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.

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

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

(b) TABLE OF CONTENTS.—The table of contents of 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.
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 “Central Valley Project” has the meaning given the term in section 3403 of the Central Valley Project Improvement Act (Public Law 102–575; 106 Stat. 4707).

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

(3) **Salmonid biological opinion.**—The term “salmonid biological opinion” means the biological and conference opinion of the National Marine Fisheries Service, dated June 4, 2009, on the long-term operation of the Central Valley Project and the State Water Project, including the operative incidental take statement of that opinion.

(4) **Smelt biological opinion.**—The term “smelt biological opinion” means the biological opinion, dated December 15, 2008, on the coordinated operation of the Central Valley Project and the State Water Project, including the operative incidental take statement of that opinion.

(5) **State.**—The term “State” means the State of California.

(6) **State Water Project.**—The term “State Water Project” means the water project described in chapter 5 of part 3 of division 6 of the California Water Code (sections 11550 et seq. (as in effect on the date of enactment of this Act)) and operated by the California Department of Water Resources.
TITLE I—CALIFORNIA

EMERGENCY DROUGHT RELIEF

Subtitle A—Drought Relief Actions

SEC. 101. EMERGENCY OPERATIONS.

(a) Water Supplies.—

(1) In general.—In response to the declaration of a state of drought emergency by the Governor of the State, the Secretary of the Interior and Secretary of Commerce shall provide the maximum quantity of water supplies possible to Central Valley Project agricultural, municipal and industrial, and refuge service and repayment contractors, State Water Project contractors, and any other locality or municipality in the State by approving, consistent with applicable laws (including regulations), projects and operations to provide additional water supplies as quickly as possible, based on available information, to address the emergency conditions.

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

(b) Limitation.—Nothing in this section allows any Federal department or agency to approve a project—
(1) that would otherwise require congressional authorization; or

(2) without following procedures required by applicable law.

(c) ADMINISTRATION.—In carrying out subsection (a), the Secretary of the Interior and Secretary of Commerce shall, consistent with applicable laws (including regulations)—

(1) authorize and implement actions to ensure that the Delta Cross Channel Gates shall remain open to the greatest extent possible, timed to maximize the peak flood tide period and provide water supply and water quality benefits for the duration of the drought emergency declaration of the State, consistent with operational criteria and monitoring criteria developed pursuant to the California State Water Resources Control Board’s Order Approving a Temporary Urgency Change in License and Permit Terms in Response to Drought Conditions, effective January 31, 2014 (or a successor order);

(2) collect data associated with the operation of the Delta Cross Channel Gates described in paragraph (1) and the impact of the operation on species listed as threatened or endangered under the Endan-
gered Species Act of 1973 (16 U.S.C. 1531 et seq.),
water quality, and water supply;

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

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

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

(B) adopt a 1:1 inflow to export ratio for the
increment of increased flow, as measured as a 3-day
running average at Vernalis during the period from
April 1 through May 31, that results from the vol-
untary sale, transfer, or exchange, unless the Sec-
retary of the Interior and Secretary of Commerce
determine that a 1:1 inflow-to-export ratio for that
increment of increased flow will cause impacts on species listed as threatened or endangered under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.) beyond those anticipated to occur through the implementation of the salmonid biological opinion. Any individual sale, transfer, or exchange using a 1:1 inflow to export ratio adopted under the authority of this section may only proceed if—

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

(ii) Delta conditions are suitable to allow movement of the acquired, transferred, or exchanged water through the Delta consistent with existing water rights; and

(iii) such voluntary sale, transfer, or exchange of water results in flow that is in addition to flow that otherwise would occur in the
absence of the voluntary sale, transfer, or exchange;

(5) issue all necessary permit decisions under the authority of the Secretary of the Interior and Secretary of Commerce within the shortest practicable time period after receiving a completed application by the State to place and use temporary barriers or operable gates in Delta channels to improve water quantity and quality for State Water Project and Central Valley Project south-of-Delta water contractors and other water users, which barriers or gates shall provide benefits for species protection and in-Delta water user water quality;

(6) require the Director of the United States Fish and Wildlife Service and the Commissioner of Reclamation to complete all requirements under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.) necessary to make final permit decisions on water transfer requests associated with voluntarily fallowing non-permanent crops in the State, within the shortest practicable time period after receiving such a request;
(7) in coordination with the Secretary of Agriculture, enter into an agreement with the National Academy of Sciences to conduct a comprehensive study, to be completed not later than 1 year after the date of enactment of this Act, on the effectiveness and environmental impacts of saltcedar biological control efforts on increasing water supplies and improving riparian habitats of the Colorado River and its principal tributaries, in the State and elsewhere; and

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

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

(e) ACCELERATED PROJECT DECISION AND ELEVATION.—

(1) IN GENERAL.—Upon the request of the State, the heads of Federal agencies shall use the expedited procedures under this subsection to make
final decisions relating to a Federal project or operation to provide additional water supplies or address emergency drought conditions pursuant to subsections (a) and (c).

(2) REQUEST FOR RESOLUTION.—

(A) IN GENERAL.—Upon the request of the State, the head of a Federal agency referred to in subsection (a), or the head of another Federal agency responsible for carrying out a review of a project, as applicable, the Secretary of the Interior shall convene a final project decision meeting with the heads of all relevant Federal agencies to decide whether to approve a project to provide emergency water supplies.

(B) MEETING.—The Secretary of the Interior shall convene a meeting requested under subparagraph (A) not later than 7 days after receiving the meeting request.

(3) NOTIFICATION.—Upon receipt of a request for a meeting under this subsection, the Secretary of the Interior shall notify the heads of all relevant Federal agencies of the request, including a description of the project to be reviewed and the date for the meeting.
(4) Decision.—Not later than 10 days after the date on which a meeting is requested under paragraph (2), the head of the relevant Federal agency shall issue a final decision on the project.

(5) Meeting Convened by Secretary.—The Secretary of the Interior may convene a final project decision meeting under this subsection at any time, at the discretion of the Secretary, regardless of whether a meeting is requested under paragraph (2).

SEC. 102. EMERGENCY ENVIRONMENTAL REVIEWS.

To minimize the time spent carrying out environmental reviews and quickly to deliver water that is needed to address emergency drought conditions in the State, the head of each applicable Federal agency shall, in carrying out this Act, consult with the Council on Environmental Quality in accordance with section 1506.11 of title 40, Code of Federal Regulations (or successor regulations), to develop alternative arrangements to comply with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) during the emergency.

SEC. 103. STATE REVOLVING FUNDS.

(a) In General.—The Administrator of the Environmental Protection Agency, in allocating amounts for each of the fiscal years during which the emergency drought declaration of the State is in force to State water
13

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

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

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

(3) authorize, at the request of the State, 40-
year financing for assistance under section
603(d)(2) of the Federal Water Pollution Control
Act (33 U.S.C. 1383(d)(2)) or section 1452(f)(2) of
the Safe Drinking Water Act (42 U.S.C. 300j–12(f)(2)).

(b) Effect of Section.—Nothing in this section authorizes the Administrator of the Environmental Protection Agency to modify any funding allocation, funding criteria, or other requirement relating to State water pollution control revolving funds established under title VI of the Federal Water Pollution Control Act (33 U.S.C. 1381 et seq.) or the State drinking water treatment revolving loan funds established under section 1452 of the Safe Drinking Water Act (42 U.S.C. 300j–12) for any other State.

Subtitle B—Protection of Third-party Water Rights

Sec. 111. Offset for State Water Project.

(a) Implementation Impacts.—The Secretary of the Interior shall confer with the California Department of Fish and Wildlife in connection with the implementation of this title on potential impacts to any consistency determination for operations of the State Water Project issued pursuant to section 2080.1 of the California Fish and Game Code (as in effect on the date of enactment of this Act).

(b) Additional Yield.—If, as a result of the application of this title, the California Department of Fish and
Wildlife requires take authorization under section 2081 of the California Fish and Game Code (as in effect on the date of enactment of this Act) for operation of the State Water Project in a manner that directly or indirectly results in reduced water supply to the State Water Project, as compared with the water supply available under the smelt biological opinion and the salmonid biological opinion, and as a consequence of the action of the Department, Central Valley Project yield is greater than the yield would have been absent those actions, that additional yield shall be made available to the State Water Project for delivery to State Water Project contractors to offset losses resulting from the action of the Department.

(e) NOTIFICATION RELATING TO ENVIRONMENTAL PROTECTIONS.—The Secretary of the Interior and Secretary of Commerce shall—

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

(2) confirm that those changes are authorized under the smelt biological opinion or the salmonid biological opinion.
SEC. 112. AREA OF ORIGIN AND WATER RIGHTS PROTECTIONS.

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

(1) diminishes, impairs, or otherwise affects in any manner any area of origin, watershed of origin, county of origin, or any other water rights protection, including rights to water appropriated prior to December 19, 1914, provided under State law;

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

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

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

SEC. 113. NO REDIRECTED ADVERSE IMPACTS.

(a) IN GENERAL.—The Secretary of the Interior and Secretary of Commerce shall not carry out any specific action authorized under this title that will directly result in the involuntary reduction of water supply to an indi-
17

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

(b) ACTION ON DETERMINATION.—

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

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

(B) comply with any other applicable law
that requires or authorizes action under the cir-
cumstances, including the Endangered Species
Act (16 U.S.C. 1531 et seq.), the Federal
Water Pollution Control Act (33 U.S.C. 1381 et
seq.), and the Porter-Cologne Water Quality
Control Act (California Water Code 13000 et
seq.).
(2) SUBSTITUTE ACTIONS.—If the Secretary takes a substitute action as so required or authorized under paragraph (1)(B), the substitute action shall—

(A) be limited to replacement of the specific action identified in paragraph (1);

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

(C) comply with other existing laws (including regulations), as applicable, including—

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

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

Subtitle C—General Provisions

SEC. 121. EFFECT ON EXISTING OBLIGATIONS.

Nothing in this Act—

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

(A) is likely to jeopardize the continued existence of any endangered species or threatened species or result in the destruction or adverse modification of habitat of such a species that is determined by 1 of the Secretaries, after appro-
priate consultation with affected States, to be
critical; or

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

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

(3) affects or modifies any obligation under the
Central Valley Project Improvement Act (Public

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

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

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

(2) shall not be expected to provide a greater
level of supporting detail for any analysis than is
feasible to provide within the timeframe permitted
for timely decisionmaking in response to changing conditions in the Delta.

SEC. 123. PROGRESS REPORT.

Not later than 90 days after the date of enactment of this Act, and not less frequently than once every 90 days thereafter, the Secretary of the Interior and Secretary of Commerce shall submit to the Committee on Energy and Natural Resources and the Committee on Environment and Public Works of the Senate and the Committee on Natural Resources of the House of Representatives a progress report describing the implementation of sections 101 and 102.

SEC. 124. TERMINATION.

This title shall expire on the later of—

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

(2) September 30, 2017.

TITLE II—ACTIONS TO BENEFIT FISH AND REFUGES

SEC. 201. ACTIONS TO BENEFIT THREATENED AND ENDANGERED FISH POPULATIONS.

(a) Implementation of National Oceanic and Atmospheric Administration’s Salmon Restoration Plan.—
(1) **Authorization.**—There is authorized to be appropriated $4,000,000 for each fiscal year through 2020 to carry out the National Oceanic and Atmospheric Administration’s Recovery Plan for Sacramento River winter-run Chinook salmon, Central Valley spring-run Chinook salmon, and Central Valley steelhead.

(2) **Requirement.**—The Secretary of the Interior shall take such steps as are necessary to partner with, and coordinate the efforts of, the Department of the Interior, the Department of Commerce, and other relevant Federal agencies to ensure that all Federal reviews, analyses, opinions, statements, permits, licenses, or other approvals or decisions required under Federal law to allow the construction and operation of salmon recovery projects that are part of the Sacramento Salmon Recovery Program are completed on an expeditious basis, consistent with Federal law.

(b) **Nonstructural Barriers at Delta Cross-channel Gates and Other Key Delta Junctions.**—

(1) **In General.**—To increase protections of fish listed under the smelt biological opinion and the salmonid biological opinion, the Secretary of the In-
terior, in consultation with the Secretary of Commerce, shall submit to Congress—

(A) by not later than 90 days after the date of enactment of this Act, a report describing the current progress of evaluating non-structural barriers at Deadhorse Island and other locations to prevent straying of threatened or endangered salmonids through the Delta cross-channel gates and other key Delta junctions; and

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

(2) COORDINATION.—In carrying out paragraph (1), the Secretary of the Interior shall coordinate with the California Water Resources Control Board and the California Departments of Fish and Wildlife and Water Resources.

(3) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $2,000,000 for the period of fiscal years 2016 through 2020.
(c) Gravel and Rearing Area Additions to Upper Sacramento River.—

(1) In General.—Not later than 180 days after the date of enactment of this Act, the Secretary of the Interior, in consultation with the Secretary of Commerce, shall submit to Congress—

(A) a report on the cost and effectiveness of additional gravel that was placed downstream of the Keswick Dam in 2013 and 2014 in improving salmon spawning rates;

(B) a report on the feasibility of implementing gravel additions at additional locations to improve salmon and steelhead spawning rates, including the timetable for implementing any approved locations; and

(C) a report on the feasibility of constructing or restoring additional natural rearing areas in the upper mainstem Sacramento River to improve salmon and steelhead population recovery.

(2) Commencement.—If the Secretary of the Interior determines, in the feasibility reports described in paragraph (1), that additions of gravel and natural rearing areas are feasible and beneficial for protecting and recovering fish populations, the
Secretary shall commence implementation of those additions by not later than 1 year after the date of submission of the feasibility reports.

(3) COORDINATION.—In carrying out paragraphs (1) and (2), the Secretary shall coordinate with the California Department of Fish and Wildlife and the Secretary of Commerce.

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

(d) ALTERNATIVE HATCHERY SALMON RELEASE STRATEGIES.—

(1) IN GENERAL.—The Secretary of the Interior, in consultation with the Secretary of Commerce, shall—

(A) establish pilot programs to test alternative release strategies for hatchery-raised, winter-run salmon to reduce mortality rates beyond those in effect on the date of enactment of this Act, including alternative release locations, trucking options, or barging options; and

(B) not later than 3 years after the date of enactment of this Act, and annually thereafter, submit to Congress reports regarding the
progress and results of the pilot programs under subparagraph (A), including recommendations on whether those pilot programs should be continued.

(2) Authorization of Appropriations.—

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

(e) Reducing Predator Habitat.—

(1) In General.—Not later than 2 years after the date of enactment of this Act, the Secretary of the Interior and Secretary of Commerce shall implement a pilot program—

(A) to identify natural and artificial factors in the Sacramento River and the Sacramento-San Joaquin River Delta watershed that could be providing favorable predatory fish habitat for fish that prey on juvenile salmon;

(B) to collect scientific data at those locations to determine whether those natural or artificial factors are contributing to predation of endangered fish; and

(C) to provide recommendations on whether those natural or artificial factors that enable the formation or continuation of predatory fish
habitat could be feasibly and effectively modified, in compliance with all applicable State and Federal laws (including regulations), to reduce predation.

(2) Authorization of Appropriations.—

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

(f) Eliminating or Reducing Lighting at In-river Structures.—

(1) In general.—The Secretary of the Interior and Secretary of Commerce shall—

(A) assess the effectiveness of lowering light intensity at artificial structures in the Sacramento-San Joaquin River Delta to reduce predation of endangered fish; and

(B) implement actions to lower light intensity at other artificial structures in the Delta if the assessment under subparagraph (A) results in a determination that the action is effective in reducing predation.

(2) Coordination.—In carrying out paragraph (1), the Secretary of the Interior and Secretary of Commerce shall coordinate with the Cali-
foria Department of Fish and Wildlife and other relevant local and State authorities.

(3) **Authorization of Appropriations.**—

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

(g) **Evaluating and Improving Delta Pump Fish Salvage System.**—

(1) **In General.**—Not later than 1 year after the date of enactment of this Act, the Secretary of the Interior and Secretary of Commerce shall evaluate and submit to Congress a report that describes alternatives—

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

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

(2) **Coordination.**—In carrying out actions under paragraph (1), the Secretary of the Interior and Secretary of Commerce shall coordinate with the California Department of Fish and Wildlife.

(3) **Authorization of Appropriations.**—

There is authorized to be appropriated to carry out
this subsection $10,000,000 for the period of fiscal years 2016 through 2020.

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

(1) PILOT PROGRAM.—

(A) IN GENERAL.—The Assistant Administrator for Fisheries of the National Marine Fisheries Service and the Commissioner of Reclamation, in collaboration with the United States Fish and Wildlife Service, the California Department of Fish and Wildlife, applicable water agencies, and other interested parties, shall design, permit, implement, and evaluate a pilot program to test the efficacy of an experimental trap and barge program to improve survival of juvenile salmonids emigrating from the San Joaquin watershed though the Delta.

(B) PLAN.—

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

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

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

(II) identify the responsible parties for each element of the program.

(C) IMPLEMENTATION.—The Assistant Administrator and the Commissioner shall seek to commence implementation of the pilot program under this paragraph during calendar year 2016, if practicable.

(D) REPORTS.—Not less frequently than once each calendar year, the Assistant Administrator and the Commissioner shall jointly submit to the Committees on Environment and Public Works and Energy and Natural Resources of the Senate and the Committee on Natural Resources of the House of Representatives a report that describes—
(i) progress made in implementing this subsection;

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

(iii) if the survival rates described in clause (ii) are significantly higher for barged fish, as compared to other outmigrating smolts, recommendations regarding broadening the pilot program.

(2) Authorization of Appropriations.—There is authorized to be appropriated to carry out this subsection $3,000,000 for the period of fiscal years 2016 through 2020.

(i) Improved Temperature Modeling and Related Forecasted Information.—There is authorized to be appropriated $4,000,000 for the Commissioner to improve temperature modeling and related forecasted information for purposes of predicting impacts to salmon and salmon habitat as a result of water management.
SEC. 202. PILOT PROGRAM TO PROTECT NATIVE ANADRAMOUS FISH IN STANISLAUS RIVER, DELTA, AND OTHER DELTA TRIBUTARIES.

(a) NONNATIVE PREDATOR FISH REMOVAL PROGRAM ON STANISLAUS RIVER.—

(1) IN GENERAL.—The Assistant Administrator for Fisheries of the National Marine Fisheries Service (referred to in this section as the “Assistant Administrator”) and the Oakdale Irrigation District and South San Joaquin Irrigation District (referred to in this section as the “participating districts”), in consultation with the United States Fish and Wildlife Service, the California Department of Fish and Wildlife, and other interested parties, shall jointly develop and implement a scientifically based pilot program to remove nonnative predator fish from the Stanislaus River not later than 180 days after the date of enactment of this Act.

(2) REQUIREMENTS.—In implementing the program, the following requirements shall apply:

(A) STAFFING.—By agreement between the Assistant Administrator and the participating districts, the pilot program may be conducted by any combination of participating district personnel, qualified private contractors, and personnel of, on loan to, or otherwise as-
signed to the National Marine Fisheries Service.

(B) Participation by National Marine Fisheries Service.—

(i) In general.—In the event the participating districts elect to conduct the program using the personnel or qualified private contractors of the participating districts, the Assistant Administrator may assign an employee of, on loan to, or otherwise assigned to the National Marine Fisheries Service to be present for all activities performed in the field.

(ii) Cost.—The participating districts shall pay 100 percent of the cost of participation under clause (i), in accordance with paragraph (3).

(C) Timing of Agreement.—The participating districts and the Assistant Administrator shall reach agreement on the work plan for the subsequent calendar year on or before October 15 of each calendar year of the pilot program.

(3) Funding.—

(A) Contributed Funds.—The Assistant Administrator is authorized to receive and ex-
pend contributed funds for the purposes for which the funds are contributed in a like manner as if said sums had been specifically appropriated for said purposes.

(B) ANNUAL FUNDING.—

(i) IN GENERAL.—The participating districts shall be responsible through contributed funds for 100 percent of the cost of the pilot program.

(ii) ESTIMATES.—Not later than December 1 of each year of the pilot program, the Assistant Administrator shall submit to the participating districts an estimate of the cost to be incurred by the National Marine Fisheries Service during the following calendar year, if any.

(C) ACCOUNTING.—

(i) IN GENERAL.—On or before September 1 of each calendar year, the Assistant Administrator shall provide an accounting of the expenses of the prior calendar year to the participating districts.

(ii) UNDERESTIMATE.—If the estimate paid by the participating districts
34 was less than the actual costs incurred by the National Marine Fisheries Service—

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

(II) the National Marine Fisheries Service shall have no obligation to conduct any activities otherwise scheduled to be carried out under the pilot program under this subsection.

(iii) OVERESTIMATE.—If the estimate paid by the participating districts was greater than the actual costs incurred by the National Marine Fisheries Service, a credit shall be provided to the participating districts, which shall be deducted from the estimate payment the participating districts shall make for the work performed by the National Marine Fisheries Service, if any, during the following calendar year.

(4) REPORTING AND EVALUATION.—

(A) IN GENERAL.—Not later than the 15th day of each month, the Assistant Administrator shall post on the website of the National Marine
Fisheries Service a tabular summary of the raw data collected during the prior month.

(B) REPORT.—Not later than June 30 of the calendar year following the completion of the pilot program, the Assistant Administrator and the participating districts shall jointly submit for peer review a report that—

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

(ii) makes recommendations for further study and action.

(5) PERMITS PROCESS.—

(A) IN GENERAL.—Not later than 180 days after the date on which an application to authorize the pilot program is filed, the Secretary of the Interior and Secretary of Commerce shall make a final determination on any permits required under section 10(a)(1) of the Endangered Species Act of 1973 (16 U.S.C. 1539(a)(1)) for the performance of the pilot program.

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

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

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

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

(2) REQUIREMENTS.—The pilot projects shall—

(A) seek to reduce invasive aquatic vegetation, predators, and other competitors which contribute to the decline of native listed pelagic and anadromous species that occupy the Sacramento and San Joaquin Rivers and their tributaries and the Sacramento-San Joaquin Bay-Delta; and
(B) remove, reduce, or control the effects
of species, including Asiatic clams, silversides,
gobies, Brazilian water weed, largemouth bass,
smallmouth bass, striped bass, crappie, bluegill,
white and channel catfish, and brown bullheads.

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

(c) EMERGENCY ENVIRONMENTAL REVIEWS.—To
expedite the environmentally beneficial programs for the
conservation of threatened and endangered species, the
Secretary of the Interior and Secretary of Commerce shall
consult with the Council on Environmental Quality in ac-
cordance with section 1506.11 of title 40, Code of Federal
 Regulations (or successor regulations), to develop alter-
native arrangements to comply with the National Environ-
mental Policy Act of 1969 (42 U.S.C. 4321 et seq.) for
the programs.
SEC. 203. IMPROVED SCIENCE TO BETTER PROTECT THREATENED AND ENDANGERED FISH.

(a) Delta Smelt Distribution Study.—Not later than January 1, 2016, contingent on funding, the Secretary of the Interior shall—

(1) initiate studies designed to understand the location and distribution of Delta smelt throughout the range of the Delta smelt and to determine potential methods to minimize the effects of Central Valley Project and State Water Project operations on the Delta smelt; and

(2) utilize, to the maximum extent practicable, new technologies to allow for better tracking of Delta smelt, such as acoustic tagging, optical recognition during trawls, and fish detection using residual DNA.

(3) Consultation.—In determining the scope of the studies under this subsection, the Secretary may consult with—

(A) Federal and State water users; and

(B) appropriate nongovernmental organizations.

(4) Authorization of Appropriations.—There is authorized to be appropriated to carry out this subsection $7,500,000 for the period of fiscal years 2016 through 2020.
(b) **Real-time Monitoring.**—Contingent on funding, during the period beginning on December 1, 2015, and ending March 31, 2016, and during each following December-through-March period for which this Act is in effect, if suspended sediment loads enter the Delta from the Sacramento River and the suspended sediment loads appear likely to raise turbidity levels in Old River north of the export pumps from values below 12 Nephelometric Turbidity Units (NTUs) to values above 12 NTUs, the Secretary shall—

1. conduct daily monitoring using appropriate survey methods at locations including the vicinity of Station 902 to determine the extent that adult Delta smelt are moving with turbidity toward the export pumps; and
2. use results from the monitoring surveys at locations including the vicinity of Station 902 to determine how increased trawling can inform daily real-time Central Valley Project and State Water Project operations to achieve fish protection and water supply benefits.

**Sec. 204. Actions to Benefit Refuges.**

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

(b) COST-SHARING.—

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

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

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

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

TITLE III—LONG-TERM WATER SUPPLY PROJECTS

Subtitle A—Desalination and Water Reuse

SEC. 301. WATER RECYCLING AND DESALINATION PROJECTS.

(a) FINDINGS.—Congress finds that—

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

(2) climate change and drought resiliency require additional water supply projects to cope with higher probabilities of longer more intense droughts;

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

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

(5) desalination of both seawater and brackish water has the potential to provide significant new water supplies to regions of the United States vulnerable to drought, as is done in Israel, Australia, and many other countries around the world with scarce water supplies.
(b) **Eligibility for Water Recycling Federal Support.**—Upon the submission of a completed feasibility report compliant with Bureau of Reclamation standards, the Secretary of the Interior shall review requests for water recycling project funding assistance and, subject to the availability of appropriations, award funding, on a competitive basis, for projects that meet the eligibility requirements of title IV, including among the projects reviewed water recycling projects sponsored by any of the following:

1. Bear Valley Community Services District.
2. Beaumont Cherry Valley Water District.
4. Cambria Community Services District.
5. Central Contra Costa Sanitary District.
6. City of American Canyon.
7. City of Benicia.
8. City of Brentwood.
9. City of Camarillo.
10. City of Carlsbad (Municipal Water District).
11. City of Corona Department of Water and Power.
12. City of Daly City.
13. City of Del Mar.
(14) City of Escondido.
(15) City of Fresno.
(16) City of Hayward.
(17) City of Los Angeles A. (Bureau of Sanitation & Department of Water & Power).
(18) City of Modesto.
(19) City of Morro Bay.
(20) City of Mountain View.
(21) City of Oceanside.
(22) City of Palo Alto.
(23) City of Paso Robles.
(24) City of Pismo Beach.
(25) City of Pleasanton.
(26) City of Poway.
(27) City of Redwood City.
(28) City of Riverside.
(29) City of Roseville.
(30) City of Sacramento.
(31) City of San Bernardino.
(32) City of San Diego.
(33) City of San Luis Obispo.
(34) City of Santa Barbara.
(35) City of Santa Rosa.
(36) City of Shasta Lake.
(37) City of Sunnyvale.
(38) City of Turlock.
(39) City of Vacaville.
(40) City of Visalia.
(41) Clear Creek Community Services District.
(42) Coachella Valley Water District.
(43) Cucamonga Valley Water District.
(44) Delta Diablo Sanitation District.
(45) Desert Water Agency.
(46) Dublin San Ramon Services District.
(47) East Bay Municipal Utility District.
(48) East Valley Water District.
(49) Eastern Municipal Water District.
(50) El Dorado Irrigation District.
(51) Fallbrook Public Utility District.
(52) Goleta Water District.
(53) Helendale Community Services District.
(54) Hi-Desert Water District.
(55) Idyllwild Water District.
(56) Inland Empire Utilities Agency.
(57) Ironhouse Sanitary District.
(58) Irvine Ranch Water District.
(59) Las Virgenes Municipal Water District.
(60) Leucadia Wastewater District.
(61) Los Carneros Water District.
(62) Marin Municipal Water District.
(63) Monterey Regional Water Pollution Control Agency.
(64) Napa County Department of Public Works.
(65) North Bay Water Reuse Authority.
(66) North Marin Water District.
(67) Novato Sanitary District.
(68) Olivenhain Municipal Water District.
(69) Orange County Sanitation District.
(70) Orange County Water District.
(71) Otay Water District.
(72) Padre Dam Municipal Water District.
(73) Pajaro Valley Water Management Agency.
(74) Paradise Irrigation District.
(75) Pebble Beach Community Services District.
(76) Rainbow Municipal Water District.
(77) Ramona Municipal Water District.
(78) Rancho California Water District.
(79) Rincon Del Diablo Municipal Water District.
(80) Sacramento Regional County Sanitation District.
(81) San Bernardino County Special Districts.
1 (82) San Francisco Public Utilities Commission.
2
3 (83) San Jose Water Company.
4
5 (84) San Luis Obispo County.
6
7 (85) Santa Clara Valley Water District.
8
9 (86) Santa Clarita Valley Sanitation District.
10
11 (87) Santa Fe Irrigation District.
12
13 (88) Santa Margarita Water District.
14
15 (89) Sonoma County Water Agency.
16
17 (90) South Orange County Wastewater Authority.
18
19 (91) South Tahoe Public Utility District.
20
21 (92) Sunnyslope County Water District.
22
23 (93) Town of Yountville.
24
25 (94) Tuolumne Utilities District.
26
27 (95) Upper San Gabriel Valley Municipal Water District.
28
29 (96) Valley Center Municipal Water District.
30
31 (97) Valley Sanitary District.
32
33 (98) Ventura County Waterworks District No. 8.
34
35 (99) Victor Valley Wastewater Reclamation Authority.
36
37 (100) West Basin Municipal Water District.
38
39 (101) West Bay Sanitary District.
(102) West County Wastewater District (Richmond, California).

(103) Western Municipal Water District of Riverside County.

(104) Western Riverside County Regional Wastewater Authority.

(105) Yucaipa Valley Water District.

(c) ELIGIBILITY FOR DESALINATION PROJECT FEDERAL SUPPORT.—Upon the submission of a completed feasibility report compliant with Bureau of Reclamation standards, the Secretary of the Interior shall review requests for water desalination funding assistance and, subject to the availability of appropriations, award funding on a competitive basis for projects that meet the eligibility requirements of title IV, including among the projects reviewed the following desalination projects referenced in the 2013 California Water Plan:

(1) Cambria Desalination Project.

(2) Camp Pendleton Seawater Desalination Project.

(3) Chino Basin Desalter 3.

(4) Doheny Ocean Desalination Project.

(5) GREAT Program Groundwater Desalination Facility Expansion.
(6) Huntington Beach Seawater Desalination Project.

(7) Irvine Non-Potable Shallow Groundwater Unit Desalter.

(8) Irvine Ranch Water District Wells 51, 52, 53, 21 & 22 Potable (Non-exempt) Desalter Plant.

(9) Long Beach Seawater Desalination Project.

(10) Marina Desalination Facility Expansion.


(12) Monterey Bay Regional Water Project Desalination Facility (Moss Landing).

(13) Monterey Peninsula Water Supply Project.


(15) Moorpark Groundwater Desalter.

(16) North Pleasant Valley Groundwater Desalter.

(17) Oceanside Ocean Desalination Project (San Luis Rey Basin).

(18) Perris II Desalter.

(19) Ramona Desalting Facility.

(20) San Diego Formation/Balboa Park Groundwater Desal Facility.

(21) San Elijo Valley Groundwater Project.
(22) San Pasqual Brackish Groundwater Recovery Project.

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

(24) South Orange Coastal Ocean Desalination Project.

(25) West Basin Seawater Desalination Regional Project.

(26) West Simi Valley Desalter.

(d) ELIGIBILITY FOR WATER SUPPLY PROJECT FEDERAL SUPPORT.—Upon the submission of a completed feasibility report compliant with Bureau of Reclamation standards, the Secretary of the Interior shall review requests for funding assistance and, subject to the availability of appropriations, award funding on a competitive basis for projects that meet the eligibility requirements of title IV, including in the review drought recovery and resiliency projects for—

(1) groundwater recharge;

(2) stormwater capture;

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

(4) other innovative projects that can reduce reliance on surface and groundwater supplies.
SEC. 302. REAUTHORIZATION OF DESALINATION ACT.

(a) Definitions.—Section 2 of the Water Desalination Act of 1996 (42 U.S.C. 10301 note; Public Law 104–298) is amended—

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

(2) by inserting before paragraph (2) (as so redesignated) the following:

“(1) Administrator.—The term ‘Administrator’ means the Administrator of the Environmental Protection Agency.”.

(b) Authorization of Research and Studies.—

Section 3 of the Water Desalination Act of 1996 (42 U.S.C. 10301 note; Public Law 104–298) is amended by adding at the end the following:

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

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

“(2) to reduce the environmental impacts of seawater desalination and develop technology and strategies to minimize those impacts;
“(3) to improve existing reverse osmosis and membrane technology;

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

“(5) to develop portable or modular desalination units capable of providing temporary emergency water supplies for domestic or military deployment purposes.”.

(e) Desalination Demonstration and Development.—Section 4 of the Water Desalination Act of 1996 (42 U.S.C. 10301 note; Public Law 104–298) is amended by adding at the end the following:

“(e) Prioritization.—In carrying out demonstration and development activities under this section, the Secretary shall prioritize projects—

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

“(2) in States that have authorized funding for research and development of desalination technologies and projects; and
“(3) that can reduce reliance on imported water supplies that have an impact on species listed under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.).”.

(d) Authorization of Appropriations.—Section 8 of the Water Desalination Act of 1996 (42 U.S.C. 10301 note; Public Law 104–298) is amended—

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

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

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

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

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

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

“Sec. 9. Consultation and Coordination.

“(a) Consultation.—In carrying out”;
(2) in the second sentence, by striking “The author-

ization” and inserting the following:

“(c) OTHER DESALINATION PROGRAMS.—The au-

thorization”; and

(3) by inserting after subsection (a) (as des-

ignated by paragraph (1)) the following:

“(b) COORDINATION OF FEDERAL DESALINATION

RESEARCH AND DEVELOPMENT.—

“(1) IN GENERAL.—The White House Office of

Science and Technology Policy shall develop a co-

ordinated strategic plan that—

“(A) establishes priorities for future Fed-

eral investments in desalination; and

“(B) coordinates the activities of Federal

agencies involved in desalination, including the

Bureau of Reclamation, the National Science

Foundation, the Office of Naval Research of the

Department of Defense, the National Labora-

tories of the Department of Energy, the United

States Geological Survey, the Environmental

Protection Agency, and the National Oceanic

and Atmospheric Administration.”.

(f) DESALINATION PROJECT ASSISTANCE.—The

Water Desalination Act of 1996 (42 U.S.C. 10301 note;
Public Law 104–298) is amended by adding at the end the following:

“SEC. 10. FEASIBILITY STUDY AND DESIGN ASSISTANCE.

“(a) In general.—In order to facilitate the development of water desalination projects, the Administrator shall develop and implement a program to provide financial assistance to study the feasibility and support the design of desalination facilities (including associated water distribution infrastructure) that provide usable water.

“(b) Feasibility Studies.—

“(1) In general.—The Administrator may provide grant assistance to a non-Federal project sponsor to evaluate and determine the feasibility of a public or public-private desalination project.

“(2) Federal share.—The Federal share for a feasibility study under paragraph (1) shall not exceed 50 percent of the cost of the study.

“(3) Criteria for eligibility.—In carrying out this subsection, the Administrator shall establish criteria to determine projects eligible for grant funding based on the ability of the projects to provide regional water supply benefits, including—

“(A) improving water supply reliability in regions subject to frequent and severe drought;
“(B) enhancement of public health, safety, ecosystems, and watershed sustainability;
“(C) preservation of groundwater through reduction of withdrawals from aquifers;
“(D) offsetting demand for water conveyed from environmentally sensitive areas outside service area of the project; and
“(E) mitigation of saltwater intrusion to aquifers.

“(c) PROJECT DESIGN.—
“(1) IN GENERAL.—The Administrator may provide grant assistance to a non-Federal project sponsor for the design of a public or public-private desalination project.
“(2) FEDERAL SHARE.—The Federal share for project design under paragraph (1) shall not exceed 25 percent of the cost of project design of the project.
“(3) CRITERIA FOR ELIGIBILITY.—In carrying out this subsection, the Administrator shall establish criteria to determine projects eligible for grant funding, including—
“(A) completion of a feasibility study described in subsection (b);
"(B) demonstration of technical feasibility and cost effectiveness;

"(C) completion of all required State and Federal environmental impact analyses;

"(D) receipt of all necessary local, State, and Federal permits;

"(E) demonstration of financial capability of non-Federal project sponsors;

"(F) quantification and net cost of water produced by the project; and

"(G) identification of users of produced water supply, including water purchase agreements and other contractually binding mechanisms.

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

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

"(f) REPORT ON DESALINATION TECHNOLOGY.—Not later than 90 days after the date of enactment of this section, the Secretary of the Navy shall submit to Congress a report on the application of desalinization technology for
defense and national security purposes to provide drought relief to areas impacted by sharp declines in water supply.”

Subtitle B—Storage

SEC. 311. DEFINITIONS.

In this subtitle:

(1) Federal storage project.—The term “Federal storage project” means any water storage facility to which the United States holds title and which was authorized to be constructed, operated, and maintained pursuant to the reclamation laws.

(2) Non-Federal storage project.—The term “non-Federal storage project” means any water storage facility constructed, operated, and maintained by any State, department of a State, subdivision of a State, or public agency organized pursuant to State law.

SEC. 312. FEDERAL SUPPORT FOR INVESTMENTS IN STORAGE.

(a) Federal Storage Projects.—

(1) Agreements.—On the request of any State, department, agency, or subdivision of a State, or public agency organized pursuant to State law, the Secretary of the Interior may negotiate and enter into an agreement on behalf of the United
States for participation in the construction or expansion of any Federal storage project in accordance with this section.

(2) FEDERAL COST SHARE.—Subject to the requirements of this subsection, the Secretary may participate in a Federal storage project in an amount equal to not more than 50 percent of the total cost of the Federal storage project.

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

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

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

(b) Non-Federal Storage Projects.—

(1) In general.—Subject to the requirements of this subsection, the Secretary of the Interior may participate in a non-Federal storage project in an amount equal to not more than 25 percent of the total cost of the non-Federal storage project.

(2) Request by Governor.—Participation in a non-Federal storage project under this subsection shall not occur unless—

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

(B) the Secretary—

   (i) makes each determination described in paragraph (3); and

   (ii) submits to Congress a written notification of those determinations.

(3) Description of Determinations.—The determinations referred to in paragraph (2)(B)(i) include a determination by the Secretary that—

   (A) the relevant non-Federal storage project is technically and financially feasible;
(B) sufficient non-Federal funding is available to complete the non-Federal storage project;

(C) the non-Federal storage project sponsors are financially solvent;

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

(E) the Federal benefits of the non-Federal storage project, including water supplies dedicated to specific purposes such as environmental enhancement or wildlife refuges, meet or exceed the proposed Federal investment.

(4) Projects in California.—Federal funding for construction of the Los Vaqueros Reservoir, North-of-Delta Offstream Storage (Sites Reservoir), and the Upper San Joaquin River non-Federal storage projects described in clauses (i)(II), (ii)(I), and (ii)(II) of section 103(d)(1)(A) of Public Law 108–361 (118 Stat. 1684) is conditional on the California Water Commission determining that—

(A) the project is feasible, is consistent with all applicable laws and regulations, and will advance the long-term objectives of restoring ecological health and improving water management for beneficial uses of the Delta, pursu-
61

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

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

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

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

(iii) Flood control benefits, including
increases in flood reservation space in ex-
isting reservoirs by exchange for existing
or increased water storage capacity in re-
response to the effects of changing hydrology
and decreasing snow pack on the water
and flood management system of the State.

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

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

(5) ENVIRONMENTAL LAWS.—In participating
in a non-Federal storage project under this sub-
section, the Secretary shall comply with all applica-
table environmental laws, including the National Envi-
seq.).

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

(A) may rely on reports prepared by the
non-Federal storage project sponsor, including
feasibility (or equivalent) studies, environmental
analyses, and other pertinent reports and anal-
yses; but
(B) shall retain responsibility for making
the independent determinations described in
paragraph (3).

c) AUTHORIZATION OF APPROPRIATIONS.—

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

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

SEC. 313. CALFED STORAGE PROJECTS.

(a) FINDINGS.—Congress finds that—

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

(A) expected to recur in the future; and

(B) likely to do so with increasing fre-
quency;
(2) water storage is an indispensable and integral part of any solution to address the long-term water challenges of the State;

(3) Congress authorized relevant feasibility studies for 5 water storage projects in the State, including projects for—

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

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

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

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

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

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

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

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

(b) DEADLINES FOR COMPLETING STORAGE STUDIES.—The Secretary of the Interior, through the Commissioner of Reclamation, shall—
(1) complete the feasibility studies described in clauses (i)(I) and (ii)(II) of section 103(d)(1)(A) of Public Law 108–361 (118 Stat. 1684) and submit such studies to the appropriate committees of the House of Representatives and the Senate not later than December 31, 2015;

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

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

(4) complete the feasibility study described in clause (ii)(I) of section 103(d)(1)(A) of Public Law 108–361 (118 Stat. 1684) and submit such study to the appropriate committees of the House of Representatives and the Senate not later than November 30, 2017;
(5) complete the feasibility study described in section 103(f)(1)(A) of Public Law 108–361 (118 Stat. 1694) and submit such study to the appropriate Committees of the House of Representatives and the Senate not later than December 31, 2017;

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

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

(c) IMPACTS.—The Secretary of the Interior, in consultation with other appropriate agencies, shall establish a process to address direct and substantial impacts caused by any storage projects under this section.
SEC. 314. AUTHORIZATION TO INCREASE RESERVOIR CAPACITY AS PART OF DAM SAFETY PROJECTS.

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

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

and

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

“SEC. 5B. AUTHORIZATION TO INCREASE RESERVOIR CAPACITY AS PART OF DAM SAFETY PROJECTS.

“(a) Determination by Secretary of the Interior.—

“(1) In general.—Subject to subsection (b), notwithstanding section 3, if the Secretary makes a determination described in paragraph (2), the Secretary may develop additional project benefits through the construction of new or supplementary works on a project—

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

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

“(2) Description of determination.—A determination referred to in paragraph (1) is a deter-
mination by the Secretary that an additional project benefit (including additional conservation storage capacity) is—

“(A) necessary;

“(B) in the interests of—

“(i) the United States; and

“(ii) the project;

“(C) feasible; and

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

“(b) REQUIREMENT.—The costs associated with developing an additional project benefit under subsection (a) shall be—

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

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

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

SEC. 315. RESERVOIR OPERATION IMPROVEMENT.

(a) REPORT.—Not later than 180 days after the date of enactment of this Act, the Secretary of the Army shall submit to the Committees on Appropriations and the Committee on Environment and Public Works of the Senate
and the Committee on Appropriations and the Committee on Transportation and Infrastructure of the House of Representatives a report including the following information for any State under a gubernatorial drought declaration during water year 2015:

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

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

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

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

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

   (6) A list of projects for which permanent changes to storage allocations have been requested, and the status of the request.
(b) PROJECT IDENTIFICATION.—Not later than 60 days after the date of completion of the report under subsection (a), the Secretary of the Army shall identify any projects described in the report that meet the following criteria:

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

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

(3) Revision of water operations manuals, including flood control rule curves, based on the use of improved weather forecasting or run-off forecasting methods, new watershed data, or changes to project operations, for the project is likely to enhance the existing authorized project purposes including water supply storage capacity and reliability, flood control operations and environmental restoration.

(c) ADDITIONAL PROJECTS IDENTIFIED.—Not later than 60 days after the date of completion of the report
under subsection (a), the Secretary of the Army shall identify any non-Corps of Engineers projects that meet—

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

(2)(A) the owner of the non-Federal project has submitted to the Secretary of the Army a formal request to review or revise the operations manual or flood control rule curves to accommodate new watershed data or projected project modifications or operational changes; and

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

(d) PILOT PROJECTS.—

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

(A) forecast-informed operations;
(B) new watershed data; and

(C) if applicable, spillway improvements.

(2) CONSULTATION.—In implementing the pilot projects pursuant to this subsection, the Secretary of the Army shall consult with all affected interests, including non-Federal entities responsible for operations and maintenance costs of a Corps of Engineers facility, affected water rights holders, individuals and entities with storage entitlements, and local agencies with flood control responsibilities downstream of a Corps of Engineers facility.

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

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

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

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

(2) owned and operated by the Corps of Engineers, the Secretary of the Army, prior to carrying out an activity under this section, shall—
(A) consult with each non-Federal entity (including a municipal water district, irrigation district, joint powers authority, or other local governmental entity) that currently—

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

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

(B) enter into a cooperative agreement, memorandum of understanding, or other agreement with each such entity.

(f) CONSIDERATION.—In designing and implementing a forecast-informed reservoir operations plan, the Secretary of the Army may consider—

(1) the relationship between ocean and atmospheric conditions, including the El Nino and La Nina cycles, and the potential for above-normal, normal, and below-normal rainfall for the coming water year, including consideration of atmospheric river forecasts;

(2) the precipitation and runoff index specific to the basin and watershed of the relevant dam or reservoir, including incorporating knowledge of hydrological and meteorological conditions that influence the timing and quantity of runoff;
(3) improved hydrologic forecasting for precipitation, snowpack, and soil moisture conditions;

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

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

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

(h) EFFECT.—

(1) MANUAL REVISIONS.—A revision of a manual shall not interfere with the authorized purposes of a project.

(2) EFFECT.—

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

(B) SECTION.—Nothing in this section affects or modifies any obligation of the Secretary of the Army under State law or authorizes the diversion or use of water in a manner that is inconsistent with State water rights law.

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

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

SEC. 316. REPORT TO CONGRESS.

Not later than 2 years after the date of enactment of this Act, and every 2 years thereafter, the Secretary shall submit to the Committee on Energy and Natural Resources of the Senate and the Committee on Natural Resources of the House of Representatives a report summarizing the financial performance of the projects that are receiving, or have received, assistance under this subtitle,
including an assessment of whether the objectives of this
subtitle are being met.

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

SEC. 321. PROMOTING WATER EFFICIENCY WITH
WATERSENSE.

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

(1) to reduce water use;

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

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

(4) to preserve water resources for future gen-
erations, through voluntary labeling of, or other
forms of communications regarding, products, build-
ings, landscapes, facilities, processes, and services
that meet the highest water efficiency and perform-
ance criteria.
(b) DUTIES.—The Administrator of the Environmental Protection Agency (referred to in this section as the “Administrator”) shall—

(1) establish—

(A) a WaterSense label to be used for certain items; and

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

(2) promote WaterSense-labeled products, buildings, landscapes, facilities, processes, and services in the marketplace as the preferred technologies and services for—

(A) reducing water use; and

(B) ensuring product and service performance;

(3) work to enhance public awareness of the WaterSense label through public outreach, education, and other means;

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

(A) establishing and maintaining performance criteria so that products, buildings, landscapes, facilities, processes, and services labeled with the WaterSense label perform as well or better than less water-efficient counterparts;
(B) overseeing WaterSense certifications made by third parties;

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

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

(5) regularly review and, if appropriate, update WaterSense criteria for categories of products, buildings, landscapes, facilities, processes, and services, at least once every 6 years;

(6) to the maximum extent practicable, regularly estimate and make available to the public the production and relative market shares of, and the savings of water, energy, and capital costs of water, wastewater, and stormwater infrastructure attributable to the use of WaterSense-labeled products, buildings, landscapes, facilities, processes, and services, at least annually;

(7) solicit comments from interested parties and the public prior to establishing or revising a WaterSense category, specification, installation criterion, or other criterion;
(8) provide reasonable notice to interested parties and the public of any changes (including effective dates), on the adoption of a new or revised category, specification, installation criterion, or other criterion, along with—

(A) an explanation of the changes; and

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

(9) provide appropriate lead time (as determined by the Administrator) prior to the applicable effective date for a new or significant revision to a category, specification, installation criterion, or other criterion, taking into account the timing requirements of the manufacturing, marketing, training, and distribution process for the specific product, building and landscape, or service category addressed;

(10) identify and, if appropriate, implement other voluntary approaches in commercial, institutional, residential, industrial, and municipal sectors to encourage recycling and reuse technologies to improve water efficiency or lower water use; and

(11) if appropriate, authorize the WaterSense label for use on products that are labeled by the En-
Energy Star program implemented by the Administrator and the Secretary of Energy.

(c) Authorization of Appropriations.—There are authorized to be appropriated to carry out this section—

(1) $5,000,000 for fiscal year 2016;
(2) $5,000,000 for fiscal year 2017;
(3) $5,000,000 for fiscal year 2018;
(4) $5,000,000 for fiscal year 2019; and
(5) for each subsequent fiscal year, the applicable amount for the preceding fiscal year, as adjusted to reflect changes for the 12-month period ending the preceding November 30 in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.

SEC. 322. INCREASING OPPORTUNITIES FOR AGRICULTURAL CONSERVATION.

(a) In General.—The Secretary of the Interior is authorized and directed to enter into voluntary agreements with public water agencies or other entities that receive water from any project operated by the Bureau of Reclamation to implement water conservation programs.
(b) Uses of Conserved Water.—Of the quantity of water conserved as a result of the exercise of the authority of the Secretary under subsection (a)—

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

(2) 75 percent shall be retained by the Secretary, of which—

(A) 33 percent shall be used or marketed on an annual basis for purposes that will promote groundwater recharge and conservation; and

(B) 67 percent shall be used on an annual basis for refuge water supply or other authorized project purposes.

(e) Exceptions.—For good reason, the Secretary and the public water agency or entity with which the Secretary has entered into a water conservation agreement may agree to modify the percentages of uses of the water conserved specified in subsection (b) in a particular instance.

(d) Contributed Funds.—

(1) In general.—Any existing water service or repayment contractor within the project service area
may contribute funds for the implementation of the
water conservation agreement.

(2) Action by Secretary.—If a contractor
provides contributed funds pursuant to paragraph
(1), the Secretary shall provide to that water service
or repayment contractor some or all of the water de-
scribed in subsection (b)(2)(B), but not to exceed
the proportion of funds contributed by the con-
tractor.

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

SEC. 323. ASSISTANCE FOR DROUGHT-STRICKEN COMMU-
NITIES.

(a) Findings.—Congress finds that—

(1) across the United States, more than 90 per-
cent of the community water systems serve popu-
lations of less than 10,000 individuals;
(2) the number of dry wells continues to increase as the State enters the fourth consecutive summer of drought, with approximately 1,988 wells statewide identified as critical or dry, which affects an estimated 9,940 residents, with 1,883 of the 1,988 dry wells concentrated in the inland regions within the Central Valley;

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

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

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

(1) **IN GENERAL.**—To assist disadvantaged communities that have experienced a significant decline in quantity or quality of drinking water, and to obtain or maintain adequate quantities of water that meet the standards set by the Federal Water Pollu-
tion Control Act (33 U.S.C. et seq.), there is estab-
lished within the Rural Water and Waste Disposal
Program of the Department of Agriculture a pro-
gram under which the Secretary of Agriculture shall
provide grants for communities—

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

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

(2) ELIGIBLE COMMUNITIES.—

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

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

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

(B) EXCEPTIONS.—Notwithstanding sub-
paragraph (A)(i), the Secretary may provide as-
istance to communities exceeding the 10,000
population limit established by that subpara-
graph in the event there is a threat to the
human health and safety of the community as
a result of decreased water supplies or water
quality.

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

(A) point of use treatment;

(B) point of entry systems;

(C) distributed treatment facilities;

(D) construction of new water source fa-
cilities including wells and connections to exist-
ing systems;

(E) water distribution facilities;

(F) connection fees to existing systems;

(G) assistance to households to connect to
water facilities; and

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

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

(A) where water outages—

(i) are most imminent; and
(ii) pose the greatest threat to public health and safety; and

(B) the access of the applicant to, or ability to qualify for, alternative funding sources.

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

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

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

(C) costs of operation or maintenance incurred subsequent to placing the facilities or components into service.

(6) NONPROFIT ORGANIZATIONS.—The Secretary may use amounts made available to carry out this section to provide grants to, or enter into cooperative agreements with, nonprofit organizations that can provide onsite technical assistance, assistance with implementing source water protection plans, and assistance with implementing monitoring and maintenance plans.

(e) PILOT PROJECTS.—There is authorized to be appropriated to the Secretary to carry out this section
$15,000,000 for up to 15 pilot projects to implement the program under this section.

SEC. 324. CONSERVATION AT CALIFORNIA MILITARY INSTALLATIONS.

(a) Initial Assessment.—

(1) In general.—Not later than 180 days after the date of enactment of this Act, the Secretary of Defense shall submit to the Subcommittees on Military Construction, Veterans Affairs, and Related Agencies of the Committees on Appropriations of the Senate and the House of Representatives a list of water conservation activities and best practices that the Secretary—

(A) has carried out on military installations in the State; or

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

(2) Inclusions.—The report under paragraph (1) shall include—

(A) consideration of—

(i) implementing the Net Zero initiative of the Army in the State;

(ii) reducing irrigation for landscaping and golf courses;
(iii) addressing distribution leaks and inadequate or faulty plumbing fixtures; and

(iv) wastewater reclamation and rainwater harvesting; and

(B) a description of—

(i) how installations can use the Energy and Water focus area of the Strategic Environmental Research and Development Program and Environmental Security Technology Certification Program to promote and accelerate conservation at military installations in the State; and

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

(I) reduce water demand;

(II) increase water conservation;

or

(III) reclaim water.

(b) PILOT PROJECTS.—Not later than 180 days after the date of submission of the report under subsection (a), the Secretary of Defense shall commence, including through initial planning and study, not fewer than 3 pilot
projects on military installations in the State to implement
the actions described in the report.

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

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

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

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

In addition to other amounts made available under
this Act (or an amendment made by this Act), there is
authorized to be appropriated $3,000,000 to the Adminis-
trator of the Drug Enforcement Administration for a domestic cannabis eradication and suppression program to assist State or local law enforcement agencies in the suppression of cannabis operations that—

(1) are conducted on public land; or

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

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

SEC. 327. SUPPORT FOR INNOVATIVE WATER SUPPLY AND CONSERVATION TECHNOLOGIES.

(a) In general.—In order to promote the development of innovative water supply and conservation technologies, the Administrator of the Environmental Protection Agency is authorized, on a competitive basis, to award grants and enter into contracts to assist in the financing of research and demonstration projects for such innovative technologies.

(b) Eligible entities.—Entities eligible to receive grants and enter into contracts pursuant to this section include local entities, public nonprofit institutions or organizations, businesses, federally recognized Indian tribal governments, and nonprofit institutions or organizations.

(c) Eligibility criteria.—The Administrator shall establish criteria for applicants to be eligible to receive a
grant from, or enter into a contract with, the Administrator under this section, including—

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

(2) demonstration of the financial capability and creditworthiness of non-Federal project sponsors;

(3) compliance with all applicable laws and receipt of all necessary local, State, and Federal permits; and

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

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

(1) proposes an innovation that has broad, fundamental implications for water savings or water supply;

(2) is economically feasible;

(3) could reduce the costs of water supply, including reductions in associated energy costs;
(4) would solve environmental concerns or provide environmental benefits;

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

(6) is aimed at the development of a specific water saving or water supply application, as opposed to basic research aimed at discovery and fundamental knowledge generation.

(e) AUTHORITY TO ENGAGE OTHERS.—

(1) IN GENERAL.—In carrying out research and studies authorized in this section, the Administrator may engage the necessary personnel, industrial or engineering firms, Federal laboratories, water resources research and technology institutions, other facilities, and educational institutions suitable to conduct investigations and studies authorized under this section.

(2) TECHNICAL AND ADMINISTRATIVE ASSISTANCE.—The Administrator may—

(A) accept technical and administrative assistance from States and public or private agencies in connection with studies, surveys, location, construction, operation, and other work relating to the desalting of water; and
(B) enter into contracts or agreements stating the purposes for which the assistance is contributed and providing for the sharing of costs between the Administrator and any such agency.

(f) Cost-sharing.—

(1) 25-percent Federal cost share.—A Federal contribution in excess of 25 percent for a project carried out under this section may not be made unless the Administrator determines that the project is not feasible without such increased Federal contribution.

(2) Maximum Federal cost share.—In no case shall the Federal cost-share for a project under this section exceed 50 percent of the total cost of the project.

(3) Procedures for allocating costs.—The Administrator shall prescribe appropriate procedures to implement the provisions of this section. Costs of operation, maintenance, repair, and rehabilitation of facilities funded under the authority of this section shall be non-Federal responsibilities.

(g) Authorization of Appropriations.—There is authorized to be appropriated to carry out this section
$35,000,000 for the period of fiscal years 2016 through 2020.

SEC. 328. OPEN WATER DATA SYSTEM.

(a) Definitions.—In this section:

(1) Educational institution.—The term “educational institution” means—

(A) a public or private elementary or secondary school;

(B) an institution of vocational, professional, or higher education (including a junior college or teachers’ college); and

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

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

(3) Secretary.—The term “Secretary” means the Secretary of the Interior, acting through the Director of the United States Geological Survey.

(4) State.—The term “State” means—

(A) a State;

(B) the District of Columbia;

(C) the Commonwealth of Puerto Rico; and
(D) any other territory or possession of the United States.

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

(b) SYSTEM.—The Secretary shall establish and maintain an open water data system within the United States Geological Survey to advance the availability, timely distribution, and widespread use of water data and information for water management, education, research, assessment, and monitoring purposes.

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

(1) to advance the quantification of the availability, use of, and risks to, water resources throughout the United States;

(2) to increase accessibility to, and expand the use of, water data and information in a standard, easy-to-use format by Federal, State, local, and tribal governments, communities, educational institutions, and the private sector; and

(3) to facilitate the open exchange of water information particularly in the face of climate change and unprecedented drought.

(d) ACTIVITIES.—In carrying out this section, the Secretary shall—
(1) integrate water data and information into a interoperable, national, geospatially referenced water data framework;

(2) identify new water data and information needs, including data on surface and groundwater quality and quantity, sediment, erosion, transport, water chemistry, precipitation, reservoir storage, water cycle, landscape variables, hydrography, climate and weather impacts, soil moisture, and human use;

(3) leverage existing shared databases, infrastructure, and tools to provide a platform for water data and information innovation, modeling and data sharing, and solution development;

(4) support water data and information sharing, applied research, and educational programs of State, local, and tribal governments, communities, educational institutions, and the private sector; and

(5) promote cooperation and sharing of expertise regarding water data and information among State, local, and tribal governments, communities, educational institutions, and the private sector.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $4,000,000 for each fiscal year from 2016 through 2020.
TITLE IV—FEDERAL SUPPORT FOR STATE AND LOCAL DROUGHT RESILIENCY PROJECTS

Subtitle A—Reclamation Infrastructure Finance and Innovation Act

SEC. 401. PURPOSES.

The purposes of this subtitle are—

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

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

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

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

SEC. 402. DEFINITIONS.

In this subtitle:
(1) **Eligible Entity.**—The term “eligible entity” means—

(A) a corporation;

(B) a partnership;

(C) a joint venture;

(D) a trust;

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

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

(2) **Federal Credit Instrument.**—The term “Federal credit instrument” means a secured loan or loan guarantee authorized to be made available under this title with respect to a project.

(3) **Investment-Grade Rating.**—The term “investment-grade rating” means a rating of BBB minus, Baa3, bbb minus, BBB (low), or higher as assigned by a rating agency to project obligations.

(4) **Lender.**—

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

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

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

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

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

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

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

(B) Exclusion.—The term “project obligation” does not include a Federal credit instrument.

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

(9) Reclamation state.—The term “Reclamation State” means any of the States of—

(A) Arizona;
(B) California;
(C) Colorado;
(D) Idaho;
(E) Kansas;
(F) Montana;
(G) Nebraska;
(H) Nevada;
(I) New Mexico;
(J) North Dakota;
(K) Oklahoma;
(L) Oregon;
(M) South Dakota;
(N) Texas;
(O) Utah;
(P) Washington; and
(Q) Wyoming.

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

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

(12) **SUBSIDY AMOUNT.**—The term “subsidy amount” means the amount of budget authority sufficient to cover the estimated long-term cost to the Federal Government of a Federal credit instrument, as calculated on a net present value basis, excluding administrative costs and any incidental effects on Governmental receipts or outlays in accordance with the Federal Credit Reform Act of 1990 (2 U.S.C. 661 et seq.).
(13) **Substantial completion.**—The term “substantial completion”, with respect to a project, means the earliest date on which a project is considered to perform the functions for which the project is designed.

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

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

(1) any Reclamation State;

(2) any other State in which the Bureau of Reclamation is authorized to provide project assistance; and

(3) the States of Alaska and Hawaii.

**SEC. 404. APPLICATIONS.**

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

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

(a) **Eligible Projects.**—The following non-Federal projects may be carried out using assistance made available under this subtitle:

(1) A project for the reclamation and reuse of municipal, industrial, domestic, and agricultural
wastewater, and naturally impaired ground and surface waters, which—

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

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

(2) Any water infrastructure project not specifically authorized by law the Secretary determines would contribute to a safe, adequate water supply for domestic, agricultural, environmental, or municipal and industrial use.

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

(4) A project for accelerated repair and replacement of an aging water distribution facility.

(5) A brackish or sea water desalination project.

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

(b) ACTIVITIES ELIGIBLE FOR ASSISTANCE.—For purposes of this subtitle, an eligible activity with respect
to an eligible project under subsection (a) includes the cost of—

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

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

(3) the acquisition of real property (including water rights, land relating to the project, and improvements to land), environmental mitigation, construction contingencies, and acquisition of equipment;

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

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

SEC. 406. DETERMINATION OF ELIGIBILITY AND PROJECT SELECTION.

(a) ELIGIBILITY REQUIREMENTS.—To be eligible to receive financial assistance under this subtitle, a project
shall meet the following criteria, as determined by the Secretary:

(1) CREDITWORTHINESS.—

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

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

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

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

(4) PUBLIC SPONSORSHIP OF PRIVATE ENTITIES.—In the case of a project carried out by an en-
(b) SELECTION CRITERIA.—

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

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

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

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

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

(D) The extent to which the project fosters—

(i) collaborative partnerships between cities, counties, water districts, and State and Federal agencies; and
(ii) innovative recycling programs that augment a combination of industrial, commercial, residential, and agricultural uses.

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

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

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

(3) Consistency of Criteria.—Not later than 180 days after the enactment of this Act, the Secretary shall issue eligibility requirements under title IV of this Act for water recycling projects that reclaim and reuse municipal, industrial, domestic, or agricultural wastewater or impaired ground or surface waters.

(e) Receipt of Other Federal Funding.—Receipt of a Federal grant or contract or other Federal funding to support an eligible project shall not preclude the project from being eligible for assistance under this subtitle and shall not be counted towards any Federal cost-
share requirements otherwise applicable to a project eligi-
ble for assistance under this subtitle.

SEC. 407. SECURED LOANS.

(a) AGREEMENTS.—

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

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

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

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

(i) is selected under section 406; or

(ii) otherwise meets the requirements of section 406.

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

(3) **Risk Assessment.**—Before entering into an agreement under this subsection for a secured loan, the Secretary, in consultation with the Director of the Office of Management and Budget and each rating agency providing a preliminary rating opinion letter under section 406(a)(1)(B), shall determine an appropriate capital reserve subsidy amount for the secured loan, taking into account each such preliminary rating opinion letter.

(4) **Investment-Grade Rating Requirement.**—The execution of a secured loan under this section shall be contingent on receipt by the senior obligations of the project of an investment-grade rating.

(b) **Terms and Limitations.**—

(1) **In General.**—A secured loan provided for a project under this section shall be subject to such terms and conditions, and contain such covenants, representations, warranties, and requirements (including requirements for audits), as the Secretary determines to be appropriate.

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

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

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

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

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

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

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

(C) may have a lien on revenues described in subparagraph (A), subject to any lien securing project obligations.
(5) **INTEREST RATE.**—The interest rate on a secured loan under this section shall be not less than the yield on United States Treasury securities of a similar maturity to the maturity of the secured loan on the date of execution of the loan agreement.

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

(7) **FEES.**—The Secretary may establish fees, in accordance with section 408(b)(2) at a level sufficient to cover all or a portion of the costs to the Federal Government of making a secured loan under this section.

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

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

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

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

(3) **Deferred Payments.**—

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

   (B) **Interest.**—Any payment deferred under subparagraph (A) shall—
(i) continue to accrue interest in accordance with subsection (b)(5) until fully repaid; and

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

(C) CRITERIA.—

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

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

(4) PREPAYMENT.—

(A) USE OF EXCESS REVENUES.—Any excess revenues that remain after satisfying scheduled debt service requirements on the project obligations and secured loan and all deposit requirements under the terms of any trust agreement, bond resolution, or similar agreement securing project obligations may be applied annually to prepay a secured loan under this section without penalty.
(B) Use of Proceeds of Refinancing.—A secured loan under this section may be prepaid at any time without penalty from the proceeds of refinancing from non-Federal funding sources.

(d) Sale of Secured Loans.—

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

(2) Consent of obligor.—In making a sale or reoffering under paragraph (1), the Secretary may not change the original terms and conditions of the secured loan without the written consent of the obligor.

(e) Loan Guarantees.—

(1) In general.—The Secretary may provide a loan guarantee to a lender in lieu of making a secured loan under this section, if the Secretary determines that the budgetary cost of the loan guarantee is substantially the same as that of a secured loan.
(2) TERMS.—The terms of a loan guarantee provided under this subsection shall be consistent with the terms established in this section for a secured loan, except that the rate on the guaranteed loan and any prepayment features shall be negotiated between the obligor and the lender, with the consent of the Secretary.

SEC. 408. PROGRAM ADMINISTRATION.

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

(b) RECLAMATION LOAN FINANCE CAPITAL RESERVE FUND.—

(1) ESTABLISHMENT.—

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

(B) DEPOSITS TO FUND.—The Secretary of the Treasury shall deposit in the fund established by subparagraph (A) an amount equal to the amount of capital reserve fees collected under paragraph (2) for each applicable fiscal year.
(C) Treatment.—The amounts deposited in the fund under subparagraph (B) shall be credited as offsetting collections.

(2) Capital Reserve Fees.—

(A) In General.—To the extent required by appropriations Acts, the Secretary may assess, collect, and spend capital reserve fees at a level that is sufficient to cover all or a portion of the costs to the Federal Government of servicing the Federal credit instruments provided under this subtitle, including all or a portion of the outlays associated with the provision of the Federal credit instruments under this subtitle.

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

(c) Servicer.—

(1) In General.—The Secretary may appoint a financial entity to assist the Secretary in servicing the Federal credit instruments provided under this subtitle.
(2) Duties.—A servicer appointed under paragraph (1) shall act as the agent for the Secretary.

(3) Fee.—A servicer appointed under paragraph (1) shall receive a servicing fee, subject to approval by the Secretary.

SEC. 409. STATE AND LOCAL PERMITS.

(a) Establishment.—

(1) Assumption of responsibility.—

(A) In general.—Subject to this section, the Secretary and the State may enter into a written agreement, which may be in the form of a memorandum of understanding, under which the Secretary may designate the State as lead agency for purposes of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

(B) Procedural and substantive requirements.—If designated as the lead agency under subparagraph (A), the State shall assume responsibility under this section, subject to the same procedural and substantive requirements that would apply if that responsibility were carried out by the Secretary.

(2) Preservation of Federal responsibility and authority.—
(A) Federal responsibility.—Any responsibility of the Secretary not explicitly assumed by the State by written agreement under this section shall remain the responsibility of the Secretary.

(B) No effect on authority.—Nothing in this section preempts or interferes with any power, jurisdiction, responsibility, or authority of an agency, other than the Department of the Interior, under applicable law (including regulations) with respect to a project.

(3) Preservation of flexibility.—The Secretary may not require a State, as a condition of participation and assuming lead agency status in the program, to forego project delivery methods that are otherwise permissible for projects.

(b) State Participation.—

(1) Participating states.—The Secretary shall permit the State, and not more than 4 additional States, to participate in the program under this section, subject to the limitations described in paragraph (4).

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

(A) the projects or classes of projects for which the State anticipates exercising the authority that may be granted under the program;

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

(C) evidence of the notice and solicitation of public comment by the State relating to participation of the State in the program, including copies of comments received from that solicitation.

(3) PUBLIC NOTICE.—

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

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

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

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

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

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

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

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

(2) be in such form as the Secretary may pre-
scribe;
(3) provide that the State—

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

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

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

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

(4) require the State to provide to the Secretary any information that the Secretary considers necessary to ensure that the State is adequately carrying out the responsibilities assigned to the State;

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

(6) be renewable.

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

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

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

(e) EFFECT OF ASSUMPTION OF RESPONSIBILITY.—A State that assumes responsibility under subsection (a)(2) shall be solely responsible and solely liable for carrying out, in lieu of the Secretary, the responsibilities assumed under subsection (a), until the program is terminated as provided in subsection (h).

(f) AUDITS.—

(1) IN GENERAL.—To ensure compliance by a State with any agreement of the State under subsection (c) (including compliance by the State with all Federal laws for which responsibility is assumed under subsection (a)(2)), for each State partici-
pating in the program under this section, the Secretary shall conduct—

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

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

(2) PUBLIC AVAILABILITY AND COMMENT.—

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

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

(g) MONITORING.—After the fourth year of the participation of a State in the program, the Secretary shall monitor compliance by the State with the written agreement, including the provision by the State of financial resources to carry out the written agreement.

(h) TERMINATION.—

(1) TERMINATION BY SECRETARY.—The Secretary may terminate the participation of any State in the program if—
(A) the Secretary determines that the State is not adequately carrying out the responsibilities assigned to the State;

(B) the Secretary provides to the State—

(i) notification of the determination of noncompliance; and

(ii) a period of at least 30 days during which to take such corrective action as the Secretary determines is necessary to comply with the applicable agreement; and

(C) the State, after the notification and period provided under subparagraph (B), fails to take satisfactory corrective action, as determined by Secretary.

(2) TERMINATION BY STATE.—The State may terminate the participation of the State in the program at any time by providing to the Secretary a notice by not later than the date that is 90 days before the date of termination, and subject to such terms and conditions as the Secretary may provide.

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

(1) authorizes a State to assume any rule-making authority of the Secretary under any Federal law;
(2) relieves any recipient of the assistance of any obligation to obtain any other required State or local permit or approval with respect to the project;

(3) limits the right of any unit of State or local government to approve or regulate any rate of return on private equity invested in the project; or

(4) otherwise supersedes any State or local law (including any regulation) applicable to the construction or operation of the project.

SEC. 410. REGULATIONS.

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

SEC. 411. FUNDING.

(a) IN GENERAL.—There is authorized to be appropriated to the Secretary to carry out this subtitle $200,000,000 through fiscal year 2020, to remain available until expended.

(b) OFFSET REQUIRED.—No funds made available under this section may be used to provide financial assistance under this subtitle unless sufficient funds have been appropriated to offset any decrease in Federal revenue resulting from the use by any unit of State or local government of proceeds of any obligation—
(1) the interest on which is exempt from the
tax imposed under chapter 1 of the Internal Rev-

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

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

SEC. 412. DEAUTHORIZATION OF INACTIVE PROJECTS.

(a) Purposes; Definitions.—

(1) Purposes.—The purposes of this section
are—

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

(B) to create an expedited and definitive
process to deauthorize water resources develop-
ment programs and projects;
to allow the continued authorization of water resources development programs and projects that are viable for construction; and

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

(i) in the Federal interest; or

(ii) feasible.

(2) DEFINITIONS.—In this section:

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

(B) WATER RESOURCES DEVELOPMENT PROGRAM OR PROJECT.—The term “water resources development program or project” includes any water and related resource project or program of the Bureau of Reclamation.

(b) COMPREHENSIVE REPORTS.—

(1) MINIMUM FUNDING LIST.—Not later than 180 days after the date of enactment of this Act, the Secretary shall submit to the Committee on Energy and Natural Resources of the Senate and the Committee on Natural Resources of the House of Representatives, and make available on a publicly accessible Internet website in a manner that is downloadable, searchable, and sortable, a list of—
(A) projects or separable elements of projects authorized for construction for which funding has been obligated during the current fiscal year or any of the 5 preceding fiscal years;

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

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

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

(2) BACKLOG REPORT.—Together with the report under paragraph (1), the Secretary shall submit to the Committee on Energy and Natural Resources of the Senate and the Committee on Natural Resources of the House of Representatives, and make available on a publicly accessible Internet website in a manner that is downloadable, searchable, and sortable, a list of—

(A) projects or separable elements that are authorized for construction but have not been completed;
(B) the date of authorization of the project or separable element, including any subsequent modifications to the original authorization;
(C) the original budget authority for the project or separable element;
(D) a brief description of the project or separable element;
(E) the estimated date of completion of the project or separable element;
(F) the estimated cost of completion of the project or separable element; and
(G) any amounts appropriated for the project or separable element that remain unobligated.

(c) Interim Deauthorization List.—

(1) In general.—The Secretary shall develop an interim deauthorization list that identifies each water resources development program or project, or separable element of a program or project, authorized for construction before March 30, 2009, for which—

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

(B) construction was initiated before the date of enactment of this Act, but for which no
Federal or non-Federal funds were obligated for
collection of the program, project, or sepa-
rable element of the program or project during
the current fiscal year or any of the 6 preceding
fiscal years.

(2) **Public comment and consultation.**—

(A) In general.—The Secretary shall so-
licit comments from the public and the Gov-
ernors of each applicable State on the interim
deauthorization list developed under paragraph
(1).

(B) Comment period.—The public com-
ment period shall be 90 days.

(3) **Submission to Congress; publication.**—Not later than 90 days after the date of sub-
mission of the list required by subsection (b), the
Secretary shall—

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

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

(d) **Final deauthorization list.**—
(1) **IN GENERAL.**—The Secretary shall develop a final deauthorization list of each water resources development program or project, or separable element of a program or project, described in subsection (c)(1) that is identified pursuant to this subsection.

(2) **IDENTIFICATION OF PROJECTS.**—

(A) **CRITERIA FOR INCLUSION.**—

(i) **IN GENERAL.**—The Secretary shall identify programs, projects, and separable elements of programs and projects for inclusion on the final deauthorization list that may no longer be viable for construction.

(ii) **FACTORS TO CONSIDER.**—The Secretary may identify programs, projects, and separable elements of programs and projects for exclusion from the final deauthorization list if the Secretary determines, on a case-by-case basis, that a project or separable element of a project is critical for interests of the United States, based on the possible impact of the project or separable element of the project on pub-
lic health and safety, the national economy, or the environment.

(iii) Consideration of public comments.—In making determinations under clauses (i) and (ii), the Secretary shall consider any comments received under subsection (c)(3).

(B) Appendix.—The Secretary shall include as part of the final deauthorization list an appendix that—

(i) identifies each program, project, and separable element of a program or project on the interim deauthorization list developed under subsection (e) that is not included on the final deauthorization list; and

(ii) describes the reasons why the program, project, or separable element is not included.

(3) Submission to Congress; publication.—Not later than 120 days after the date on which the public comment period under subsection (e)(3) expires, the Secretary shall—

(A) submit the final deauthorization list and the appendix to the final deauthorization
list to the Committee on Energy and Natural Resources of the Senate and the Committee on Natural Resources of the House of Representatives; and

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

(c) DEAUTHORIZATION; CONGRESSIONAL REVIEW.—

(1) IN GENERAL.—Subject to paragraph (2), after the date that is 180 days after the date of submission of the final deauthorization report under subsection (d), a program, project, or separable element of a program or project identified in the report is deauthorized, unless Congress passes a joint resolution disapproving the final deauthorization report prior to the end of that period.

(2) NON-FEDERAL CONTRIBUTIONS.—A program, project, or separable element of a program or project identified in the final deauthorization report under subsection (d) shall not be deauthorized under this subsection if, before the expiration of the 180-day period referred to in paragraph (1), the non-Federal interest of the program, project, or separable element of the project provides sufficient funds
to complete the program, project, or separable ele-
ment of the project.

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

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

SEC. 421. WATER STORAGE, INTEGRATED REGIONAL
WATER MANAGEMENT, RECLAMATION, AND
RECYCLING PROJECTS.

(a) FINDINGS.—Congress finds that—

(1) the State is currently experiencing an his-
toric drought that has not been witnessed in over
100 years of recorded history, and funding will allow
the Bureau of Reclamation to better respond to and
mitigate the potential impacts of extended drought
and long-term sustainability challenges;

(2) since WaterSMART was established in
2010, the program has provided approximately
$250,000,000 in competitively awarded funding to non-Federal partners, including Indian tribes, water districts, municipalities, and institutions of higher education, which investments have conserved enough water to meet the needs of more than 3,800,000 individuals, allowing every acre-foot of water conserved to be made available for other uses; and

(3) activities funded under WaterSMART include those critical to meeting the Priority Goal for Climate Change of the Department of the Interior, which includes climate risk assessment activities and related efforts that ensure sustainable water supplies in the western United States.

(b) Amendment.—Section 9504 of the Omnibus Public Land Management Act of 2009 (42 U.S.C. 10368) is amended—

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

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

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

“(1) In general.—The Secretary is authorized to enter into cost shared financial assistance and
other long-term agreements with non-Federal participants in Reclamation States (as defined in section 402 of the California Emergency Drought Relief Act of 2015) and the States of Hawaii and Alaska to advance the planning, design, and construction of non-Federal permanent water storage and conveyance facilities, projects for the reclamation and reuse of municipal, industrial, domestic and agricultural wastewater, and naturally impaired ground and surface waters, and other water management improvement projects for which the Secretary is authorized under this subtitle to assist an applicant in the planning, design, and construction.

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

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

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

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

“(D) where practicable, provide flood con-
trol or recreation benefits and include the devel-
opment of incremental hydroelectric power gen-
eration;

“(E) include partnerships that go beyond
political and institutional jurisdictions to sup-
port the efficient use of the limited water re-
sources of a region and the United States; and

“(F) generate environmental benefits, such
as benefits to fisheries, wildlife and habitat,
water quality, water-dependent ecological sys-
tems, and water supply benefits to agricultural
and urban water users.

“(3) Federal cost share.—The Federal
share of the cost of a project authorized under sub-
section (a) shall be—

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

“(i) 25 percent of total costs; and

“(ii) $20,000,000 (adjusted for infla-
tion); and

“(B) nonreimbursable.

“(4) In-kind contributions.—The non-Fed-
eral share of the cost of a project authorized under
subsection (a) may include in-kind contributions to
the planning, design, and construction of a project.

“(5) Title; Operation and Maintenance
Costs.—The non-Federal entity entering into a fi-
nancial assistance agreement under this subsection
shall hold title to any and all facilities constructed
under this section, and shall be solely responsible for
the costs of operating and maintaining such facili-
ties.”; and

(3) in subsection (f) (as redesignated by para-
graph (1)), by striking “$300,000,000” and insert-
ing “$400,000,000”.

Subtitle C—Water Recycling
Eligibility

SEC. 431. NEW WATER RECYCLING AND REUSE PROJECTS.

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

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

“(1) In General.—A non-Federal interest may
submit to the Secretary proposals for eligible
projects in the form of completed feasibility studies.
“(2) ELIGIBLE PROJECTS.—A project shall be considered eligible for consideration under this subsection if the project reclaims and reuses—

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

“(B) impaired ground or surface waters.

“(3) GUIDELINES.—

“(A) IN GENERAL.—Not later than 90 days after the date of enactment of this subsection, the Secretary shall issue water recycling project solicitation and evaluation guidelines that include the criteria listed in subsection (f)(2).

“(B) REVIEW.—Consistent with the priorities described in section 301 of the California Emergency Drought Relief Act of 2015, the Secretary shall review each feasibility study received under paragraph (1) for the purpose of determining whether the study, and the process under which the study was developed, comply with Federal laws and regulations applicable to feasibility studies of water recycling and reuse projects.

“(f) COMPETITIVE GRANT FUNDING OF WATER RECYCLING AND REUSE PROJECTS.—
“(1) ESTABLISHMENT.—The Secretary shall establish a competitive grant program under which the non-Federal project sponsor of any project determined by the Secretary to be feasible under subsection (e)(2) shall be eligible to apply for funding for the planning, design, and construction of the project.

“(2) PRIORITY.—When funding projects under paragraph (1), the Secretary shall give funding priority to projects that meet 1 or more of the criteria listed in paragraph (3) and are located in an area that at any time in the 10-year period before such funds are made available—

“(A) has been identified by the United States Drought Monitor as experiencing severe, extreme, or exceptional drought; or

“(B) was designated as a disaster area by a State.

“(3) CRITERIA.—The project criteria referred to in paragraph (2) are as follows:

“(A) Projects that are likely—

“(i) to provide a more reliable water supply; and

“(ii) to protect, restore, or enhance aquatic ecosystems including estuaries,
groundwater basins, and rivers and streams and tributaries.

“(B) Projects that are likely to increase water management flexibility and reduce impacts on environmental resources.

“(C) Projects that are regional in scale or are included in integrated regional water management plans.

“(D) Projects that use integrated and coordinated water management on a watershed or regional scale.

“(E) Projects that provide multiple benefits, including improved water supply reliability for urban and agricultural water users, ecosystem benefits, such as benefits to fisheries, wildlife and habitat, water quality, groundwater management, and water quality improvements.

“(F) Projects for which a feasibility study has been completed and any necessary environmental or public reviews have been initiated.

“(4) Authorization of Appropriations.—There is authorized to be appropriated to the Secretary to carry out this subsection $200,000,000 through fiscal year 2020.”
Subtitle D—Federal Support for State and Local Drought Solutions Fund

SEC. 441. ESTABLISHMENT.
There is established in the Treasury of the United States a fund, to be known as the “Federal Support for State and Local Drought Solutions Fund” (referred to in this subtitle as the “Fund”), consisting of—

(1) such amounts as are deposited in the Fund under section 443; and

(2) any interest earned on investment of amounts in the Fund under section 445.

SEC. 442. ACCOUNTS.
Within the Fund, there are established the following accounts:

(1) The Federal Assistance to State and Local Storage Project Account, for expenditure on projects with a maximum 25-percent Federal cost share authorized under section 301(c).

(2) The Reclamation Infrastructure Finance and Innovation Account, for expenditure on Federal loan guarantees authorized under subtitle A.

SEC. 443. DEPOSITS TO FUND.
(a) In General.—For each of fiscal years 2026 through 2050, the Secretary of the Treasury shall deposit
in the Fund $150,000,000 of the revenues that would otherwise be deposited for the fiscal year in the reclamation fund established by the first section of the Act of June 17, 1902 (32 Stat. 388, chapter 1093), of which—

(1) $75,000,000 for each of those fiscal years shall be deposited in the Federal Assistance to State and Local Storage Project Account established by section 442(1);

(2) $40,000,000 for each of those fiscal years shall be used to fund projects pursuant to section 1602 of the Reclamation Wastewater and Groundwater Study and Facilities Act (43 U.S.C. 390h); and

(3) $35,000,000 for each of the fiscal years shall be deposited in the Reclamation Infrastructure Finance and Innovation Account established by section 442(2).

(b) AVAILABILITY OF AMOUNTS.—Amounts deposited in the Fund under this subtitle shall—

(1) be made available in accordance with this section, without further appropriation; and

(2) be in addition to amounts appropriated for such purposes under any other provision of law.
SEC. 444. EXPENDITURES FROM FUND.

(a) In General.—Subject to subsection (b), for each of fiscal years 2026 through 2050, the Secretary of the Interior may expend from the Fund, in accordance with this subtitle, not more than an amount equal to the sum of—

(1) the amounts deposited in the Fund that year under section 443; and

(2) the amount of interest accrued in the Fund in each account for the fiscal year in which the expenditures are made, with the interest accrued in each account used only for expenditures from that account.

(b) Additional Expenditures.—

(1) In General.—The Secretary may expend more in any fiscal year than the amounts described in subsection (a) if the additional amounts are available in the Fund as a result of a failure of the Secretary to expend all of the amounts available under subsection (a) in 1 or more prior fiscal years.

(2) Retention in Accounts.—Any additional amounts referred to in paragraph (1) shall—

(A) be retained within the account to which the amounts were designated;

(B) accrue interest for the designated account in accordance with this subtitle; and
(C) only be expended for the purposes for which expenditures from the designated accounts are authorized.

SEC. 445. INVESTMENTS OF AMOUNTS.

(a) In General.—The Secretary shall invest such portion of the Fund as is not, in the judgment of the Secretary, required to meet current withdrawals.

(b) Credits to Fund.—The interest on, and the proceeds from the sale or redemption of, any obligations held in the Fund shall be credited to, and form a part of, the Fund.

SEC. 446. TRANSFERS OF AMOUNTS.

(a) In General.—The amounts required to be transferred to the Fund under this subtitle shall be transferred at least monthly from the general fund of the Treasury to the Fund on the basis of estimates made by the Secretary of the Treasury.

(b) Adjustments.—Proper adjustment shall be made in amounts subsequently transferred to the extent prior estimates are in excess of or less than the amounts required to be transferred.

SEC. 447. TERMINATION.

On September 30, 2050—

(1) the Fund shall terminate; and
(2) the unexpended and unobligated balance of
the Fund shall be transferred to the reclamation
fund established by the first section of the Act of