be reimbursable under the reclamation laws.

16 (4) RIGHTS TO USE CAPACITY.—Subject to
17 compliance with State water rights laws, the right to
18 use the capacity of a Federal storage project for
19 which the Secretary has entered into an agreement
20 under this subsection shall be allocated in such man-
21 ner as may be mutually agreed on by the Secretary
22 and each other party to the agreement.

23 (5) ENVIRONMENTAL LAWS.—In participating
24 in a Federal storage project under this subsection,
25 the Secretary shall comply with all applicable envi-

1 ronmental laws, including the National Environ-
2 mental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

3 (b) NON-FEDERAL STORAGE PROJECTS.—

4 (1) IN GENERAL.—Subject to the requirements
5 of this subsection, the Secretary of the Interior may
6 participate in a non-Federal storage project in an
7 amount equal to not more than 25 percent of the
8 total cost of the non-Federal storage project.

9 (2) REQUEST BY GOVERNOR.—Participation in
10 a non-Federal storage project under this subsection
11 shall not occur unless—

12 (A) the participation has been requested by
13 the Governor of the State in which the non-
14 Federal storage project is located; and

15 (B) the Secretary—

16 (i) makes each determination de-
17 scribed in paragraph (3); and

18 (ii) submits to Congress a written no-
19 tification of those determinations.

20 (3) DESCRIPTION OF DETERMINATIONS.—The
21 determinations referred to in paragraph (2)(B)(i) in-
22 clude a determination by the Secretary that—

23 (A) the relevant non-Federal storage
24 project is technically and financially feasible;

1 (B) sufficient non-Federal funding is avail-
2 able to complete the non-Federal storage
3 project;

4 (C) the non-Federal storage project spon-
5 sors are financially solvent;

6 (D) the environmental impacts of the non-
7 Federal storage project are acceptable; and

8 (E) the Federal benefits of the non-Fed-
9 eral storage project, including water supplies
10 dedicated to specific purposes such as environ-
11 mental enhancement or wildlife refuges, meet or
12 exceed the proposed Federal investment.

13 (4) PROJECTS IN CALIFORNIA.—Federal fund-
14 ing for construction of the Los Vaqueros Reservoir,
15 North-of-Delta Offstream Storage (Sites Reservoir),
16 and the Upper San Joaquin River non-Federal stor-
17 age projects described in clauses (i)(II), (ii)(I), and
18 (ii)(II) of section 103(d)(1)(A) of Public Law 108–
19 361 (118 Stat. 1684) is conditional on the Cali-
20 fornia Water Commission determining that—

21 (A) the project is feasible, is consistent
22 with all applicable laws and regulations, and
23 will advance the long-term objectives of restor-
24 ing ecological health and improving water man-
25 agement for beneficial uses of the Delta, pursu-

1 ant to section 79755(a)(5)(B) of the California
2 Water Quality, Supply, and Infrastructure Im-
3 provement Act of 2014 (division 26.7 of the
4 California Water Code); and

5 (B) pursuant to section 79753(a) of that
6 Act, 50 percent or more of the total public ben-
7 efits of the project provide the following:

8 (i) Ecosystem improvements, includ-
9 ing changing the timing of water diver-
10 sions, improvement in flow conditions, tem-
11 perature, or other benefits that contribute
12 to restoration of aquatic ecosystems and
13 native fish and wildlife, including those
14 ecosystems and fish and wildlife in the
15 Delta.

16 (ii) Water quality improvements in the
17 Delta, or in other river systems, that pro-
18 vide significant public trust resources, or
19 that clean up and restore groundwater re-
20 sources.

21 (iii) Flood control benefits, including
22 increases in flood reservation space in ex-
23 isting reservoirs by exchange for existing
24 or increased water storage capacity in re-
25 sponse to the effects of changing hydrology

1 and decreasing snow pack on the water
2 and flood management system of the State.

3 (iv) Emergency response, including se-
4 curing emergency water supplies and flows
5 for dilution and salinity repulsion following
6 a natural disaster or act of terrorism.

7 (v) Recreational purposes, including
8 those recreational pursuits generally asso-
9 ciated with the outdoors.

10 (5) ENVIRONMENTAL LAWS.—In participating
11 in a non-Federal storage project under this sub-
12 section, the Secretary shall comply with all applica-
13 ble environmental laws, including the National Envi-
14 ronmental Policy Act of 1969 (42 U.S.C. 4321 et
15 seq.).

16 (6) INFORMATION.—In participating in a non-
17 Federal storage project under this subsection, the
18 Secretary—

19 (A) may rely on reports prepared by the
20 non-Federal storage project sponsor, including
21 feasibility (or equivalent) studies, environmental
22 analyses, and other pertinent reports and anal-
23 yses; but

1 (B) shall retain responsibility for making
2 the independent determinations described in
3 paragraph (3).

4 (c) AUTHORIZATION OF APPROPRIATIONS.—

5 (1) IN GENERAL.—There is authorized to be
6 appropriated to carry out this section \$600,000,000
7 through fiscal year 2025.

8 (2) REPORT.—Not later than 1 year after the
9 date of enactment of this Act, the Secretary of the
10 Interior shall submit to the Committee on Energy
11 and Natural Resources of the Senate and the Com-
12 mittee on Natural Resources of the House of Rep-
13 resentatives a report that contains recommendations
14 of the Secretary, if any, regarding whether addi-
15 tional appropriations are needed to carry out the
16 purposes of this section, and the amount of such ad-
17 ditional appropriations.

18 **SEC. 313. CALFED STORAGE PROJECTS.**

19 (a) FINDINGS.—Congress finds that—

20 (1) the record drought conditions being experi-
21 enced in the State as of the date of enactment of
22 this Act are—

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

24 (B) likely to do so with increasing fre-
25 quency;

1 (2) water storage is an indispensable and inte-
2 gral part of any solution to address the long-term
3 water challenges of the State;

4 (3) Congress authorized relevant feasibility
5 studies for 5 water storage projects in the State, in-
6 cluding projects for—

7 (A) enlargement of Shasta Dam in Shasta
8 County under section 2(a) of Public Law 96–
9 375 (94 Stat. 1506), as reaffirmed under sec-
10 tion 103(d)(1)(A)(i)(I) of Public Law 108–361
11 (118 Stat. 1684);

12 (B) enlargement of Los Vaqueros Res-
13 ervoir in Contra Costa County under section
14 215 of Public Law 108–7 (117 Stat. 147), as
15 reaffirmed under section 103(d)(1)(A)(i)(II) of
16 Public Law 108–361 (118 Stat. 1684);

17 (C) construction of North-of-Delta
18 Offstream Storage (Sites Reservoir) in Colusa
19 County under section 215 of Public Law 108–
20 7 (117 Stat. 147), as reaffirmed under section
21 103(d)(1)(A)(ii)(I) of Public Law 108–361
22 (118 Stat. 1684);

23 (D) construction of the Upper San Joaquin
24 River storage (Temperance Flat) in Fresno and
25 Madera Counties under section 215 of Public

1 Law 108–7 (117 Stat. 147), as reaffirmed
2 under section 103(d)(1)(A)(ii)(II) of Public
3 Law 108–361 (118 Stat. 1684); and

4 (E) expansion of San Luis Reservoir under
5 section 103(f)(1)(A) of Public Law 108–361
6 (118 Stat. 1694);

7 (4) as of the date of enactment of this Act, it
8 has been more than 10 years since the authorization
9 of the feasibility studies referred to in paragraph
10 (3), but complete and final feasibility studies have
11 not been prepared for any of those water storage
12 projects;

13 (5) the slow pace of work on completion of the
14 feasibility studies for those 5 water storage projects
15 is unjustified and of deep concern; and

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

22 (b) DEADLINES FOR COMPLETING STORAGE STUD-
23 IES.—The Secretary of the Interior, through the Commis-
24 sioner of Reclamation, shall—

1 (1) complete the feasibility studies described in
2 clauses (i)(I) and (ii)(II) of section 103(d)(1)(A) of
3 Public Law 108–361 (118 Stat. 1684) and submit
4 such studies to the appropriate committees of the
5 House of Representatives and the Senate not later
6 than December 31, 2015;

7 (2) complete the feasibility study described in
8 clause (i)(II) of section 103(d)(1)(A) of Public Law
9 108–361 (118 Stat. 1684) and submit such study to
10 the appropriate committees of the House of Rep-
11 resentatives and the Senate not later than November
12 30, 2016;

13 (3) complete a publicly available draft of the
14 feasibility study described in clause (ii)(I) of section
15 103(d)(1)(A) of Public Law 108–361 (118 Stat.
16 1684) and submit such study to the appropriate
17 committees of the House of Representatives and the
18 Senate not later than November 30, 2016;

19 (4) complete the feasibility study described in
20 clause (ii)(I) of section 103(d)(1)(A) of Public Law
21 108–361 (118 Stat. 1684) and submit such study to
22 the appropriate committees of the House of Rep-
23 resentatives and the Senate not later than November
24 30, 2017;

1 (5) complete the feasibility study described in
2 section 103(f)(1)(A) of Public Law 108–361 (118
3 Stat. 1694) and submit such study to the appro-
4 priate Committees of the House of Representatives
5 and the Senate not later than December 31, 2017;

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

16 (7) communicate, coordinate, and cooperate
17 with public water agencies that contract with the
18 United States for Central Valley Project water and
19 that are expected to participate in the cost pools
20 that will be created for the projects proposed in the
21 feasibility studies under this section.

22 (c) IMPACTS.—The Secretary of the Interior, in con-
23 sultation with other appropriate agencies, shall establish
24 a process to address direct and substantial impacts caused
25 by any storage projects under this section.

1 **SEC. 314. AUTHORIZATION TO INCREASE RESERVOIR CA-**
2 **PACITY AS PART OF DAM SAFETY PROJECTS.**

3 The Reclamation Safety of Dams Act of 1978 is
4 amended by—

5 (1) in section 3 (43 U.S.C. 507), in the first
6 sentence, by striking “Construction” and inserting
7 “Except as provided in section 5B, construction”;
8 and

9 (2) inserting after section 5A (43 U.S.C. 509a)
10 the following:

11 **“SEC. 5B. AUTHORIZATION TO INCREASE RESERVOIR CA-**
12 **PACITY AS PART OF DAM SAFETY PROJECTS.**

13 “(a) DETERMINATION BY SECRETARY OF THE INTE-
14 RIOR.—

15 “(1) IN GENERAL.—Subject to subsection (b),
16 notwithstanding section 3, if the Secretary makes a
17 determination described in paragraph (2), the Sec-
18 retary may develop additional project benefits
19 through the construction of new or supplementary
20 works on a project—

21 “(A) in conjunction with the activities of
22 the Secretary under section 2; and

23 “(B) subject to the conditions described in
24 the relevant feasibility study.

25 “(2) DESCRIPTION OF DETERMINATION.—A de-
26 termination referred to in paragraph (1) is a deter-

1 mination by the Secretary that an additional project
2 benefit (including additional conservation storage ca-
3 capacity) is—

4 “(A) necessary;

5 “(B) in the interests of—

6 “(i) the United States; and

7 “(ii) the project;

8 “(C) feasible; and

9 “(D) not inconsistent with the purposes of
10 this Act.

11 “(b) REQUIREMENT.—The costs associated with de-
12 veloping an additional project benefit under subsection (a)
13 shall be—

14 “(1) allocated to the authorized purposes of the
15 project that have a benefit;

16 “(2) subject to a cost-sharing agreement among
17 applicable Federal, State, and local agencies relating
18 to the additional project benefit; and

19 “(3) repaid in accordance with the reclamation
20 laws.”.

21 **SEC. 315. RESERVOIR OPERATION IMPROVEMENT.**

22 (a) REPORT.—Not later than 180 days after the date
23 of enactment of this Act, the Secretary of the Army shall
24 submit to the Committees on Appropriations and the Com-
25 mittee on Environment and Public Works of the Senate

1 and the Committee on Appropriations and the Committee
2 on Transportation and Infrastructure of the House of
3 Representatives a report including the following informa-
4 tion for any State under a gubernatorial drought declara-
5 tion during water year 2015:

6 (1) A list of Corps of Engineer projects and
7 non-Federal projects operated for flood control in
8 accordance with rules prescribed by the Secretary of
9 the Army pursuant to section 7 of the Act of De-
10 cember 22, 1944 (commonly known as the “Flood
11 Control Act of 1944”) (58 Stat. 890, chapter 665)).

12 (2) The year during which the original water
13 control manual was approved.

14 (3) The year during which any subsequent revi-
15 sions to the water control plan and manual of the
16 project are proposed to occur.

17 (4) A list of projects for which operational devi-
18 ations for drought contingency have been requested,
19 and the status of the request.

20 (5) The means by which water conservation and
21 water quality improvements were addressed.

22 (6) A list of projects for which permanent
23 changes to storage allocations have been requested,
24 and the status of the request.

1 (b) PROJECT IDENTIFICATION.—Not later than 60
2 days after the date of completion of the report under sub-
3 section (a), the Secretary of the Army shall identify any
4 projects described in the report that meet the following
5 criteria:

6 (1) The project is located in a State in which
7 a drought emergency has been declared or was in ef-
8 fect during the 1-year period preceding the date of
9 final review by the Secretary.

10 (2) The water control manual and
11 hydrometeorological information establishing the
12 flood control rule curves of the project have not been
13 revised during the 20-year period ending on the date
14 of review by the Secretary.

15 (3) Revision of water operations manuals, in-
16 cluding flood control rule curves, based on the use
17 of improved weather forecasting or run-off fore-
18 casting methods, new watershed data, or changes to
19 project operations, for the project is likely to en-
20 hance the existing authorized project purposes in-
21 cluding water supply storage capacity and reliability,
22 flood control operations and environmental restora-
23 tion.

24 (c) ADDITIONAL PROJECTS IDENTIFIED.—Not later
25 than 60 days after the date of completion of the report

1 under subsection (a), the Secretary of the Army shall iden-
2 tify any non-Corps of Engineers projects that meet—

3 (1) the criteria described in subsection (b); and

4 (2)(A) the owner of the non-Federal project has
5 submitted to the Secretary of the Army a formal re-
6 quest to review or revise the operations manual or
7 flood control rule curves to accommodate new water-
8 shed data or projected project modifications or oper-
9 ational changes; and

10 (B) the modifications or operational changes
11 proposed by the owner of the non-Federal project
12 are likely to enhance water supply benefits and flood
13 control operations.

14 (d) PILOT PROJECTS.—

15 (1) IN GENERAL.—Not later than 1 year after
16 the date of identification of the projects under sub-
17 sections (b) and (c), if any, the Secretary of the
18 Army shall carry out not more than 5 pilot projects,
19 including at least 2 non-Federal projects (within the
20 meaning of subsection (a)(1)) (if any are identified
21 under subsection (b) or (c)), to implement revisions
22 of water operations manuals, including flood control
23 rule curves, based on the best available science,
24 which may include—

25 (A) forecast-informed operations;

1 (B) new watershed data; and

2 (C) if applicable, spillway improvements.

3 (2) CONSULTATION.—In implementing the pilot
4 projects pursuant to this subsection, the Secretary of
5 the Army shall consult with all affected interests, in-
6 cluding non-Federal entities responsible for oper-
7 ations and maintenance costs of a Corps of Engi-
8 neers facility, affected water rights holders, individ-
9 uals and entities with storage entitlements, and local
10 agencies with flood control responsibilities down-
11 stream of a Corps of Engineers facility.

12 (e) COORDINATION WITH NON-FEDERAL PROJECT
13 ENTITIES.—If a project identified under subsection (b) or
14 (c) is—

15 (1) a non-Federal project, the Secretary of the
16 Army, prior to carrying out an activity under this
17 section, shall—

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

20 (B) enter into a cooperative agreement,
21 memorandum of understanding, or other agree-
22 ment with the non-Federal project owner; and

23 (2) owned and operated by the Corps of Engi-
24 neers, the Secretary of the Army, prior to carrying
25 out an activity under this section, shall—

1 (A) consult with each non-Federal entity
2 (including a municipal water district, irrigation
3 district, joint powers authority, or other local
4 governmental entity) that currently—

5 (i) manages (in whole or in part) a
6 Corps of Engineers dam or reservoir; or

7 (ii) is responsible for operations and
8 maintenance costs; and

9 (B) enter into a cooperative agreement,
10 memorandum of understanding, or other agree-
11 ment with each such entity.

12 (f) CONSIDERATION.—In designing and imple-
13 menting a forecast-informed reservoir operations plan, the
14 Secretary of the Army may consider—

15 (1) the relationship between ocean and atmos-
16 pheric conditions, including the El Nino and La
17 Nina cycles, and the potential for above-normal, nor-
18 mal, and below-normal rainfall for the coming water
19 year, including consideration of atmospheric river
20 forecasts;

21 (2) the precipitation and runoff index specific
22 to the basin and watershed of the relevant dam or
23 reservoir, including incorporating knowledge of
24 hydrological and meteorological conditions that influ-
25 ence the timing and quantity of runoff;

1 (3) improved hydrologic forecasting for precipi-
2 tation, snowpack, and soil moisture conditions;

3 (4) an adjustment of operational flood control
4 rule curves to optimize water supply storage and re-
5 liability, hydropower production, environmental bene-
6 fits for flows and temperature, and other authorized
7 project benefits, without a reduction in flood safety;
8 and

9 (5) proactive management in response to
10 changes in forecasts.

11 (g) FUNDING.—On finalizing an agreement with a
12 non-Federal project sponsor or non-Federal project owner
13 pursuant to subsection (e), the Secretary of the Army may
14 accept non-Federal funds for all or a portion of the cost
15 of carrying out a review or revision of water control manu-
16 als and flood control rule curves.

17 (h) EFFECT.—

18 (1) MANUAL REVISIONS.—A revision of a man-
19 ual shall not interfere with the authorized purposes
20 of a project.

21 (2) EFFECT.—

22 (A) ACT.—Nothing in this Act authorizes
23 the Secretary of the Army to carry out, at a
24 Corps of Engineers or non-Federal dam or res-
25 ervoir, any project or activity for a purpose not

1 otherwise authorized as of the date of enact-
2 ment of this Act.

3 (B) SECTION.—Nothing in this section af-
4 fects or modifies any obligation of the Secretary
5 of the Army under State law or authorizes the
6 diversion or use of water in a manner that is
7 inconsistent with State water rights law.

8 (3) BUREAU OF RECLAMATION PROJECTS EX-
9 CLUDED.—This section shall not apply to any dam
10 or reservoir owned by the Bureau of Reclamation.

11 (i) MODIFICATIONS TO MANUALS AND CURVES.—Not
12 later than 180 days after the date of completion of a modi-
13 fication to an operations manual or flood control rule
14 curve, the Secretary of the Army shall submit to Congress
15 a report regarding the components of the forecast-based
16 reservoir operations plan incorporated into the change.

17 **SEC. 316. REPORT TO CONGRESS.**

18 Not later than 2 years after the date of enactment
19 of this Act, and every 2 years thereafter, the Secretary
20 shall submit to the Committee on Energy and Natural Re-
21 sources of the Senate and the Committee on Natural Re-
22 sources of the House of Representatives a report summa-
23 rizing the financial performance of the projects that are
24 receiving, or have received, assistance under this subtitle,

1 including an assessment of whether the objectives of this
2 subtitle are being met.

3 **Subtitle C—Water Recycling, Con-**
4 **servation, Efficiency, and Other**
5 **Programs**

6 **SEC. 321. PROMOTING WATER EFFICIENCY WITH**
7 **WATERSENSE.**

8 (a) IN GENERAL.—There is established within the
9 Environmental Protection Agency a program, to be known
10 as the “WaterSense Program”, to identify and promote
11 water efficient products, buildings, landscapes, facilities,
12 processes, and services so as—

13 (1) to reduce water use;

14 (2) to reduce the strain on water, wastewater,
15 and stormwater infrastructure;

16 (3) to conserve energy used to pump, heat,
17 transport, and treat water; and

18 (4) to preserve water resources for future gen-
19 erations, through voluntary labeling of, or other
20 forms of communications regarding, products, build-
21 ings, landscapes, facilities, processes, and services
22 that meet the highest water efficiency and perform-
23 ance criteria.

1 (b) DUTIES.—The Administrator of the Environ-
2 mental Protection Agency (referred to in this section as
3 the “Administrator”) shall—

4 (1) establish—

5 (A) a WaterSense label to be used for cer-
6 tain items; and

7 (B) the procedure by which an item may
8 be certified to display the WaterSense label;

9 (2) promote WaterSense-labeled products,
10 buildings, landscapes, facilities, processes, and serv-
11 ices in the marketplace as the preferred technologies
12 and services for—

13 (A) reducing water use; and

14 (B) ensuring product and service perform-
15 ance;

16 (3) work to enhance public awareness of the
17 WaterSense label through public outreach, edu-
18 cation, and other means;

19 (4) preserve the integrity of the WaterSense
20 label by—

21 (A) establishing and maintaining perform-
22 ance criteria so that products, buildings, land-
23 scapes, facilities, processes, and services labeled
24 with the WaterSense label perform as well or
25 better than less water-efficient counterparts;

1 (B) overseeing WaterSense certifications
2 made by third parties;

3 (C) conducting reviews of the use of the
4 WaterSense label in the marketplace and taking
5 corrective action in any case in which misuse of
6 the label is identified; and

7 (D) carrying out such other measures as
8 the Administrator determines to be appropriate;

9 (5) regularly review and, if appropriate, update
10 WaterSense criteria for categories of products, build-
11 ings, landscapes, facilities, processes, and services,
12 at least once every 6 years;

13 (6) to the maximum extent practicable, regu-
14 larly estimate and make available to the public the
15 production and relative market shares of, and the
16 savings of water, energy, and capital costs of water,
17 wastewater, and stormwater infrastructure attrib-
18 utable to the use of WaterSense-labeled products,
19 buildings, landscapes, facilities, processes, and serv-
20 ices, at least annually;

21 (7) solicit comments from interested parties and
22 the public prior to establishing or revising a
23 WaterSense category, specification, installation cri-
24 terion, or other criterion;

1 (8) provide reasonable notice to interested par-
2 ties and the public of any changes (including effec-
3 tive dates), on the adoption of a new or revised cat-
4 egory, specification, installation criterion, or other
5 criterion, along with—

6 (A) an explanation of the changes; and

7 (B) as appropriate, responses to comments
8 submitted by interested parties and the public;

9 (9) provide appropriate lead time (as deter-
10 mined by the Administrator) prior to the applicable
11 effective date for a new or significant revision to a
12 category, specification, installation criterion, or other
13 criterion, taking into account the timing require-
14 ments of the manufacturing, marketing, training,
15 and distribution process for the specific product,
16 building and landscape, or service category ad-
17 dressed;

18 (10) identify and, if appropriate, implement
19 other voluntary approaches in commercial, institu-
20 tional, residential, industrial, and municipal sectors
21 to encourage recycling and reuse technologies to im-
22 prove water efficiency or lower water use; and

23 (11) if appropriate, authorize the WaterSense
24 label for use on products that are labeled by the En-

1 energy Star program implemented by the Adminis-
2 trator and the Secretary of Energy.

3 (c) AUTHORIZATION OF APPROPRIATIONS.—There
4 are authorized to be appropriated to carry out this sec-
5 tion—

6 (1) \$5,000,000 for fiscal year 2016;

7 (2) \$5,000,000 for fiscal year 2017;

8 (3) \$5,000,000 for fiscal year 2018;

9 (4) \$5,000,000 for fiscal year 2019; and

10 (5) for each subsequent fiscal year, the applica-
11 ble amount for the preceding fiscal year, as adjusted
12 to reflect changes for the 12-month period ending
13 the preceding November 30 in the Consumer Price
14 Index for All Urban Consumers published by the
15 Bureau of Labor Statistics of the Department of
16 Labor.

17 **SEC. 322. INCREASING OPPORTUNITIES FOR AGRICUL-**
18 **TURAL CONSERVATION.**

19 (a) IN GENERAL.—The Secretary of the Interior is
20 authorized and directed to enter into voluntary agree-
21 ments with public water agencies or other entities that re-
22 ceive water from any project operated by the Bureau of
23 Reclamation to implement water conservation programs.

1 (b) USES OF CONSERVED WATER.—Of the quantity
2 of water conserved as a result of the exercise of the au-
3 thority of the Secretary under subsection (a)—

4 (1) 25 percent shall be retained by the public
5 water agency or entity with which the Secretary has
6 entered into a water conservation agreement; and

7 (2) 75 percent shall be retained by the Sec-
8 retary, of which—

9 (A) 33 percent shall be used or marketed
10 on an annual basis for purposes that will pro-
11 mote groundwater recharge and conservation;
12 and

13 (B) 67 percent shall be used on an annual
14 basis for refuge water supply or other author-
15 ized project purposes.

16 (c) EXCEPTIONS.—For good reason, the Secretary
17 and the public water agency or entity with which the Sec-
18 retary has entered into a water conservation agreement
19 may agree to modify the percentages of uses of the water
20 conserved specified in subsection (b) in a particular in-
21 stance.

22 (d) CONTRIBUTED FUNDS.—

23 (1) IN GENERAL.—Any existing water service or
24 repayment contractor within the project service area

1 may contribute funds for the implementation of the
2 water conservation agreement.

3 (2) ACTION BY SECRETARY.—If a contractor
4 provides contributed funds pursuant to paragraph
5 (1), the Secretary shall provide to that water service
6 or repayment contractor some or all of the water de-
7 scribed in subsection (b)(2)(B), but not to exceed
8 the proportion of funds contributed by the con-
9 tractor.

10 (3) ADDITIONAL WATER.—If a contractor con-
11 tributes over 50 percent of the project cost, the Sec-
12 retary may reach an agreement with the contractor
13 to provide some of the water described in subsection
14 (b)(2)(A) for the contractor to use for groundwater
15 recharge and conservation, subject to the condition
16 that the contractor may not receive a higher propor-
17 tion of the water conserved than the proportion of
18 the funds contributed by the contractor.

19 **SEC. 323. ASSISTANCE FOR DROUGHT-STRICKEN COMMU-**
20 **NITIES.**

21 (a) FINDINGS.—Congress finds that—

22 (1) across the United States, more than 90 per-
23 cent of the community water systems serve popu-
24 lations of less than 10,000 individuals;

1 (2) the number of dry wells continues to in-
2 crease as the State enters the fourth consecutive
3 summer of drought, with approximately 1,988 wells
4 statewide identified as critical or dry, which affects
5 an estimated 9,940 residents, with 1,883 of the
6 1,988 dry wells concentrated in the inland regions
7 within the Central Valley;

8 (3) many areas of the State are disproportion-
9 ately impacted by drought because the areas are
10 heavily dependent or completely reliant on ground-
11 water from basins that are in overdraft and in which
12 the water table declines year after year or from ba-
13 sins that are contaminated; and

14 (4) those communities throughout the State
15 have been impacted by the presence of naturally oc-
16 curring arsenic in the groundwater among other con-
17 taminants, as a result of higher concentration of
18 contaminants in the water.

19 (b) **ADDITIONAL ASSISTANCE FOR COMMUNITIES**
20 **WITHOUT ACCESS TO ADEQUATE WATER.—**

21 (1) **IN GENERAL.—**To assist disadvantaged
22 communities that have experienced a significant de-
23 cline in quantity or quality of drinking water, and to
24 obtain or maintain adequate quantities of water that
25 meet the standards set by the Federal Water Pollu-

1 tion Control Act (33 U.S.C. et seq.), there is estab-
 2 lished within the Rural Water and Waste Disposal
 3 Program of the Department of Agriculture a pro-
 4 gram under which the Secretary of Agriculture shall
 5 provide grants for communities—

6 (A) that are unable to meet the primary
 7 water quality standards under that Act; or

8 (B) the local private or public water supply
 9 of which has been lost or severely diminished
 10 due to drought conditions.

11 (2) ELIGIBLE COMMUNITIES.—

12 (A) IN GENERAL.—Except as provided in
 13 subparagraph (B), to be eligible to receive a
 14 grant under this subsection, a community shall
 15 carry out a project described in paragraph (3),
 16 the service area of which—

17 (i) shall not be located in any city or
 18 town with a population of more than
 19 10,000 residents; and

20 (ii) has a median household income of
 21 less than 100 percent of a the nonmetro-
 22 politan median household income of the
 23 State.

24 (B) EXCEPTIONS.—Notwithstanding sub-
 25 paragraph (A)(i), the Secretary may provide as-

1 sistance to communities exceeding the 10,000
2 population limit established by that subpara-
3 graph in the event there is a threat to the
4 human health and safety of the community as
5 a result of decreased water supplies or water
6 quality.

7 (3) ELIGIBLE PROJECTS.—Projects eligible for
8 this program may be used for—

- 9 (A) point of use treatment;
10 (B) point of entry systems;
11 (C) distributed treatment facilities;
12 (D) construction of new water source fa-
13 cilities including wells and connections to exist-
14 ing systems;
15 (E) water distribution facilities;
16 (F) connection fees to existing systems;
17 (G) assistance to households to connect to
18 water facilities; and
19 (H) any combination of activities described
20 in subparagraphs (A) through (G).

21 (4) PRIORITIZATION.—In determining priorities
22 for funding projects, the Secretary of Agriculture
23 shall take into consideration—

- 24 (A) where water outages—
25 (i) are most imminent; and

1 (ii) pose the greatest threat to public
2 health and safety; and

3 (B) the access of the applicant to, or abil-
4 ity to qualify for, alternative funding sources.

5 (5) MAXIMUM AMOUNT.—The amount of a
6 grant provided under this section may be made up
7 to 100 percent of costs, including—

8 (A) initial operation costs incurred for
9 start-up and testing of project facilities;

10 (B) components to ensure such facilities
11 and components are properly operational; and

12 (C) costs of operation or maintenance in-
13 curred subsequent to placing the facilities or
14 components into service.

15 (6) NONPROFIT ORGANIZATIONS.—The Sec-
16 retary may use amounts made available to carry out
17 this section to provide grants to, or enter into coop-
18 erative agreements with, nonprofit organizations
19 that can provide onsite technical assistance, assist-
20 ance with implementing source water protection
21 plans, and assistance with implementing monitoring
22 and maintenance plans.

23 (c) PILOT PROJECTS.—There is authorized to be ap-
24 propriated to the Secretary to carry out this section

1 \$15,000,000 for up to 15 pilot projects to implement the
 2 program under this section.

3 **SEC. 324. CONSERVATION AT CALIFORNIA MILITARY IN-**
 4 **STALLATIONS.**

5 (a) INITIAL ASSESSMENT.—

6 (1) IN GENERAL.—Not later than 180 days
 7 after the date of enactment of this Act, the Sec-
 8 retary of Defense shall submit to the Subcommittees
 9 on Military Construction, Veterans Affairs, and Re-
 10 lated Agencies of the Committees on Appropriations
 11 of the Senate and the House of Representatives a
 12 list of water conservation activities and best prac-
 13 tices that the Secretary—

14 (A) has carried out on military installa-
 15 tions in the State; or

16 (B) will carry out in the State pursuant to
 17 sections 2866 and 2914 of title 10, United
 18 States Code.

19 (2) INCLUSIONS.—The report under paragraph
 20 (1) shall include—

21 (A) consideration of—

22 (i) implementing the Net Zero initia-
 23 tive of the Army in the State;

24 (ii) reducing irrigation for landscaping
 25 and golf courses;

1 (iii) addressing distribution leaks and
2 inadequate or faulty plumbing fixtures;
3 and

4 (iv) wastewater reclamation and rain-
5 water harvesting; and

6 (B) a description of—

7 (i) how installations can use the En-
8 ergy and Water focus area of the Strategic
9 Environmental Research and Development
10 Program and Environmental Security
11 Technology Certification Program to pro-
12 mote and accelerate conservation at mili-
13 tary installations in the State; and

14 (ii) the feasibility of entering into
15 agreements with a utility or other entity to
16 adopt technologies or practices that—

17 (I) reduce water demand;

18 (II) increase water conservation;

19 or

20 (III) reclaim water.

21 (b) PILOT PROJECTS.—Not later than 180 days after
22 the date of submission of the report under subsection (a),
23 the Secretary of Defense shall commence, including
24 through initial planning and study, not fewer than 3 pilot

1 projects on military installations in the State to implement
2 the actions described in the report.

3 (c) SUBSEQUENT REPORTS.—Not later than 1 year
4 after the date of enactment of this Act, and annually
5 thereafter for each year during which there exists a
6 drought declaration in the State, the Secretary of Defense
7 shall submit to the Subcommittees on Military Construc-
8 tion, Veterans Affairs, and Related Agencies of the Com-
9 mittees on Appropriations of the Senate and the House
10 of Representatives a progress report describing the imple-
11 mentation of this section during the preceding calendar
12 year.

13 **SEC. 325. SUPPORT FOR STATE WATER RESOURCES CON-**
14 **TROL BOARD CURTAILMENT OF ILLEGAL**
15 **WATER DIVERSIONS.**

16 The Secretary of the Interior and the Secretary of
17 Commerce shall support the efforts of the State Water Re-
18 sources Control Board to regulate the State's water sup-
19 plies during the drought emergency by providing technical
20 and modeling assistance upon request.

21 **SEC. 326. COMBATING WATER THEFT FOR ILLEGAL MARI-**
22 **JUANA CULTIVATION.**

23 In addition to other amounts made available under
24 this Act (or an amendment made by this Act), there is
25 authorized to be appropriated \$3,000,000 to the Adminis-

1 trator of the Drug Enforcement Administration for a do-
 2 mestic cannabis eradication and suppression program to
 3 assist State or local law enforcement agencies in the sup-
 4 pression of cannabis operations that—

5 (1) are conducted on public land; or

6 (2)(A) trespass on the property of an individual
 7 or entity; and

8 (B) unlawfully divert, redirect, obstruct, drain,
 9 or impound water.

10 **SEC. 327. SUPPORT FOR INNOVATIVE WATER SUPPLY AND**
 11 **CONSERVATION TECHNOLOGIES.**

12 (a) IN GENERAL.—In order to promote the develop-
 13 ment of innovative water supply and conservation tech-
 14 nologies, the Administrator of the Environmental Protec-
 15 tion Agency is authorized, on a competitive basis, to award
 16 grants and enter into contracts to assist in the financing
 17 of research and demonstration projects for such innovative
 18 technologies.

19 (b) ELIGIBLE ENTITIES.—Entities eligible to receive
 20 grants and enter into contracts pursuant to this section
 21 include local entities, public nonprofit institutions or orga-
 22 nizations, businesses, federally recognized Indian tribal
 23 governments, and nonprofit institutions or organizations.

24 (c) ELIGIBILITY CRITERIA.—The Administrator shall
 25 establish criteria for applicants to be eligible to receive a

1 grant from, or enter into a contract with, the Adminis-
2 trator under this section, including—

3 (1) demonstration of the technical feasibility of
4 the proposal and the qualifications of the entity to
5 carry out the proposal;

6 (2) demonstration of the financial capability
7 and creditworthiness of non-Federal project spon-
8 sors;

9 (3) compliance with all applicable laws and re-
10 ceipt of all necessary local, State, and Federal per-
11 mits; and

12 (4) quantification of the estimated water to be
13 produced or saved by the project and the net cost of
14 the project.

15 (d) EVALUATION CRITERIA.—The Administrator
16 shall establish criteria for evaluating on a competitive
17 basis eligible applicants under this section, including the
18 degree to which the proposed technology—

19 (1) proposes an innovation that has broad, fun-
20 damental implications for water savings or water
21 supply;

22 (2) is economically feasible;

23 (3) could reduce the costs of water supply, in-
24 cluding reductions in associated energy costs;

1 (4) would solve environmental concerns or pro-
2 vide environmental benefits;

3 (5) has a proof of concept, and a likely path to
4 success within a reasonable time frame; and

5 (6) is aimed at the development of a specific
6 water saving or water supply application, as opposed
7 to basic research aimed at discovery and funda-
8 mental knowledge generation.

9 (e) AUTHORITY TO ENGAGE OTHERS.—

10 (1) IN GENERAL.—In carrying out research and
11 studies authorized in this section, the Administrator
12 may engage the necessary personnel, industrial or
13 engineering firms, Federal laboratories, water re-
14 sources research and technology institutions, other
15 facilities, and educational institutions suitable to
16 conduct investigations and studies authorized under
17 this section.

18 (2) TECHNICAL AND ADMINISTRATIVE ASSIST-
19 ANCE.—The Administrator may—

20 (A) accept technical and administrative as-
21 sistance from States and public or private agen-
22 cies in connection with studies, surveys, loca-
23 tion, construction, operation, and other work re-
24 lating to the desalting of water; and

1 (B) enter into contracts or agreements
2 stating the purposes for which the assistance is
3 contributed and providing for the sharing of
4 costs between the Administrator and any such
5 agency.

6 (f) COST-SHARING.—

7 (1) 25-PERCENT FEDERAL COST SHARE.—A
8 Federal contribution in excess of 25 percent for a
9 project carried out under this section may not be
10 made unless the Administrator determines that the
11 project is not feasible without such increased Fed-
12 eral contribution.

13 (2) MAXIMUM FEDERAL COST SHARE.—In no
14 case shall the Federal cost-share for a project under
15 this section exceed 50 percent of the total cost of the
16 project.

17 (3) PROCEDURES FOR ALLOCATING COSTS.—
18 The Administrator shall prescribe appropriate proce-
19 dures to implement the provisions of this section.
20 Costs of operation, maintenance, repair, and reha-
21 bilitation of facilities funded under the authority of
22 this section shall be non-Federal responsibilities.

23 (g) AUTHORIZATION OF APPROPRIATIONS.—There is
24 authorized to be appropriated to carry out this section

1 \$35,000,000 for the period of fiscal years 2016 through
2 2020.

3 **SEC. 328. OPEN WATER DATA SYSTEM.**

4 (a) DEFINITIONS.—In this section:

5 (1) EDUCATIONAL INSTITUTION.—The term
6 “educational institution” means—

7 (A) a public or private elementary or sec-
8 ondary school;

9 (B) an institution of vocational, profes-
10 sional, or higher education (including a junior
11 college or teachers’ college); and

12 (C) an association of schools or institutions
13 described in subparagraphs (A) and (B).

14 (2) INDIAN TRIBE.—The term “Indian tribe”
15 has the meaning given that term in section 4 of the
16 Indian Self-Determination and Education Assistance
17 Act (25 U.S.C. 450b).

18 (3) SECRETARY.—The term “Secretary” means
19 the Secretary of the Interior, acting through the Di-
20 rector of the United States Geological Survey.

21 (4) STATE.—The term “State” means—

22 (A) a State;

23 (B) the District of Columbia;

24 (C) the Commonwealth of Puerto Rico;

25 and

1 (D) any other territory or possession of the
2 United States.

3 (5) SYSTEM.—The term “system” means the
4 open water data system established under subsection
5 (b).

6 (b) SYSTEM.—The Secretary shall establish and
7 maintain an open water data system within the United
8 States Geological Survey to advance the availability, time-
9 ly distribution, and widespread use of water data and in-
10 formation for water management, education, research, as-
11 sessment, and monitoring purposes.

12 (c) PURPOSES.—The purposes of the system are—

13 (1) to advance the quantification of the avail-
14 ability, use of, and risks to, water resources through-
15 out the United States;

16 (2) to increase accessibility to, and expand the
17 use of, water data and information in a standard,
18 easy-to-use format by Federal, State, local, and trib-
19 al governments, communities, educational institu-
20 tions, and the private sector; and

21 (3) to facilitate the open exchange of water in-
22 formation particularly in the face of climate change
23 and unprecedented drought.

24 (d) ACTIVITIES.—In carrying out this section, the
25 Secretary shall—

1 (1) integrate water data and information into a
2 interoperable, national, geospatially referenced water
3 data framework;

4 (2) identify new water data and information
5 needs, including data on surface and groundwater
6 quality and quantity, sediment, erosion, transport,
7 water chemistry, precipitation, reservoir storage,
8 water cycle, landscape variables, hydrography, cli-
9 mate and weather impacts, soil moisture, and human
10 use;

11 (3) leverage existing shared databases, infra-
12 structure, and tools to provide a platform for water
13 data and information innovation, modeling and data
14 sharing, and solution development;

15 (4) support water data and information shar-
16 ing, applied research, and educational programs of
17 State, local, and tribal governments, communities,
18 educational institutions, and the private sector; and

19 (5) promote cooperation and sharing of exper-
20 tise regarding water data and information among
21 State, local, and tribal governments, communities,
22 educational institutions, and the private sector.

23 (e) AUTHORIZATION OF APPROPRIATIONS.—There is
24 authorized to be appropriated to carry out this subsection
25 \$4,000,000 for each fiscal year from 2016 through 2020.

1 **TITLE IV—FEDERAL SUPPORT**
 2 **FOR STATE AND LOCAL**
 3 **DROUGHT RESILIENCY**
 4 **PROJECTS**

5 **Subtitle A—Reclamation Infra-**
 6 **structure Finance and Innova-**
 7 **tion Act**

8 **SEC. 401. PURPOSES.**

9 The purposes of this subtitle are—

10 (1) to promote increased development of critical
 11 water resources infrastructure by establishing addi-
 12 tional opportunities for financing water resources
 13 projects;

14 (2) to attract new investment capital to infra-
 15 structure projects that are capable of generating rev-
 16 enue streams through user fees or other dedicated
 17 funding sources;

18 (3) to complement existing Federal funding
 19 sources and address budgetary constraints on Bu-
 20 reau of Reclamation programs; and

21 (4) to leverage private investment in water re-
 22 sources infrastructure.

23 **SEC. 402. DEFINITIONS.**

24 In this subtitle:

1 (1) ELIGIBLE ENTITY.—The term “eligible enti-
2 ty” means—

3 (A) a corporation;

4 (B) a partnership;

5 (C) a joint venture;

6 (D) a trust;

7 (E) a State, or local governmental entity,
8 agency, or instrumentality; and

9 (F) a conservancy district, irrigation dis-
10 trict, canal company, mutual water company,
11 water users’ association, Indian tribe, agency
12 created by interstate compact, or any other en-
13 tity that has the capacity to contract with the
14 United States under the reclamation laws.

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

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

23 (4) LENDER.—

24 (A) IN GENERAL.—The term “lender”
25 means any non-Federal qualified institutional

1 buyer (as defined in section 230.144A(a) of
2 title 17, Code of Federal Regulations (or a suc-
3 cessor regulation) (commonly known as “Rule
4 144A(a) of the Securities and Exchange Com-
5 mission” and issued under the Securities Act of
6 1933 (15 U.S.C. 77a et seq.))).

7 (B) INCLUSIONS.—The term “lender” in-
8 cludes—

9 (i) a qualified retirement plan (as de-
10 fined in section 4974 of the Internal Rev-
11 enue Code of 1986) that is a qualified in-
12 stitutional buyer; and

13 (ii) a governmental plan (as defined in
14 section 414 of the Internal Revenue Code
15 of 1986) that is a qualified institutional
16 buyer.

17 (5) LOAN GUARANTEE.—The term “loan guar-
18 antee” means any guarantee or other pledge by the
19 Secretary of the Interior to pay all or part of the
20 principal of, and interest on, a loan or other debt ob-
21 ligation issued by an obligor and funded by a lender.

22 (6) OBLIGOR.—The term “obligor” means an
23 eligible entity that is primarily liable for payment of
24 the principal of, or interest on, a Federal credit in-
25 strument.

1 (7) PROJECT OBLIGATION.—

2 (A) IN GENERAL.—The term “project obli-
3 gation” means any note, bond, debenture, or
4 other debt obligation issued by an obligor in
5 connection with the financing of a project.

6 (B) EXCLUSION.—The term “project obli-
7 gation” does not include a Federal credit in-
8 strument.

9 (8) RATING AGENCY.—The term “rating agen-
10 cy” means a credit rating agency registered with the
11 Securities and Exchange Commission as a nationally
12 recognized statistical rating organization (as defined
13 in section 3(a) of the Securities Exchange Act of
14 1934 (15 U.S.C. 78c(a)).

15 (9) RECLAMATION STATE.—The term “Rec-
16 lamation State” means any of the States of—

17 (A) Arizona;

18 (B) California;

19 (C) Colorado;

20 (D) Idaho;

21 (E) Kansas;

22 (F) Montana;

23 (G) Nebraska;

24 (H) Nevada;

25 (I) New Mexico;

- 1 (J) North Dakota;
2 (K) Oklahoma;
3 (L) Oregon;
4 (M) South Dakota;
5 (N) Texas;
6 (O) Utah;
7 (P) Washington; and
8 (Q) Wyoming.

9 (10) SECRETARY.—The term “Secretary”
10 means the Secretary of the Interior.

11 (11) SECURED LOAN.—The term “secured
12 loan” means a direct loan or other debt obligation
13 issued by an obligor and funded by the Secretary in
14 connection with the financing of a project under sub-
15 title A.

16 (12) SUBSIDY AMOUNT.—The term “subsidy
17 amount” means the amount of budget authority suf-
18 ficient to cover the estimated long-term cost to the
19 Federal Government of a Federal credit instrument,
20 as calculated on a net present value basis, excluding
21 administrative costs and any incidental effects on
22 Governmental receipts or outlays in accordance with
23 the Federal Credit Reform Act of 1990 (2 U.S.C.
24 661 et seq.).

1 (13) SUBSTANTIAL COMPLETION.—The term
2 “substantial completion”, with respect to a project,
3 means the earliest date on which a project is consid-
4 ered to perform the functions for which the project
5 is designed.

6 **SEC. 403. AUTHORITY TO PROVIDE ASSISTANCE.**

7 The Secretary may provide financial assistance under
8 this subtitle to carry out projects within—

9 (1) any Reclamation State;

10 (2) any other State in which the Bureau of
11 Reclamation is authorized to provide project assist-
12 ance; and

13 (3) the States of Alaska and Hawaii.

14 **SEC. 404. APPLICATIONS.**

15 To be eligible to receive assistance under this subtitle,
16 an eligible entity shall submit to the Secretary an applica-
17 tion at such time, in such manner, and containing such
18 information as the Secretary may require.

19 **SEC. 405. ELIGIBILITY FOR ASSISTANCE.**

20 (a) ELIGIBLE PROJECTS.—The following non-Fed-
21 eral projects may be carried out using assistance made
22 available under this subtitle:

23 (1) A project for the reclamation and reuse of
24 municipal, industrial, domestic, and agricultural

1 wastewater, and naturally impaired ground and sur-
2 face waters, which—

3 (A) has a completed feasibility study that
4 complies with Reclamation standards; and

5 (B) the Secretary, acting through the
6 Commissioner of Reclamation, is authorized to
7 undertake.

8 (2) Any water infrastructure project not specifi-
9 cally authorized by law the Secretary determines
10 would contribute to a safe, adequate water supply
11 for domestic, agricultural, environmental, or munic-
12 ipal and industrial use.

13 (3) A new water infrastructure facility project,
14 including a water conduit, pipeline, canal, pumping,
15 power, and associated facilities.

16 (4) A project for accelerated repair and replace-
17 ment of an aging water distribution facility.

18 (5) A brackish or sea water desalination
19 project.

20 (6) A combination of projects, each of which is
21 eligible under paragraphs (1) through (5), for which
22 an eligible entity or group of eligible entities submits
23 a single application.

24 (b) ACTIVITIES ELIGIBLE FOR ASSISTANCE.—For
25 purposes of this subtitle, an eligible activity with respect

1 to an eligible project under subsection (a) includes the cost
2 of—

3 (1) development-phase activities, including plan-
4 ning, feasibility analysis, revenue forecasting, envi-
5 ronmental review, permitting, preliminary engineer-
6 ing and design work, and other preconstruction ac-
7 tivities;

8 (2) construction, reconstruction, rehabilitation,
9 and replacement activities;

10 (3) the acquisition of real property (including
11 water rights, land relating to the project, and im-
12 provements to land), environmental mitigation, con-
13 struction contingencies, and acquisition of equip-
14 ment;

15 (4) capitalized interest necessary to meet mar-
16 ket requirements, reasonably required reserve funds,
17 capital issuance expenses, and other carrying costs
18 during construction; and

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

22 **SEC. 406. DETERMINATION OF ELIGIBILITY AND PROJECT**
23 **SELECTION.**

24 (a) **ELIGIBILITY REQUIREMENTS.**—To be eligible to
25 receive financial assistance under this subtitle, a project

1 shall meet the following criteria, as determined by the Sec-
2 retary:

3 (1) CREDITWORTHINESS.—

4 (A) IN GENERAL.—Subject to subpara-
5 graph (B), the project shall be creditworthy, as
6 determined by the Secretary, who shall ensure
7 that any financing for the project has appro-
8 priate security features, such as a rate cov-
9 enant, to ensure repayment.

10 (B) PRELIMINARY RATING OPINION LET-
11 TER.—The Secretary shall require each appli-
12 cant to provide a preliminary rating opinion let-
13 ter from at least 1 rating agency indicating that
14 the senior obligations of the project (which may
15 be the Federal credit instrument) have the po-
16 tential to achieve an investment-grade rating.

17 (2) ELIGIBLE PROJECT COSTS.—The eligible
18 project costs of a project shall be reasonably antici-
19 pated to be not less than \$20,000,000.

20 (3) DEDICATED REVENUE SOURCES.—The Fed-
21 eral credit instrument for the project shall be repay-
22 able, in whole or in part, from dedicated revenue
23 sources that also secure the project obligations.

24 (4) PUBLIC SPONSORSHIP OF PRIVATE ENTI-
25 TIES.—In the case of a project carried out by an en-

1 tity that is not a State or local government or an
2 agency or instrumentality of a State or local govern-
3 ment, the project shall be publicly sponsored.

4 (b) SELECTION CRITERIA.—

5 (1) ESTABLISHMENT.—The Secretary shall es-
6 tablish criteria for the selection of projects that meet
7 the eligibility requirements of subsection (a), in ac-
8 cordance with paragraph (2).

9 (2) CRITERIA.—The selection criteria shall in-
10 clude the following:

11 (A) The extent to which a project serves a
12 region with significant water resources chal-
13 lenges.

14 (B) The extent to which the project is na-
15 tionally or regionally significant.

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

20 (D) The extent to which the project fos-
21 ters—

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

1 (ii) innovative recycling programs that
2 augment a combination of industrial, com-
3 mercial, residential, and agricultural uses.

4 (E) The likelihood that assistance under
5 this section would enable the project to proceed
6 at an earlier date than the project would other-
7 wise be able to proceed.

8 (F) The amount of budget authority re-
9 quired to fund the Federal credit instrument
10 made available under this subtitle.

11 (G) The extent to which the project helps
12 maintain or protect the environment.

13 (3) CONSISTENCY OF CRITERIA.—Not later
14 than 180 days after the enactment of this Act, the
15 Secretary shall issue eligibility requirements under
16 title IV of this Act for water recycling projects that
17 reclaim and reuse municipal, industrial, domestic, or
18 agricultural wastewater or impaired ground or sur-
19 face waters.

20 (c) RECEIPT OF OTHER FEDERAL FUNDING.—Re-
21 ceipt of a Federal grant or contract or other Federal fund-
22 ing to support an eligible project shall not preclude the
23 project from being eligible for assistance under this sub-
24 title and shall not be counted towards any Federal cost-

1 share requirements otherwise applicable to a project eligi-
2 ble for assistance under this subtitle.

3 **SEC. 407. SECURED LOANS.**

4 (a) AGREEMENTS.—

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

9 (A) to finance eligible project costs of any
10 project selected under section 406;

11 (B) to refinance interim construction fi-
12 nancing of eligible project costs of any project
13 selected under section 406; or

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

19 (i) is selected under section 406; or

20 (ii) otherwise meets the requirements
21 of section 406.

22 (2) LIMITATION ON REFINANCING OF INTERIM
23 CONSTRUCTION FINANCING.—A secured loan under
24 paragraph (1) shall not be used to refinance interim
25 construction financing under paragraph (1)(B) later

1 than 1 year after the date of substantial completion
2 of the applicable project.

3 (3) RISK ASSESSMENT.—Before entering into
4 an agreement under this subsection for a secured
5 loan, the Secretary, in consultation with the Director
6 of the Office of Management and Budget and each
7 rating agency providing a preliminary rating opinion
8 letter under section 406(a)(1)(B), shall determine an
9 appropriate capital reserve subsidy amount for the
10 secured loan, taking into account each such prelimi-
11 nary rating opinion letter.

12 (4) INVESTMENT-GRADE RATING REQUIRE-
13 MENT.—The execution of a secured loan under this
14 section shall be contingent on receipt by the senior
15 obligations of the project of an investment-grade rat-
16 ing.

17 (b) TERMS AND LIMITATIONS.—

18 (1) IN GENERAL.—A secured loan provided for
19 a project under this section shall be subject to such
20 terms and conditions, and contain such covenants,
21 representations, warranties, and requirements (in-
22 cluding requirements for audits), as the Secretary
23 determines to be appropriate.

24 (2) NONSUBORDINATION.—A secured loan
25 under this section shall not be subordinated to the

1 claims of any holder of project obligations in the
2 event of bankruptcy, insolvency, or liquidation of the
3 obligor of the project.

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

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

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

13 (4) PAYMENT.—A secured loan under this sec-
14 tion—

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

20 (B) shall include a rate covenant, coverage
21 requirement, or similar security feature sup-
22 porting the project obligations; and

23 (C) may have a lien on revenues described
24 in subparagraph (A), subject to any lien secur-
25 ing project obligations.

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

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

10 (7) FEES.—The Secretary may establish fees,
11 in accordance with section 408(b)(2) at a level suffi-
12 cient to cover all or a portion of the costs to the
13 Federal Government of making a secured loan under
14 this section.

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

19 (9) MAXIMUM FEDERAL INVOLVEMENT.—The
20 total amount of Federal assistance provided for a
21 project for which assistance is provided under this
22 subtitle from all sources (including this subtitle)
23 shall not exceed 80 percent of the total cost of the
24 project.

25 (c) REPAYMENT.—

1 (1) SCHEDULE.—The Secretary shall establish
2 a repayment schedule for each secured loan provided
3 under this section, based on the projected cash flow
4 from project revenues and other repayment sources.

5 (2) COMMENCEMENT.—Scheduled loan repay-
6 ment of principal or interest on a secured loan under
7 this section shall commence not later than 5 years
8 after the date of substantial completion of the
9 project, with interest accruing during those 5 years
10 and during construction.

11 (3) DEFERRED PAYMENTS.—

12 (A) AUTHORIZATION.—If, at any time
13 after the date of substantial completion of a
14 project for which a secured loan is provided
15 under this section, the project is unable to gen-
16 erate sufficient revenues to pay the scheduled
17 loan repayments of principal and interest on the
18 secured loan, the Secretary may allow the obli-
19 gor, subject to subparagraph (C), to add unpaid
20 principal and interest to the outstanding bal-
21 ance of the secured loan.

22 (B) INTEREST.—Any payment deferred
23 under subparagraph (A) shall—

1 (i) continue to accrue interest in ac-
2 cordance with subsection (b)(5) until fully
3 repaid; and

4 (ii) be scheduled to be amortized over
5 the remaining term of the secured loan.

6 (C) CRITERIA.—

7 (i) IN GENERAL.—Any payment defere-
8 ral under subparagraph (A) shall be con-
9 tingent on the project meeting such cri-
10 teria as the Secretary may establish.

11 (ii) REPAYMENT STANDARDS.—The
12 criteria established under clause (i) shall
13 include standards for reasonable assurance
14 of repayment.

15 (4) PREPAYMENT.—

16 (A) USE OF EXCESS REVENUES.—Any ex-
17 cess revenues that remain after satisfying
18 scheduled debt service requirements on the
19 project obligations and secured loan and all de-
20 posit requirements under the terms of any trust
21 agreement, bond resolution, or similar agree-
22 ment securing project obligations may be ap-
23 plied annually to prepay a secured loan under
24 this section without penalty.

1 (B) USE OF PROCEEDS OF REFI-
2 NANCING.—A secured loan under this section
3 may be prepaid at any time without penalty
4 from the proceeds of refinancing from non-Fed-
5 eral funding sources.

6 (d) SALE OF SECURED LOANS.—

7 (1) IN GENERAL.—Subject to paragraph (2), as
8 soon as practicable after the date of substantial
9 completion of a project and after providing a notice
10 to the obligor, the Secretary may sell to another en-
11 tity or reoffer into the capital markets a secured
12 loan for a project under this section, if the Secretary
13 determines that the sale or reoffering can be made
14 on favorable terms.

15 (2) CONSENT OF OBLIGOR.—In making a sale
16 or reoffering under paragraph (1), the Secretary
17 may not change the original terms and conditions of
18 the secured loan without the written consent of the
19 obligor.

20 (e) LOAN GUARANTEES.—

21 (1) IN GENERAL.—The Secretary may provide a
22 loan guarantee to a lender in lieu of making a se-
23 cured loan under this section, if the Secretary deter-
24 mines that the budgetary cost of the loan guarantee
25 is substantially the same as that of a secured loan.

1 (2) TERMS.—The terms of a loan guarantee
2 provided under this subsection shall be consistent
3 with the terms established in this section for a se-
4 cured loan, except that the rate on the guaranteed
5 loan and any prepayment features shall be nego-
6 tiated between the obligor and the lender, with the
7 consent of the Secretary.

8 **SEC. 408. PROGRAM ADMINISTRATION.**

9 (a) REQUIREMENT.—The Secretary shall establish a
10 uniform system to service the Federal credit instruments
11 made available under this subtitle.

12 (b) RECLAMATION LOAN FINANCE CAPITAL RE-
13 SERVE FUND.—

14 (1) ESTABLISHMENT.—

15 (A) IN GENERAL.—There is established in
16 the Treasury of the United States a fund, to be
17 known as the “Reclamation Loan Finance Cap-
18 ital Reserve Fund”.

19 (B) DEPOSITS TO FUND.—The Secretary
20 of the Treasury shall deposit in the fund estab-
21 lished by subparagraph (A) an amount equal to
22 the amount of capital reserve fees collected
23 under paragraph (2) for each applicable fiscal
24 year.

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

4 (2) CAPITAL RESERVE FEES.—

5 (A) IN GENERAL.—To the extent required
6 by appropriations Acts, the Secretary may as-
7 sess, collect, and spend capital reserve fees at a
8 level that is sufficient to cover all or a portion
9 of the costs to the Federal Government of serv-
10 icing the Federal credit instruments provided
11 under this subtitle, including all or a portion of
12 the outlays associated with the provision of the
13 Federal credit instruments under this subtitle.

14 (B) AMOUNT.—The capital reserve fees
15 under this paragraph shall be established at
16 amounts that will result in the collection, dur-
17 ing each fiscal year, of an amount that can be
18 reasonably expected to equal the outlays associ-
19 ated with the provision of the Federal credit in-
20 struments under this subtitle.

21 (c) SERVICER.—

22 (1) IN GENERAL.—The Secretary may appoint
23 a financial entity to assist the Secretary in servicing
24 the Federal credit instruments provided under this
25 subtitle.

1 (2) DUTIES.—A servicer appointed under para-
2 graph (1) shall act as the agent for the Secretary.

3 (3) FEE.—A servicer appointed under para-
4 graph (1) shall receive a servicing fee, subject to ap-
5 proval by the Secretary.

6 **SEC. 409. STATE AND LOCAL PERMITS.**

7 (a) ESTABLISHMENT.—

8 (1) ASSUMPTION OF RESPONSIBILITY.—

9 (A) IN GENERAL.—Subject to this section,
10 the Secretary and the State may enter into a
11 written agreement, which may be in the form of
12 a memorandum of understanding, under which
13 the Secretary may designate the State as lead
14 agency for purposes of the National Environ-
15 mental Policy Act of 1969 (42 U.S.C. 4321 et
16 seq.).

17 (B) PROCEDURAL AND SUBSTANTIVE RE-
18 QUIREMENTS.—If designated as the lead agency
19 under subparagraph (A), the State shall assume
20 responsibility under this section, subject to the
21 same procedural and substantive requirements
22 that would apply if that responsibility were car-
23 ried out by the Secretary.

24 (2) PRESERVATION OF FEDERAL RESPONSI-
25 BILITY AND AUTHORITY.—

1 (A) FEDERAL RESPONSIBILITY.—Any re-
2 sponsibility of the Secretary not explicitly as-
3 sumed by the State by written agreement under
4 this section shall remain the responsibility of
5 the Secretary.

6 (B) NO EFFECT ON AUTHORITY.—Nothing
7 in this section preempts or interferes with any
8 power, jurisdiction, responsibility, or authority
9 of an agency, other than the Department of the
10 Interior, under applicable law (including regula-
11 tions) with respect to a project.

12 (3) PRESERVATION OF FLEXIBILITY.—The Sec-
13 retary may not require a State, as a condition of
14 participation and assuming lead agency status in the
15 program, to forego project delivery methods that are
16 otherwise permissible for projects.

17 (b) STATE PARTICIPATION.—

18 (1) PARTICIPATING STATES.—The Secretary
19 shall permit the State, and not more than 4 addi-
20 tional States, to participate in the program under
21 this section, subject to the limitations described in
22 paragraph (4).

23 (2) APPLICATION.—Not later than 270 days
24 after the date of enactment of this Act, the Sec-
25 retary shall amend, as appropriate, regulations that

1 establish requirements relating to information re-
2 quired to be contained in an application of a State
3 to participate in the program and to assume lead
4 agency status, including, at a minimum—

5 (A) the projects or classes of projects for
6 which the State anticipates exercising the au-
7 thority that may be granted under the program;

8 (B) verification of the financial, regulatory,
9 and enforcement resources necessary to carry
10 out the authority that may be granted under
11 the program; and

12 (C) evidence of the notice and solicitation
13 of public comment by the State relating to par-
14 ticipation of the State in the program, including
15 copies of comments received from that sollicita-
16 tion.

17 (3) PUBLIC NOTICE.—

18 (A) IN GENERAL.—The State that submits
19 an application under this subsection shall give
20 notice of the intent of the State to participate
21 in the program not later than 30 days before
22 the date of submission of the application.

23 (B) METHOD OF NOTICE AND SOLICITA-
24 TION.—The State shall provide notice and so-
25 licit public comment under this paragraph by

1 publishing the complete application of the State
2 in accordance with the appropriate public notice
3 State law.

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

7 (A) the regulatory requirements of para-
8 graph (2) have been met;

9 (B) the Secretary determines that the
10 State has the capability, including financial,
11 regulatory, enforcement, and personnel, to as-
12 sume the responsibility of a lead agency for the
13 project; and

14 (C) the head of the State agency with pri-
15 mary jurisdiction over water infrastructure mat-
16 ters enters into a written agreement with the
17 Secretary described in subsection (c).

18 (c) WRITTEN AGREEMENT.—A written agreement
19 under this section shall—

20 (1) be executed by the Governor or the top
21 ranking water infrastructure official in the State
22 who is charged with responsibility for water infra-
23 structure construction;

24 (2) be in such form as the Secretary may pre-
25 scribe;

1 (3) provide that the State—

2 (A) agrees to assume all or part of the re-
3 sponsibilities of the Secretary described in sub-
4 section (a), including all responsibilities as a
5 lead agency;

6 (B) expressly consents, on behalf of the
7 State, to accept the jurisdiction of the Federal
8 courts for the compliance, discharge, and en-
9 forcement of any responsibility of the Secretary
10 assumed by the State;

11 (C) certifies that State laws (including reg-
12 ulations) are in effect that authorize the State
13 to take the actions necessary to carry out the
14 responsibilities being assumed; and

15 (D) agrees to maintain the financial re-
16 sources necessary to carry out the responsibil-
17 ities being assumed;

18 (4) require the State to provide to the Secretary
19 any information that the Secretary considers nec-
20 essary to ensure that the State is adequately car-
21 rying out the responsibilities assigned to the State;

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

23 (6) be renewable.

24 (d) JURISDICTION.—

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

5 (2) LEGAL STANDARDS AND REQUIREMENTS.—
6 A civil action under paragraph (1) shall be governed
7 by the legal standards and requirements that would
8 apply in such a civil action against the Secretary if
9 the Secretary had taken the actions in question.

10 (3) INTERVENTION.—The Secretary shall have
11 the right to intervene in any action described in
12 paragraph (1).

13 (e) EFFECT OF ASSUMPTION OF RESPONSIBILITY.—
14 A State that assumes responsibility under subsection
15 (a)(2) shall be solely responsible and solely liable for car-
16 rying out, in lieu of the Secretary, the responsibilities as-
17 sumed under subsection (a), until the program is termi-
18 nated as provided in subsection (h).

19 (f) AUDITS.—

20 (1) IN GENERAL.—To ensure compliance by a
21 State with any agreement of the State under sub-
22 section (c) (including compliance by the State with
23 all Federal laws for which responsibility is assumed
24 under subsection (a)(2)), for each State partici-

1 participating in the program under this section, the Sec-
2 retary shall conduct—

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

5 (B) annual audits during of the third and
6 fourth years of State participation.

7 (2) PUBLIC AVAILABILITY AND COMMENT.—

8 (A) IN GENERAL.—An audit conducted
9 under paragraph (1) shall be provided to the
10 public for comment.

11 (B) RESPONSE.—Not later than 60 days
12 after the date on which the period for public
13 comment ends, the Secretary shall respond to
14 public comments received under subparagraph

15 (A).

16 (g) MONITORING.—After the fourth year of the par-
17 ticipation of a State in the program, the Secretary shall
18 monitor compliance by the State with the written agree-
19 ment, including the provision by the State of financial re-
20 sources to carry out the written agreement.

21 (h) TERMINATION.—

22 (1) TERMINATION BY SECRETARY.—The Sec-
23 retary may terminate the participation of any State
24 in the program if—

1 (A) the Secretary determines that the
2 State is not adequately carrying out the respon-
3 sibilities assigned to the State;

4 (B) the Secretary provides to the State—

5 (i) notification of the determination of
6 noncompliance; and

7 (ii) a period of at least 30 days during
8 which to take such corrective action as the
9 Secretary determines is necessary to com-
10 ply with the applicable agreement; and

11 (C) the State, after the notification and
12 period provided under subparagraph (B), fails
13 to take satisfactory corrective action, as deter-
14 mined by Secretary.

15 (2) TERMINATION BY STATE.—The State may
16 terminate the participation of the State in the pro-
17 gram at any time by providing to the Secretary a
18 notice by not later than the date that is 90 days be-
19 fore the date of termination, and subject to such
20 terms and conditions as the Secretary may provide.

21 (i) LIMITATIONS ON AGREEMENTS.—Nothing in this
22 section or program—

23 (1) authorizes a State to assume any rule-
24 making authority of the Secretary under any Fed-
25 eral law;

1 (2) relieves any recipient of the assistance of
2 any obligation to obtain any other required State or
3 local permit or approval with respect to the project;

4 (3) limits the right of any unit of State or local
5 government to approve or regulate any rate of re-
6 turn on private equity invested in the project; or

7 (4) otherwise supersedes any State or local law
8 (including any regulation) applicable to the construc-
9 tion or operation of the project.

10 **SEC. 410. REGULATIONS.**

11 The Secretary may promulgate such regulations as
12 the Secretary determines to be appropriate to carry out
13 this subtitle.

14 **SEC. 411. FUNDING.**

15 (a) **IN GENERAL.**—There is authorized to be appro-
16 priated to the Secretary to carry out this subtitle
17 \$200,000,000 through fiscal year 2020, to remain avail-
18 able until expended.

19 (b) **OFFSET REQUIRED.**—No funds made available
20 under this section may be used to provide financial assist-
21 ance under this subtitle unless sufficient funds have been
22 appropriated to offset any decrease in Federal revenue re-
23 sulting from the use by any unit of State or local govern-
24 ment of proceeds of any obligation—

1 (1) the interest on which is exempt from the
2 tax imposed under chapter 1 of the Internal Rev-
3 enue Code of 1986; or

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

7 (c) ADMINISTRATIVE COSTS.—Of the funds made
8 available to carry out this subtitle, the Secretary may use
9 for the administration of this subtitle not more than
10 \$2,200,000 for each of fiscal years 2016 through 2020.

11 **SEC. 412. DEAUTHORIZATION OF INACTIVE PROJECTS.**

12 (a) PURPOSES; DEFINITIONS.—

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

15 (A) to establish an efficient and trans-
16 parent process for deauthorizing projects and
17 programs that have failed to receive a minimum
18 level of investment to ensure active projects can
19 move forward while reducing the backlog of au-
20 thorized projects;

21 (B) to create an expedited and definitive
22 process to deauthorize water resources develop-
23 ment programs and projects;

1 (C) to allow the continued authorization of
2 water resources development programs and
3 projects that are viable for construction; and

4 (D) to establish a process for identifying
5 authorized reclamation projects that are no
6 longer—

7 (i) in the Federal interest; or

8 (ii) feasible.

9 (2) DEFINITIONS.—In this section:

10 (A) SECRETARY.—The term “Secretary”
11 means the Secretary of the Interior.

12 (B) WATER RESOURCES DEVELOPMENT
13 PROGRAM OR PROJECT.—The term “water re-
14 sources development program or project” in-
15 cludes any water and related resource project or
16 program of the Bureau of Reclamation.

17 (b) COMPREHENSIVE REPORTS.—

18 (1) MINIMUM FUNDING LIST.—Not later than
19 180 days after the date of enactment of this Act, the
20 Secretary shall submit to the Committee on Energy
21 and Natural Resources of the Senate and the Com-
22 mittee on Natural Resources of the House of Rep-
23 resentatives, and make available on a publicly acces-
24 sible Internet website in a manner that is
25 downloadable, searchable, and sortable, a list of—

1 (A) projects or separable elements of
2 projects authorized for construction for which
3 funding has been obligated during the current
4 fiscal year or any of the 5 preceding fiscal
5 years;

6 (B) the amount of funding obligated for
7 each such project or separable element per fis-
8 cal year;

9 (C) the current phase of each such project
10 or separable element; and

11 (D) the amount required to complete the
12 current phase of each such project or separable
13 element.

14 (2) BACKLOG REPORT.—Together with the re-
15 port under paragraph (1), the Secretary shall submit
16 to the Committee on Energy and Natural Resources
17 of the Senate and the Committee on Natural Re-
18 sources of the House of Representatives, and make
19 available on a publicly accessible Internet website in
20 a manner that is downloadable, searchable, and sort-
21 able, a list of—

22 (A) projects or separable elements that are
23 authorized for construction but have not been
24 completed;

1 (B) the date of authorization of the project
2 or separable element, including any subsequent
3 modifications to the original authorization;

4 (C) the original budget authority for the
5 project or separable element;

6 (D) a brief description of the project or
7 separable element;

8 (E) the estimated date of completion of the
9 project or separable element;

10 (F) the estimated cost of completion of the
11 project or separable element; and

12 (G) any amounts appropriated for the
13 project or separable element that remain unobli-
14 gated.

15 (c) INTERIM DEAUTHORIZATION LIST.—

16 (1) IN GENERAL.—The Secretary shall develop
17 an interim deauthorization list that identifies each
18 water resources development program or project, or
19 separable element of a program or project, author-
20 ized for construction before March 30, 2009, for
21 which—

22 (A) construction was not initiated before
23 the date of enactment of this Act; or

24 (B) construction was initiated before the
25 date of enactment of this Act, but for which no

1 Federal or non-Federal funds were obligated for
2 construction of the program, project, or sepa-
3 rable element of the program or project during
4 the current fiscal year or any of the 6 preceding
5 fiscal years.

6 (2) PUBLIC COMMENT AND CONSULTATION.—

7 (A) IN GENERAL.—The Secretary shall so-
8 licit comments from the public and the Gov-
9 ernors of each applicable State on the interim
10 deauthorization list developed under paragraph
11 (1).

12 (B) COMMENT PERIOD.—The public com-
13 ment period shall be 90 days.

14 (3) SUBMISSION TO CONGRESS; PUBLICA-
15 TION.—Not later than 90 days after the date of sub-
16 mission of the list required by subsection (b), the
17 Secretary shall—

18 (A) submit the interim deauthorization list
19 to the Committee on Energy and Natural Re-
20 sources of the Senate and the Committee on
21 Natural Resources of the House of Representa-
22 tives; and

23 (B) publish the interim deauthorization list
24 in the Federal Register.

25 (d) FINAL DEAUTHORIZATION LIST.—

1 (1) IN GENERAL.—The Secretary shall develop
2 a final deauthorization list of each water resources
3 development program or project, or separable ele-
4 ment of a program or project, described in sub-
5 section (c)(1) that is identified pursuant to this sub-
6 section.

7 (2) IDENTIFICATION OF PROJECTS.—

8 (A) CRITERIA FOR INCLUSION.—

9 (i) IN GENERAL.—The Secretary shall
10 identify programs, projects, and separable
11 elements of programs and projects for in-
12 clusion on the final deauthorization list
13 that may no longer be viable for construc-
14 tion.

15 (ii) FACTORS TO CONSIDER.—The
16 Secretary may identify programs, projects,
17 and separable elements of programs and
18 projects for exclusion from the final de-
19 authorization list if the Secretary deter-
20 mines, on a case-by-case basis, that a
21 project or separable element of a project is
22 critical for interests of the United States,
23 based on the possible impact of the project
24 or separable element of the project on pub-

1 lic health and safety, the national economy,
2 or the environment.

3 (iii) CONSIDERATION OF PUBLIC COM-
4 MENTS.—In making determinations under
5 clauses (i) and (ii), the Secretary shall con-
6 sider any comments received under sub-
7 section (c)(3).

8 (B) APPENDIX.—The Secretary shall in-
9 clude as part of the final deauthorization list an
10 appendix that—

11 (i) identifies each program, project,
12 and separable element of a program or
13 project on the interim deauthorization list
14 developed under subsection (c) that is not
15 included on the final deauthorization list;
16 and

17 (ii) describes the reasons why the pro-
18 gram, project, or separable element is not
19 included.

20 (3) SUBMISSION TO CONGRESS; PUBLICA-
21 TION.—Not later than 120 days after the date on
22 which the public comment period under subsection
23 (c)(3) expires, the Secretary shall—

24 (A) submit the final deauthorization list
25 and the appendix to the final deauthorization

1 list to the Committee on Energy and Natural
2 Resources of the Senate and the Committee on
3 Natural Resources of the House of Representa-
4 tives; and

5 (B) publish the final deauthorization list
6 and the appendix to the final deauthorization
7 list in the Federal Register.

8 (e) DEAUTHORIZATION; CONGRESSIONAL REVIEW.—

9 (1) IN GENERAL.—Subject to paragraph (2),
10 after the date that is 180 days after the date of sub-
11 mission of the final deauthorization report under
12 subsection (d), a program, project, or separable ele-
13 ment of a program or project identified in the report
14 is deauthorized, unless Congress passes a joint reso-
15 lution disapproving the final deauthorization report
16 prior to the end of that period.

17 (2) NON-FEDERAL CONTRIBUTIONS.—A pro-
18 gram, project, or separable element of a program or
19 project identified in the final deauthorization report
20 under subsection (d) shall not be deauthorized under
21 this subsection if, before the expiration of the 180-
22 day period referred to in paragraph (1), the non-
23 Federal interest of the program, project, or sepa-
24 rable element of the project provides sufficient funds

1 to complete the program, project, or separable ele-
2 ment of the project.

3 (f) TREATMENT OF PROJECT MODIFICATIONS.—For
4 purposes of this section, if an authorized water resources
5 development program, project, or separable element of the
6 program or project has been modified by an Act of Con-
7 gress, the date of authorization of the program, project,
8 or separable element shall be deemed to be the date of
9 the most recent modification.

10 **Subtitle B—Expansion of Water**
11 **Storage, Integrated Regional**
12 **Water Management, and**
13 **WaterSMART**

14 **SEC. 421. WATER STORAGE, INTEGRATED REGIONAL**
15 **WATER MANAGEMENT, RECLAMATION, AND**
16 **RECYCLING PROJECTS.**

17 (a) FINDINGS.—Congress finds that—

18 (1) the State is currently experiencing an his-
19 toric drought that has not been witnessed in over
20 100 years of recorded history, and funding will allow
21 the Bureau of Reclamation to better respond to and
22 mitigate the potential impacts of extended drought
23 and long-term sustainability challenges;

24 (2) since WaterSMART was established in
25 2010, the program has provided approximately

1 \$250,000,000 in competitively awarded funding to
2 non-Federal partners, including Indian tribes, water
3 districts, municipalities, and institutions of higher
4 education, which investments have conserved enough
5 water to meet the needs of more than 3,800,000 in-
6 dividuals, allowing every acre-foot of water conserved
7 to be made available for other uses; and

8 (3) activities funded under WaterSMART in-
9 clude those critical to meeting the Priority Goal for
10 Climate Change of the Department of the Interior,
11 which includes climate risk assessment activities and
12 related efforts that ensure sustainable water supplies
13 in the western United States.

14 (b) AMENDMENT.—Section 9504 of the Omnibus
15 Public Land Management Act of 2009 (42 U.S.C. 10368)
16 is amended—

17 (1) by redesignating subsections (e) through (e)
18 as subsections (d) through (f), respectively;

19 (2) by inserting after subsection (b) the fol-
20 lowing:

21 “(c) WATER STORAGE, INTEGRATED REGIONAL
22 WATER MANAGEMENT, RECLAMATION, AND RECYCLING
23 PROJECTS.—

24 “(1) IN GENERAL.—The Secretary is authorized
25 to enter into cost shared financial assistance and

1 other long-term agreements with non-Federal par-
 2 ticipants in Reclamation States (as defined in sec-
 3 tion 402 of the California Emergency Drought Re-
 4 lief Act of 2015) and the States of Hawaii and Alas-
 5 ka to advance the planning, design, and construction
 6 of non-Federal permanent water storage and convey-
 7 ance facilities, projects for the reclamation and reuse
 8 of municipal, industrial, domestic and agricultural
 9 wastewater, and naturally impaired ground and sur-
 10 face waters, and other water management improve-
 11 ment projects for which the Secretary is authorized
 12 under this subtitle to assist an applicant in the plan-
 13 ning, design, and construction.

14 “(2) PRIORITY.—In providing financial assist-
 15 ance under this section, the Secretary shall give pri-
 16 ority to storage, conveyance, and water management
 17 improvement projects that—

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

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

22 “(C) increase the availability of usable
 23 water supplies in a watershed or region to ben-
 24 efit individuals, the economy, and the environ-

1 ment and include adaptive measures needed to
2 address climate change and future demands;

3 “(D) where practicable, provide flood con-
4 trol or recreation benefits and include the devel-
5 opment of incremental hydroelectric power gen-
6 eration;

7 “(E) include partnerships that go beyond
8 political and institutional jurisdictions to sup-
9 port the efficient use of the limited water re-
10 sources of a region and the United States; and

11 “(F) generate environmental benefits, such
12 as benefits to fisheries, wildlife and habitat,
13 water quality, water-dependent ecological sys-
14 tems, and water supply benefits to agricultural
15 and urban water users.

16 “(3) FEDERAL COST SHARE.—The Federal
17 share of the cost of a project authorized under sub-
18 section (a) shall be—

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

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

21 “(ii) \$20,000,000 (adjusted for infla-
22 tion); and

23 “(B) nonreimbursable.

24 “(4) IN-KIND CONTRIBUTIONS.—The non-Fed-
25 eral share of the cost of a project authorized under

1 subsection (a) may include in-kind contributions to
2 the planning, design, and construction of a project.

3 “(5) TITLE; OPERATION AND MAINTENANCE
4 COSTS.—The non-Federal entity entering into a fi-
5 nancial assistance agreement under this subsection
6 shall hold title to any and all facilities constructed
7 under this section, and shall be solely responsible for
8 the costs of operating and maintaining such facili-
9 ties.”; and

10 (3) in subsection (f) (as redesignated by para-
11 graph (1)), by striking “\$300,000,000” and insert-
12 ing “\$400,000,000”.

13 **Subtitle C—Water Recycling**
14 **Eligibility**

15 **SEC. 431. NEW WATER RECYCLING AND REUSE PROJECTS.**

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

19 “(e) AUTHORIZATION OF NEW WATER RECYCLING
20 AND REUSE PROJECTS.—

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

1 “(2) ELIGIBLE PROJECTS.—A project shall be
2 considered eligible for consideration under this sub-
3 section if the project reclaims and reuses—

4 “(A) municipal, industrial, domestic, or ag-
5 ricultural wastewater; or

6 “(B) impaired ground or surface waters.

7 “(3) GUIDELINES.—

8 “(A) IN GENERAL.—Not later than 90
9 days after the date of enactment of this sub-
10 section, the Secretary shall issue water recy-
11 cling project solicitation and evaluation guide-
12 lines that include the criteria listed in sub-
13 section (f)(2).

14 “(B) REVIEW.—Consistent with the prior-
15 ities described in section 301 of the California
16 Emergency Drought Relief Act of 2015, the
17 Secretary shall review each feasibility study re-
18 ceived under paragraph (1) for the purpose of
19 determining whether the study, and the process
20 under which the study was developed, comply
21 with Federal laws and regulations applicable to
22 feasibility studies of water recycling and reuse
23 projects.

24 “(f) COMPETITIVE GRANT FUNDING OF WATER RE-
25 CYCLING AND REUSE PROJECTS.—

1 groundwater basins, and rivers and
2 streams and tributaries.

3 “(B) Projects that are likely to increase
4 water management flexibility and reduce im-
5 pacts on environmental resources.

6 “(C) Projects that are regional in scale or
7 are included in integrated regional water man-
8 agement plans.

9 “(D) Projects that use integrated and co-
10 ordinated water management on a watershed or
11 regional scale.

12 “(E) Projects that provide multiple bene-
13 fits, including improved water supply reliability
14 for urban and agricultural water users, eco-
15 system benefits, such as benefits to fisheries,
16 wildlife and habitat, water quality, groundwater
17 management, and water quality improvements.

18 “(F) Projects for which a feasibility study
19 has been completed and any necessary environ-
20 mental or public reviews have been initiated.

21 “(4) AUTHORIZATION OF APPROPRIATIONS.—
22 There is authorized to be appropriated to the Sec-
23 retary to carry out this subsection \$200,000,000
24 through fiscal year 2020.”.

1 **Subtitle D—Federal Support for**
2 **State and Local Drought Solu-**
3 **tions Fund**

4 **SEC. 441. ESTABLISHMENT.**

5 There is established in the Treasury of the United
6 States a fund, to be known as the “Federal Support for
7 State and Local Drought Solutions Fund” (referred to in
8 this subtitle as the “Fund”), consisting of—

9 (1) such amounts as are deposited in the Fund
10 under section 443; and

11 (2) any interest earned on investment of
12 amounts in the Fund under section 445.

13 **SEC. 442. ACCOUNTS.**

14 Within the Fund, there are established the following
15 accounts:

16 (1) The Federal Assistance to State and Local
17 Storage Project Account, for expenditure on projects
18 with a maximum 25-percent Federal cost share au-
19 thorized under section 301(c).

20 (2) The Reclamation Infrastructure Finance
21 and Innovation Account, for expenditure on Federal
22 loan guarantees authorized under subtitle A.

23 **SEC. 443. DEPOSITS TO FUND.**

24 (a) IN GENERAL.—For each of fiscal years 2026
25 through 2050, the Secretary of the Treasury shall deposit

1 in the Fund \$150,000,000 of the revenues that would oth-
2 erwise be deposited for the fiscal year in the reclamation
3 fund established by the first section of the Act of June
4 17, 1902 (32 Stat. 388, chapter 1093), of which—

5 (1) \$75,000,000 for each of those fiscal years
6 shall be deposited in the Federal Assistance to State
7 and Local Storage Project Account established by
8 section 442(1);

9 (2) \$40,000,000 for each of those fiscal years
10 shall be used to fund projects pursuant to section
11 1602 of the Reclamation Wastewater and Ground-
12 water Study and Facilities Act (43 U.S.C. 390h);
13 and

14 (3) \$35,000,000 for each of the fiscal years
15 shall be deposited in the Reclamation Infrastructure
16 Finance and Innovation Account established by sec-
17 tion 442(2).

18 (b) AVAILABILITY OF AMOUNTS.—Amounts depos-
19 ited in the Fund under this subtitle shall—

20 (1) be made available in accordance with this
21 section, without further appropriation; and

22 (2) be in addition to amounts appropriated for
23 such purposes under any other provision of law.

1 **SEC. 444. EXPENDITURES FROM FUND.**

2 (a) IN GENERAL.—Subject to subsection (b), for each
3 of fiscal years 2026 through 2050, the Secretary of the
4 Interior may expend from the Fund, in accordance with
5 this subtitle, not more than an amount equal to the sum
6 of—

7 (1) the amounts deposited in the Fund that
8 year under section 443; and

9 (2) the amount of interest accrued in the Fund
10 in each account for the fiscal year in which the ex-
11 penditures are made, with the interest accrued in
12 each account used only for expenditures from that
13 account.

14 (b) ADDITIONAL EXPENDITURES.—

15 (1) IN GENERAL.—The Secretary may expend
16 more in any fiscal year than the amounts described
17 in subsection (a) if the additional amounts are avail-
18 able in the Fund as a result of a failure of the Sec-
19 retary to expend all of the amounts available under
20 subsection (a) in 1 or more prior fiscal years.

21 (2) RETENTION IN ACCOUNTS.—Any additional
22 amounts referred to in paragraph (1) shall—

23 (A) be retained within the account to
24 which the amounts were designated;

25 (B) accrue interest for the designated ac-
26 count in accordance with this subtitle; and

1 (C) only be expended for the purposes for
2 which expenditures from the designated ac-
3 counts are authorized.

4 **SEC. 445. INVESTMENTS OF AMOUNTS.**

5 (a) IN GENERAL.—The Secretary shall invest such
6 portion of the Fund as is not, in the judgment of the Sec-
7 retary, required to meet current withdrawals.

8 (b) CREDITS TO FUND.—The interest on, and the
9 proceeds from the sale or redemption of, any obligations
10 held in the Fund shall be credited to, and form a part
11 of, the Fund.

12 **SEC. 446. TRANSFERS OF AMOUNTS.**

13 (a) IN GENERAL.—The amounts required to be
14 transferred to the Fund under this subtitle shall be trans-
15 ferred at least monthly from the general fund of the
16 Treasury to the Fund on the basis of estimates made by
17 the Secretary of the Treasury.

18 (b) ADJUSTMENTS.—Proper adjustment shall be
19 made in amounts subsequently transferred to the extent
20 prior estimates are in excess of or less than the amounts
21 required to be transferred.

22 **SEC. 447. TERMINATION.**

23 On September 30, 2050—

24 (1) the Fund shall terminate; and

1 (2) the unexpended and unobligated balance of
2 the Fund shall be transferred to the reclamation
3 fund established by the first section of the Act of
4 June 17, 1902 (32 Stat. 388, chapter 1093).