To provide short-term water supplies to drought-stricken California and pro-
vide for long-term investments in drought resiliency throughout the West-
ern United States.

IN THE SENATE OF THE UNITED STATES

Mrs. FEINSTEIN 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 and provide for long-term investments in
drought resiliency throughout the Western United States.

Be it enacted by the Senate and House of Representa-
tives 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 Long-Term Provisions for Water Supply and
Short-Term Provisions for Emergency Drought Relief
Act”.

(b) TABLE OF CONTENTS.—The table of contents of
this Act is as follows:
Sec. 1. Short title; table of contents.
Sec. 2. Purposes.
Sec. 3. Findings.
Sec. 4. Definitions.

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

Subtitle A—Assistance for Drought-stricken Communities
Sec. 101. Assistance for drought-stricken communities and WaterSMART reauthorization.
Sec. 102. Utilizing State revolving funds for areas with inadequate water supplies.

Subtitle B—Storage Provisions
Sec. 111. Definitions.
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Sec. 115. Studies.
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Subtitle C—Desalination, Water Reuse and Recycling, and Conservation
Sec. 121. Water recycling and desalination projects.
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Sec. 131. Purposes.
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Sec. 139. State and local permits.
Sec. 140. Regulations.
Sec. 141. Funding.

TITLE II—LISTED SPECIES AND WILDLIFE
Sec. 201. Actions to benefit endangered fish populations.
Sec. 202. Actions to benefit refuges.
Sec. 203. Non-Federal program to protect native anadromous fish in Stanislaus River.
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TITLE III—CALIFORNIA EMERGENCY DROUGHT RELIEF AND OPERATIONAL FLEXIBILITY
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TITLE IV—WATER RIGHTS

Sec. 401. Offset for State Water Project.
Sec. 402. Area of origin and water rights protections.
Sec. 403. No redirected adverse impacts.
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TITLE V—MISCELLANEOUS PROVISIONS

Sec. 501. Authorized service area.
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Sec. 503. Basin studies.
Sec. 504. Technical and modeling assistance.
Sec. 505. Report on results of water usage.
Sec. 506. Additional storage at New Melones.
Sec. 507. Contracting authorities.
Sec. 508. Voluntary open water data system.
Sec. 509. Single annual report.

TITLE VI—OFFSETS

Sec. 601. Deauthorization of inactive projects.
Sec. 602. Accelerated revenue, repayment, and surface water storage enhancement.

TITLE VII—DURATION AND EFFECT ON EXISTING OBLIGATIONS

Sec. 701. Savings clause.
Sec. 702. Termination.

SEC. 2. PURPOSES.

The purposes of this Act are—

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

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

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

SEC. 3. FINDINGS.

Congress finds that—

(1) California is experiencing one of the most severe droughts on record, with the snowpack at the lowest levels in 500 years;

(2) Governor Jerry Brown declared a drought state of emergency on January 17, 2014, and subsequently imposed strict water reductions on communities throughout the State;

(3) the drought constitutes a serious emergency that poses immediate and severe risks to—

(A) human health and safety;

(B) economic security; and

(C) the environment;

(4) wells that provide households with clean water have dried up due to 4 consecutive years of drought, with approximately 2,591 domestic wells statewide identified as critical or dry, affecting an estimated 12,955 residents, many in the Central Valley;

(5) rural and disadvantaged communities have been hardest hit, placing great strain on drinking
water supplies in the Southern San Joaquin Valley—

(A) 69 communities in Southern San Joaquin Valley have reported significant water supply and quality issues; and

(B) East Porterville is particularly hard hit, with 40 percent, or 3,000, of its residents, without running water;

(6) the State of California’s water supplies are at record-low levels, as indicated by the fact that major Central Valley Project reservoir levels were anywhere from 30 percent to 79 percent of their historical average as of February 8, 2016;

(7) while storage levels are below their historical averages, snowpack is the deepest it’s been since 2005, the State of California’s Department of Water Resources found in its survey conducted on February 2, 2016, that the snow-water equivalent (the amount of water in the snowpack) was 130 percent above the February average;

(8) the drought has resulted in many lost jobs including more than 21,000 seasonal and part-time agricultural jobs—resulting in a 10.9 percent unemployment rate in the Central Valley, double the
statewide unemployment rate of 5.7 percent, as of December 15, 2015;

(9) thousands of families have been affected, placing ever greater demands on food banks and other relief organizations, and as of December 21, 2015—

(A) the California Department of Social Services Drought Food Assistance Program has provided more than 1,000,000 boxes to food banks in affected communities with high levels of unemployment; and

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

(10) 2015 statewide economic costs are estimated at $2,700,000,00, including but not limited to—

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

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

(C) an increase of $590,000,000 in groundwater pumping costs;
(11) 1,032,508 acres in California’s Central Valley were fallowed in 2015, a 626,512 acre increase from 2011;

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

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

(B) 888,000,000 trees, covering 26,000,000 acres of California forestland, experienced losses of canopy cover since 2011, threatening ecosystem destruction and loss of animal habitat; and

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

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

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

(B) the abundance of the last remaining population of wild Sacramento River winter run
Chinook salmon continue to decline, with mortality rates between 95 percent and 97 percent over the past 2 years, according to the National Oceanic and Atmospheric Administration; (14) wildlife has also been affected, with Level 2 water deliveries to wildlife refuges under the Central Valley Project Improvement Act reduced by 25 percent in the north-of-Delta region and 35 percent in the south-of-Delta region, and delivery schedules shortened to only the winter months, and—

(A) these reduced water supplies have contributed to a decline of the Pacific Flyway, a migratory route for waterfowl that spans from Alaska to South America;

(B) the reduction in water supplies has led to a significant decline in flooded rice fields, a vital habitat for migratory birds. Only one-third of the usual acres of rice fields were flooded in 2015; and

(C) the reduction of available habitat for migratory waterfowl contributed to a decreased food availability in wildlife refuges and an increased risk of disease due to overcrowding of birds;
(15) subsidence in California is occurring at more than 12 inches per year, caused in part by an increase in groundwater pumping of more than 6,000,000 acre feet, some areas in the Central Valley have sunk as much as 2 inches per month, and the damage from subsidence is wide-ranging—

(A) roads, bridges, building foundations, pipelines, canals, dams, and other infrastructure has been damaged;

(B) vital aquifers have been depleted;

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

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

(16) the California Department of Water Resources identified 21 groundwater basins where excessive groundwater pumping has resulted in overdraft, 11 of which are in the San Joaquin Valley;

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

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

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

(B) updated science and improved moni-
toring tools that provide Federal and State
agencies with better information about condi-
tions and operations that may or may not lead
to high salvage events that jeopardize fish pop-
ulations; and

(19) given the dire effects outlined above and
the potential for continued harm, this emergency re-
quires—

(A) immediate and credible action that
takes into account the complexity and impor-
tance of the water system to the State; and

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

SEC. 4. DEFINITIONS.

In this Act:

(1) Assistant Administrator.—The term
“Assistant Administrator” means the Assistant Ad-
ministrator for Fisheries of the National Oceanic
and Atmospheric Administration.

(2) 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).

(3) Commissioner.—The term “Commiss-
ioner” means the Commissioner of Reclamation.

(4) Delta.—The term “Delta” means the Sac-
ramento-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)).

(5) Delta Smelt.—The term “Delta smelt”
means the fish species with the scientific name
Hypomesus transpacificus.
(6) **DIRECTOR.**—The term “Director” means the Director of the United States Fish and Wildlife Service.

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

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

(B) Delta smelt.

(8) **OMR.**—The term “OMR” means the Old and Middle River in the Delta.

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

(A) the smelt biological opinion; and

(B) the salmonid biological opinion.

(10) **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.

(11) SALMONID BIOLOGICAL OPINION.—

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

(B) INCLUSIONS.—The term “salmonid biological opinion” includes the operative inci-
dental take statement of the opinion described in subparagraph (A).

(12) Smelt biological opinion.—

(A) In general.—The term “smelt biological opinion” means the biological opinion dated December 15, 2008, regarding the coordinated operation of the Central Valley Project and the State Water Project, and successor biological opinions.

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

(13) 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—LONG-TERM IMPROVEMENTS FOR WESTERN STATES SUBJECT TO DROUGHT
Subtitle A—Assistance for Drought-stricken Communities

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

(a) FINDINGS.—Congress finds that—

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

(2) the number of dry wells continues to increase as the State of California entered the fourth consecutive summer of drought, with approximately 2,591 wells statewide identified as critical or dry, which affected an estimated 12,955 residents, with 2,444 of the 2,502 of the dry wells concentrated in the inland regions within the Central Valley;

(3) many areas of the State of California 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 of California 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) AMENDMENT.—Section 9504 of the Omnibus Public Land Management Act of 2009 (42 U.S.C. 10364) is amended—

(1) by redesignating subsections (b) 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 of the Interior is authorized to enter into cost shared financial assistance and other long-term agreements with non-Federal participants 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, groundwater recharge, and other water management improvement projects for which the Secretary of the Interior is authorized under this subtitle to assist an applicant in the planning, design, and construction.

“(2) Authority to provide assistance.—The Secretary of the Interior may provide financial assistance under this subtitle to carry out projects within—

“(A) any Reclamation State, including—

“(i) Arizona;
“(ii) California;
“(iii) Colorado;
“(iv) Idaho;
“(v) Kansas;
“(vi) Montana;
“(vii) Nebraska;
“(viii) Nevada;
“(ix) New Mexico;
“(x) North Dakota;
“(xi) Oklahoma;
“(xii) Oregon;
“(xiii) South Dakota;
“(xiv) Texas;
“(xv) Utah;
“(xvi) Washington;

“(xvii) Wyoming; and

“(B) the States of Alaska and Hawaii.

“(3) PRIORITY.—In providing financial assistance under this section, the Secretary of the Interior 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 environment and include adaptive measures needed to address climate change and future demands;

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

“(E) generate environmental benefits, such as benefits to fisheries, wildlife and habitat, water quality, water-dependent ecological systems, and water supply benefits to agricultural and urban water users.
“(4) Federal cost share.—The Federal share of the cost of a project under this subsection shall be—

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

“(i) 25 percent of total costs; and

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

“(B) nonreimbursable.

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

“(6) Title; operation and maintenance costs.—The non-Federal entity entering into a financial assistance agreement under this subsection shall—

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

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

and

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

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

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

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

“(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 Pollution Control Act (33 U.S.C. 1251 et seq.), the Secretary of the Interior is authorized to 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.—To be eligible to receive a grant under this subsection, a commu-
nity shall carry out a project described in paragraph (3), the service area of which—

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

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

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

“(A) emergency water supplies;

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

“(C) distributed treatment facilities;

“(D) construction of new water source facilities including wells and connections to existing 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) PRIORITIZATION.—In determining priorities for funding projects, the Secretary of the Interior shall take into consideration—

“(A) where water outages—

“(i) are most serious; and

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

“(B) whether the applicant has the 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.”.

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

(a) IN GENERAL.—For the 5-year period beginning on the date of enactment of this Act, in allocating amounts to California from the Clean Water State Revolving Fund established under title VI of the Federal Water Pollution
Control Act (33 U.S.C. 1381 et seq.) and the Drinking Water State Revolving Fund established under section 1452 of the Safe Drinking Water Act (42 U.S.C. 300j–12) for any project 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 Drinking Water Act (42 U.S.C. 300j–12(a)(2)), respectively, that the State of California 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, the Administrator of the Environmental Protection Agency shall—

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

(2) make a finding on any request for a waiver received from the State of California by not later than 30 days after the date of conclusion of the informal public comment period pursuant to section 436(c) of division G of Public Law 113–76 (128 Stat. 347); and

(3) authorize, at the request of the State of California, 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)), as applicable.

(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 State other than California.

Subtitle B—Storage Provisions

SEC. 111. DEFINITIONS.

In this subtitle:

(1) Federally owned storage project.—

The term “federally owned storage project” means any project involving a surface water storage facility in a Reclamation State—

(A) to which the United States holds title;

and

(B) that was authorized to be constructed, operated, and maintained pursuant to the reclamation laws.
(2) **STATE-LED STORAGE PROJECT.**—The term “State-led storage project” means any project in a Reclamation State that—

(A) involves a groundwater or surface 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; and

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

**SEC. 112. WATER STORAGE PROJECT CONSTRUCTION.**

(a) **FEDERALLY OWNED STORAGE PROJECTS.**—

(1) AGREEMENTS.—On the request of any State, any department, agency, or subdivision of a State, or any 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 the design, study, and construction or expansion of any federally owned storage project in accordance with this section.

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

(3) COMMENCEMENT.—The construction of a federally owned storage project that is the subject of an agreement under this subsection shall not commence until the Secretary of the Interior—

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

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

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

(4) ENVIRONMENTAL LAWS.—In participating in a federally owned storage project under this subsection, the Secretary of the Interior shall comply with all applicable environmental laws, including the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).
(b) **State-led Storage Projects.**—

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

(2) **Request by Governor.**—Participation by the Secretary of the Interior in a State-led storage project under this subsection shall not occur unless—

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

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

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

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

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

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

(D) the Secretary of the Interior submits to Congress a written notification of these determinations.

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

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

(A) may rely on reports prepared by the sponsor of the State-led storage project, including feasibility (or equivalent) studies, environmental analyses, and other pertinent reports and analyses; but
(B) shall retain responsibility for making
the independent determinations described in
paragraph (2).

(c) AUTHORITY TO PROVIDE ASSISTANCE.—The Sec-
retary of the Interior may provide financial assistance
under this subtitle to carry out projects within any Rec-
lamation State, including—

(1) Arizona;
(2) California;
(3) Colorado;
(4) Idaho;
(5) Kansas;
(6) Montana;
(7) Nebraska;
(8) Nevada;
(9) New Mexico;
(10) North Dakota;
(11) Oklahoma;
(12) Oregon;
(13) South Dakota;
(14) Texas;
(15) Utah;
(16) Washington; and
(17) Wyoming.
(d) Rights to Use Capacity.—Subject to compliance with State water rights laws, the right to use the capacity of a federally owned storage project or State-led storage project for which the Secretary of the Interior has entered into an agreement under this subsection shall be allocated in such manner as may be mutually agreed to by the Secretary of the Interior and each other party to the agreement.

(e) Compliance With California Water Bond.—

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

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

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

(g) CALFED AUTHORIZATION.—Title I of Public
Law 108–361 (the Calfed Bay-Delta Authorization Act)
2312) (as amended by section 207 of Public Law 114–
113) is amended by striking “2017” each place it appears
and inserting “2019”.

(h) AUTHORIZATION OF APPROPRIATIONS.—

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

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

(i) SUNSET.—This section shall apply only to feder-
ally owned storage projects and State-led storage projects
that the Secretary of the Interior determines to be feasible before January 1, 2021.

(j) CONSISTENCY WITH STATE LAW.—Nothing in this section preempts or modifies any obligation of the United States to act in conformance with applicable State law.

SEC. 113. 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 Environment and Public Works of the Senate and the Committees on Appropriations and Transportation and Infrastructure of the House of Representatives a report describing, with respect to any State under a gubernatorial drought declaration during water year 2015, the following:

(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 or seasonal 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 are considered out of date as a result of not being updated for a period of 20 years.
(3) A non-Federal sponsor of a Corps of Engineers project, or owner of a non-Federal project, as applicable, has submitted to the Secretary a written request to revise water operations manuals, including flood control rule curves, based on the use of improved weather forecasting or run-off forecasting methods, new watershed data, changes to project operations, or structural improvements.

(e) PILOT PROJECTS.—

(1) IN GENERAL.—Not later than 1 year after the date of identification of projects under subsection (b), if any, the Secretary of the Army shall carry out not more than 15 pilot projects, including not less than 6 non-Federal projects (within the meaning of subsection (a)(1)), if any are identified under subsection (b), 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, in the case of non-Federal projects, structural improvements.

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

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

(B) affected water rights holders;

(C) individuals and entities with storage entitlements; and

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

(d) COORDINATION WITH NON-FEDERAL PROJECT ENTITIES.—Before carrying out an activity under this section, if a project identified under subsection (b) is—

(1) a non-Federal project, the Secretary of the Army 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 describing the scope and goals of the activity and the coordination among the parties; or

(2) owned and operated by the Corps of Engineers, the Secretary of the Army 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 the entity describing the scope and goals of the activity and the coordination among the parties.

(e) CONSIDERATION.—In designing and implementing a forecast-informed reservoir operations plan, the Secretary of the Army shall work closely with the National Oceanic and Atmospheric Administration and 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.

(f) FUNDING.—

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

(A) a water control plan;

(B) a water control manual;

(C) a water control diagram;

(D) a release schedule;

(E) a rule curve;
(F) an operational agreement with a non-
Federal entity; and

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

(2) ACCEPTANCE AND USE.—The Secretary of
the Army may accept and expend amounts from
non-Federal entities to fund all or a portion of the
cost of carrying out a review or revision of oper-
atational documents for any reservoir that is either op-
erated or maintained by the Secretary, or for which
the Secretary is authorized to prescribe regulations
or otherwise advise or consult concerning the use of
storage allocated for flood risk management or navi-
gation.

(g) EFFECT OF MANUAL REVISIONS AND OTHER
PROVISIONS.—

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

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

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

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

(ii) 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.

(h) 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. 114. FINDINGS.

Congress finds that—

(1) the record drought conditions being experienced in the State of California 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 frequency;

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

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

(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, more than 10 years have elapsed since the authorization of the feasibility studies referred to in paragraph (3), but for a variety of reasons the slow pace of work on completion of the feasibility studies for those 5 water storage projects is unjustified and of deep concern; and

(5) 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 of California.

SEC. 115. STUDIES.

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

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

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

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

(5) 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 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;

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

(7) include information required in paragraph
(7) in the feasibility studies issued pursuant para-
graphs (1) through (5), as applicable; and

(8) communicate, coordinate, and cooperate
with public water agencies that—

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

(B) are expected to participate in the cost
pools that will be created for the projects pro-
posed in the feasibility studies under this sec-
tion.

SEC. 116. LOSSES CAUSED BY CONSTRUCTION AND OPER-
ATION OF WATER STORAGE PROJECTS.

The Secretary of the Interior, in consultation with
other appropriate agencies, shall establish a process to ad-
dress direct and substantial impacts caused by any storage
projects identified under section 115.
Subtitle C—Desalination, Water Reuse and Recycling, and Conservation

SEC. 121. 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 variability and drought resiliency require additional water supply projects to cope with higher probabilities of longer, more intense droughts;

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

(4) the California Water Plan and surveys conducted by the National Association of Clean Water Agencies, the Water Reuse Association, the Association of California Water Agencies, the Western Recycled Water Coalition, and the California Association of Sanitation Agencies led to the identification of 137 water recycling and desalination projects capable of producing 1,412,799 acre-feet of new water
supplies if sufficient funding or financing tools existed to facilitate development of the projects;

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

(A) diversify water supplies;

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

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

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

(b) WATER RECYCLING PROJECTS.—On submission of a completed feasibility report in accordance with Bureau of Reclamation standards, the Secretary of the Inte-
rior 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 this title, subject to the condition that the Secretary shall include 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 (Bureau of Sanitation and Department of Water and 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 Ventura.
(41) City of Visalia.
(42) Clear Creek Community Services District.
(43) Coachella Valley Water District.
(44) Cucamonga Valley Water District.
(45) Delta Diablo Sanitation District.
(46) Desert Water Agency.
(47) Dublin San Ramon Services District.
(48) East Bay Municipal Utility District.
(49) East Valley Water District.
(50) Eastern Municipal Water District.
(51) El Dorado Irrigation District.
(52) Fallbrook Public Utility District.
(53) Goleta Water District.
(54) Helendale Community Services District.
(55) Hi-Desert Water District.
(56) Idyllwild Water District.
(57) Inland Empire Utilities Agency.
(58) Ironhouse Sanitary District.
(59) Irvine Ranch Water District.
(60) Las Virgenes Municipal Water District.
(61) Leucadia Wastewater District.
(62) Long Beach Water Department.
(63) Los Carneros Water District.
(64) Marin Municipal Water District.
(65) Metropolitan Water District/Los Angeles Sanitation District.

(66) Monterey Regional Water Pollution Control Agency.

(67) Napa County Department of Public Works.

(68) North Bay Water Reuse Authority.

(69) North Marin Water District.

(70) Novato Sanitary District.

(71) Olivenhain Municipal Water District.

(72) Orange County Sanitation District.

(73) Orange County Water District.

(74) Otay Water District.

(75) Padre Dam Municipal Water District.

(76) Pajaro Valley Water Management Agency.

(77) Paradise Irrigation District.

(78) Pebble Beach Community Services District.

(79) Rainbow Municipal Water District.

(80) Ramona Municipal Water District.

(81) Rancho California Water District.

(82) Rincon Del Diablo Municipal Water District.

(83) Sacramento Regional County Sanitation District.
(84) San Bernardino County Special Districts.

(85) San Francisco Public Utilities Commission.

(86) San Jose Water Company.

(87) San Luis Obispo County.

(88) Santa Clara Valley Water District.

(89) Santa Clarita Valley Sanitation District.

(90) Santa Fe Irrigation District.

(91) Santa Margarita Water District.

(92) Sausalito-Marin City Sanitary District.

(93) Sonoma County Water Agency.

(94) South Orange County Wastewater Authority.

(95) South Tahoe Public Utility District.

(96) Sunnyslope County Water District.

(97) Town of Yountville.

(98) Tuolumne Utilities District.

(99) Upper San Gabriel Valley Municipal Water District.

(100) Valley Center Municipal Water District.

(101) Valley Sanitary District.

(102) Ventura County Waterworks District No. 8.

(103) Victor Valley Wastewater Reclamation Authority.
(104) Water Replenishment District of Southern California.

(105) West Basin Municipal Water District.

(106) West Bay Sanitary District.

(107) West County Wastewater District.

(108) Western Municipal Water District of Riverside County.

(109) Western Riverside County Regional Wastewater Authority.

(110) Yucaipa Valley Water District.

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

(1) Section 101, which amends section 9504 (WaterSMART) of the Omnibus Public Land Management Act of 2009 (42 U.S.C. 10364) and authorizes $200,000,000 in additional Federal assistance for water storage and conveyance facilities, integrated regional water management, reclamation and recycling projects, and groundwater recharge.
(2) Section 123, which amends the Reclamation Wastewater and Groundwater Study and Facilities Act (43 U.S.C. 390h) and authorizes $150,000,000 in Federal assistance for water recycling and reuse projects.

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

(d) Federal Support for Desalination Projects.—

(1) Eligibility.—On submission of a completed feasibility report in accordance 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 this title, subject to the condition that the Secretary shall include among the projects reviewed the following desalination projects referred to in the 2013 California Water Plan or in an integrated regional water management plan accepted by the State of California:
(A) Cambria Desalination Project.

(B) Camp Pendleton Seawater Desalination Project.

(C) Chino Basin Desalter 3.

(D) Doheny Ocean Desalination Project.

(E) GREAT Program Groundwater Desalination Facility Expansion.

(F) Huntington Beach Seawater Desalination Project.

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

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

(I) Long Beach Seawater Desalination Project.

(J) Marina Desalination Facility Expansion.

(K) Mission Valley Brackish Groundwater Recovery Project.

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

(M) Monterey Peninsula Water Supply Project.

(O) Moorpark Groundwater Desalter.

(P) North Pleasant Valley Groundwater Desalter.

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

(R) Perris II Desalter.

(S) Ramona Desalting Facility.

(T) San Diego Formation/Balboa Park Groundwater Desalination Facility.

(U) San Elijo Valley Groundwater Project.

(V) Bay Area Regional Desalination Project.

(W) San Pasqual Brackish Groundwater Recovery Project.

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

(Y) South Orange Coastal Ocean Desalination Project.

(Z) West Basin Seawater Desalination Regional Project.

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

(A) Section 101, which amends section 9504 (WaterSMART) of the Omnibus Public Land Management Act of 2009 (42 U.S.C. 10364) and authorizes $200,000,000 in additional Federal assistance for water storage and conveyance facilities, integrated regional water management, reclamation and recycling projects, and groundwater recharge.

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

(C) Section 123, which amends the Reclamation Wastewater and Groundwater Study and Facilities Act (43 U.S.C. 390h) and au-
authorizes $150,000,000 in Federal assistance for water recycling and reuse projects.

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

SEC. 122. REAUTHORIZATION OF WATER DESALINATION ACT.

(a) Authorization of Research and Studies.—

(1) In general.—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, including subsurface intakes and other technological improvements, and develop technology and strategies to mitigate 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;

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

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

(b) 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—

(1) in subsection (a)—

(A) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and
(B) by inserting after paragraph (1) the following:

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

(2) by adding at the end the following:

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

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

“(2) in States for which funding has been authorized for desalination demonstration and development 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) CRITERIA FOR ELIGIBILITY.—In carrying out this section, the Secretary of the Interior shall establish criteria to determine projects eligible for grant funding
based on the ability of the projects to provide regional
water supply benefits, including—

“(1) improving water supply reliability in re-
regions subject to frequent and severe drought;
“(2) enhancement of public health, safety, eco-
systems, and watershed sustainability;
“(3) preservation of groundwater through re-
duction of withdrawals from aquifers;
“(4) offsetting demand for water conveyed from
environmentally sensitive areas outside service area
of the project; and
“(5) mitigation of saltwater intrusion to
aquifers.”.

(c) COST SHARING.—Section 7 of the Water Desali-
nation Act of 1996 (42 U.S.C. 10301 note; Public Law
104–298) is amended—

(1) in the first sentence, by striking “The Fed-
eral share” and inserting the following:
“(a) MAXIMUM.—
“(1) IN GENERAL.—Except as provided in para-
graph (2) and subsection (b) and limited to the 5
years following the date of enactment of the Cali-
ifornia Emergency Drought Relief Act, the Federal
share”;

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

“(b) FEASIBILITY DETERMINATION.—A Federal’’;

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

“(c) PROCEDURES.—The Secretary’’;

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

“(d) OPERATION, MAINTENANCE, REPAIR, AND REHABILITATION.—The costs”; and

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

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

(d) AUTHORIZATION OF APPROPRIATIONS.—In order to advance water desalination research and project development, 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 “$3,000,000 for each of fiscal years 2012 through 2013” and inserting “$50,000,000 for the period 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 the provisions of” 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 authorization” and inserting the following:

“(b) OTHER DESALINATION PROGRAMS.—The authorization”; and
(3) by inserting after subsection (b) (as so designated) the following:

“(c) COORDINATION OF FEDERAL DESALINATION RESEARCH AND DEVELOPMENT.—For the effective period of the California Emergency Drought Relief Act, the
White House Office of Science and Technology Policy shall develop a coordinated strategic plan that—

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

“(2) 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 Laboratories of the Department of Energy, the United States Geological Survey, the Environmental Protection Agency, and the National Oceanic and Atmospheric Administration.”.

SEC. 123. 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 of the Interior proposals for eligible projects in the form of completed feasibility studies.

“(2) Authority to provide assistance.—

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

“(A) any Reclamation State, including—

“(i) Arizona;
“(ii) California;
“(iii) Colorado;
“(iv) Idaho;
“(v) Kansas;
“(vi) Montana;
“(vii) Nebraska;
“(viii) Nevada;
“(ix) New Mexico;
“(x) North Dakota;
“(xi) Oklahoma;
“(xii) Oregon;
“(xiii) South Dakota;
“(xiv) Texas;
“(xv) Utah;
“(xvi) Washington; and
“(xvii) Wyoming; and

“(B) the States of Alaska and Hawaii.

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

“(A) IN GENERAL.—Not later than 90 days after the date of enactment of this subsection, the Secretary of the Interior shall issue water recycling project solicitation and evaluation guidelines that include the criteria described in subsection (f)(3).

“(B) REVIEW.—In accordance with the priorities and criteria described in subsection (f), the Secretary of the Interior shall review each feasibility study received under paragraph (1) to determine whether the study, and the process under which the study was developed, comply with Federal laws (including regulations) applicable to feasibility studies of water recycling and reuse projects.

“(f) COMPETITIVE GRANT FUNDING OF WATER RECYCLING AND REUSE PROJECTS.—

“(1) IN GENERAL.—The Secretary of the Interior shall administer a competitive grant program under which the non-Federal project sponsor of any
project determined by the Secretary of the Interior to be feasible under subsection (e)(2) shall be eligible to apply for funding for the planning, design, and construction of the project.

“(2) Authorization of Appropriations.—There is authorized to be appropriated to the Secretary of the Interior to carry out this subsection $200,000,000, to remain available until expended.”.

SEC. 124. PROMOTING WATER EFFICIENCY WITH WATERSENSE.

(a) Authorization.—The Administrator of the Environmental Protection Agency (referred to in this section as the “Administrator”) is authorized to continue to carry out the voluntary program, 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 generations, 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 performance criteria.

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

(c) TRANSPARENCY.—The Administrator shall, 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.

(d) PUBLIC COMMENT.—Prior to establishing or revising a WaterSense category, specification, installation criterion, or other criterion, the Administrator shall—

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

(2) provide reasonable notice to interested parties and the public of any changes (including effective dates), on the adoption of a new or revised cat-
(c) Authorization of Appropriations.—There is authorized to be appropriated to carry out the WaterSense program of the Environmental Protection Agency $2,500,000 for each of fiscal years 2016 through 2019.

Subtitle D—Reclamation Infrastructure Finance and Innovation

Sec. 131. 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.
1 **SEC. 132. DEFINITIONS.**

2 In this subtitle:

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

4 (A) a corporation;

5 (B) a partnership;

6 (C) a joint venture;

7 (D) a trust;

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

9 (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.

10 (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.

11 (3) **INVESTMENT-RANK 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.

12 (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) 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.

(11) 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.).
(12) **Substantial completion.**—The term 
“substantial completion”, with respect to a project, 
means the earliest date on which a project is consid- 
ered to perform the functions for which the project 
is designed.

**SEC. 133. AUTHORITY TO PROVIDE ASSISTANCE.**

The Secretary of the Interior may provide financial 
assistance under this subtitle to carry out projects with- 
in—

(1) any Reclamation State;

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

(3) the States of Alaska and Hawaii.

**SEC. 134. APPLICATIONS.**

To be eligible to receive assistance under this subtitle, 
an eligible entity shall submit to the Secretary of the Inte-
rior an application at such time, in such manner, and con-
taining such information as the Secretary of the Interior 
may require.

**SEC. 135. ELIGIBILITY FOR ASSISTANCE.**

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

(1) A project for the reclamation and reuse of wastewater, and naturally impaired ground and surface waters, which has a completed feasibility study that complies with Reclamation standards.

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

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

(4) A brackish or sea water desalination project.

(5) A project for groundwater replenishment, groundwater storage, or surface storage.

(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 subject to subsection (c);

(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.

(c) LIMITATION ON USE.—The proceeds from Federal credit instruments made available under this subtitle may only be used to acquire non-Federal land or interest in land from a willing seller, when the seller does not contest the purchase or price paid.
SEC. 136. 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 of the Interior:

(1) Creditworthiness.—

(A) In general.—Subject to subparagraph (B), the project shall be creditworthy, as determined by the Secretary of the Interior, 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 of the Interior 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 repay-
able, in whole or in part, from dedicated revenue
sources that also secure the project obligations.

(4) Public sponsorship of private entities.—A project carried out by a private entity shall
be sponsored by a State, department of a State, sub-
division of a State, or a public agency organized pur-
suant to State law.

(b) Selection Criteria.—

(1) Establishment.—The Secretary of the In-
terior 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 in-
clude the following:

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

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

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

(D) The extent to which the project fos-
(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 date of enactment of this Act, the Secretary of the Interior shall issue eligibility requirements under this title 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. Assistance under this subtitle shall not be counted as Federal funding under cost-sharing requirements otherwise applicable to a project eligible for assistance under this subtitle.

SEC. 137. SECURED LOANS.

(a) AGREEMENTS.—

(1) IN GENERAL.—Subject to paragraphs (2) through (4), the Secretary of the Interior may enter into agreements 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 136;

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

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

(i) is selected under section 136; or

(ii) otherwise meets the requirements of section 136.
(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 of the Interior, in consultation with the Director of the Office of Management and Budget and each rating agency providing a preliminary rating opinion letter under section 136(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 of the Interior 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) MATURITY 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 of the Interior may establish fees, in accordance with section 138(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 of the Interior 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 of the Interior 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 of the Interior 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 de-
posit requirements under the terms of any trust
agreement, bond resolution, or similar agree-
ment securing project obligations may be ap-
plied annually to prepay a secured loan under
this section without penalty.

(B) USE OF PROCEEDS OF REFIN-
ANCING.—A secured loan under this section
may be prepaid at any time without penalty
from the proceeds of refinancing from non-Fed-
eral 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 of the Interior may sell
to another entity or reoffer into the capital markets
a secured loan for a project under this section, if the
Secretary of the Interior 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 of
the Interior may not change the original terms and
conditions of the secured loan without the written
consent of the obligor.
(c) LOAN GUARANTEES.—

(1) IN GENERAL.—The Secretary of the Inter-
rior may provide a loan guarantee to a lender in lieu
of making a secured loan under this section, if the
Secretary of the Interior determines that the budg-
etary 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 se-
cured loan, except that the rate on the guaranteed
loan and any prepayment features shall be negoti-
tated between the obligor and the lender, with the
consent of the Secretary of the Interior.

SEC. 138. PROGRAM ADMINISTRATION.

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

(b) RECLAMATION LOAN FINANCE CAPITAL RE-
serve 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 Cap-
ital 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 of the Interior 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 associ-
ated with the provision of the Federal credit instru-
mements under this subtitle.

(c) Servicer.—

(1) IN GENERAL.—The Secretary of the Inte-
rior may appoint a financial entity to assist the Sec-
retary in servicing the Federal credit instruments
provided under this subtitle.

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

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

SEC. 139. STATE AND LOCAL PERMITS.

(a) Establishment of Pilot Program.—

(1) Assumption of responsibility.—

(A) IN GENERAL.—Subject to the provi-
sions of the pilot program established by this
section, the Secretary of the Interior and a
State identified pursuant to subsection (b) may
enter into a written agreement, which may be
in the form of a memorandum of under-
standing, under which the Secretary of the In-
terior 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 of the Interior.

(2) PRESERVATION OF FEDERAL RESPONSIBILITY AND AUTHORITY.—

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

(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 of the Interior may not require a State, as a condition of participation and assuming lead agency
status in the pilot program under this section, to
forego project delivery methods that are otherwise
permissible for projects.

(b) STATE PARTICIPATION.—

(1) PARTICIPATING STATES.—The Secretary of
the Interior shall permit the State of California, and
not more than 4 additional States, to participate in
the pilot 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 Sec-
retary of the Interior shall amend, as appropriate,
regulations that establish requirements relating to
information required to be contained in an applica-
tion of a State to participate in the pilot program
under this section and to assume lead agency status,
including, at a minimum—

(A) the projects or classes of projects for
which the State anticipates exercising the au-
thority that may be granted under the pilot
program under this section;

(B) verification of the financial, regulatory,
and enforcement resources necessary to carry
out the authority that may be granted under
the pilot program under this section; and
(C) evidence of the notice and solicitation of public comment by the State relating to participation of the State in the pilot program under this section, including copies of comments received from that solicitation.

(3) Public notice.—

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

(B) Method of notice and solicitation.—A 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 of the Interior may approve the application of a State under this section only if—

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

(B) the Secretary of the Interior determines that the State has the capability, includ-
ing financial, regulatory, and enforcement capability and personnel, to assume the responsibility of a lead agency for the project; and

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

(e) 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 infrastructure construction;

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

    (3) provide that the State—

        (A) agrees to assume all or part of the responsibilities of the Secretary of the Interior 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 en-
forecement of any responsibility of the Secretary
of the Interior assumed by the State;

(C) certifies that State laws (including reg-
ulations) 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 re-
sources necessary to carry out the responsibil-
ities being assumed;

(4) require the State to provide to the Secretary
of the Interior any information that the Secretary of
the Interior 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 of
the Interior if the Secretary of the Interior had
taken the actions in question.

(3) INTERVENTION.—The Secretary of the Inter-
ior 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 car-
rying out, in lieu of the Secretary of the Interior, the re-
 sponsibilities assumed under subsection (a), until the pilot
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 sub-
section (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 pilot program under this section, the
Secretary of the Interior shall conduct—

(A) semianual 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 made available 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 of the Interior shall respond to public comments received under subparagraph (A).

(g) MONITORING.—After the fourth year of the participation of a State in the pilot program, the Secretary of the Interior 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 OF THE INTERIOR.—The Secretary of the Interior may terminate the participation of any State in the pilot program if—

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

(B) the Secretary of the Interior 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 of the Interior determines is nec-
essary to comply with the applicable agree-
ment; and

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

(2) TERMINATION BY STATE.—The State may
terminate the participation of the State in the pilot
program at any time by providing to the Secretary
of the Interior 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 Sec-
retary of the Interior may provide.

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

(1) authorizes a State to assume any rule-
making authority of the Secretary of the Interior
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. 140. REGULATIONS.

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

SEC. 141. FUNDING.

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

(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 Revenue Code of 1986; or

(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 of the Interior may use for the administration of this subtitle not more than $2,200,000 for each of fiscal years 2016 through 2020.

(d) Limitation.—Neither the Secretary of the Interior nor the Secretary of Commerce shall enter into a contract with, or provide Federal funds or other financial assistance in the form of a loan, loan guarantee, annual payment, or any other form of credit enhancement to a recipient under this Act without first obtaining adequate assurance from the contractor or recipient that the requirements of section 513 of the Federal Water Pollution Control Act (33 U.S.C. 1372) shall be applied in the same manner they are applied to construction of treatment works carried out in whole or in part with assistance made available by a State water pollution control revolving fund as authorized by title VI of that Act (33 U.S.C. 1381 et
TITLE II—LISTED SPECIES AND WILDLIFE

SEC. 201. ACTIONS TO BENEFIT ENDANGERED FISH POPULATIONS.

(a) FINDINGS.—Congress finds that—

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

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

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

(b) ACTIONS FOR BENEFIT OF ENDANGERED SPECIES.—There is authorized to be appropriated the following amounts:

(1) $35,000,000 for the Secretary of Commerce, through the Administrator of the National Oceanic and Atmospheric Administration, to carry out the following activities in accordance with the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.):
(A) Gravel and rearing area additions and habitat restoration to the Sacramento River to benefit Chinook salmon and steelhead trout.

(B) Scientifically improved and increased real-time monitoring to inform real-time operations of Shasta and related Central Valley Project facilities, and alternative methods, models, and equipment to improve temperature modeling and related forecasted information for purposes of predicting impacts to salmon and salmon habitat as a result of water management at Shasta.

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

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

(e) COMMENCEMENT.—If the Administrator of the National Oceanic and Atmospheric Administration determines that a proposed activity is feasible and beneficial for protecting and recovering a fish population, the Administrator shall commence implementation of the activity
by not later than 1 year after the date of enactment of this Act.

(d) Consultation.—The Administrator 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 departments and agencies to ensure that all Federal reviews, analyses, opinions, statements, permits, licenses, and other approvals or decisions required under Federal law are completed on an expeditious basis, consistent with Federal law.

(e) Trap and Barge Pilot Program.—

(1) In general.—The Department of Commerce, in collaboration with the Department of the Interior, 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.

(2) Plan.—

(A) Working Group.—Not later than 30 days after the date of enactment of this Act, the Assistant Administrator and the Commis-
sioner 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 subsection, using such existing expertise regarding trap and barge programs as may be available.

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

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

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

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

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

(f) CONSERVATION FISH HATCHERIES.—

(1) IN GENERAL.—Not later than 2 years after the date of enactment of this Act, the Secretaries of
the Interior and Commerce, in coordination with the
Director of the California Department of Fish and
Wildlife, shall develop and implement as necessary
the expanded use of conservation hatchery programs
to enhance, supplement, and rebuild Delta smelt and
Endangered Species Act-listed fish species under the
smelt and salmonid biological opinions.

(2) REQUIREMENTS.—The conservation hatch-
ery programs established under paragraph (1) and
the associated hatchery and genetic management
plans shall be designed—

(A) to benefit, enhance, support, and oth-
erwise recover naturally spawning fish species
to the point where the measures provided under
1531 et seq.) are no longer necessary; and

(B) to minimize adverse effects to Central
Valley Project and State Water Project oper-
ations.

(3) PRIORITY; COOPERATIVE AGREEMENTS.—In
implementing this section, the Secretaries of the In-
terior and Commerce—

(A) shall give priority to existing and pro-
spective hatchery programs and facilities within
the Delta and the riverine tributaries thereto;

and

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

(g) ACQUISITION OF LAND, WATER, OR INTERESTS FROM WILLING SELLERS FOR ENVIRONMENTAL PURPOSES IN CALIFORNIA.—

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

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

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

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

(2) FINANCIAL ASSISTANCE.—In implementing this section, the Secretary of the Interior is authorized to provide financial assistance to the State of California or otherwise hold such interests in joint ownership with the State of California based on a cost share deemed appropriate by the Secretary.

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

SEC. 202. 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 authorized 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.

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

(a) DEFINITION OF DISTRICT.—In this section, the term “district” means—

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

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

(b) ESTABLISHMENT.—The Secretary of Commerce, acting through the Assistant Administrator of the National Marine Fisheries Service, and the districts, in consultation with the Director of the California Department of Fish and Wildlife, shall jointly establish and conduct a nonnative predator research and pilot fish removal program to study the effects of removing from the Stanislaus River—
(1) nonnative striped bass, smallmouth bass, largemouth bass, black bass; and
(2) other nonnative predator fish species.

(c) REQUIREMENTS.—The program under this section shall—

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

(A) National Marine Fisheries Service scientists; and

(B) technical experts of the districts;

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

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

(B) the impact of the removal on—

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

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

(3) among other methods, consider using wire fyke trapping, portable resistance board weirs, and boat electrofishing; and
(4) be implemented as quickly as practicable after the date of issuance of all necessary scientific research permits.

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

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

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

(A) qualified scientists to lead the program;

(B) research questions;

(C) experimental design;

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

(E) the need for independent peer review.

(e) CONDUCT.—

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

(A) the personnel of the Assistant Administrator or districts;
(B) qualified private contractors hired by the districts;

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

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

(2) PARTICIPATION BY NATIONAL MARINE FISHERIES SERVICE.—

(A) IN GENERAL.—If the districts elect to conduct the program using district personnel or qualified private contractors hired under subparagraph (A) or (B) of paragraph (1), 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 to ensure compliance with subsection (d).

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

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

(f) FUNDING.—

(1) IN GENERAL.—The districts shall be re-

ponsible for 100 percent of the cost of the program.

(2) CONTRIBUTED FUNDS.—The Secretary of

Commerce may accept and use contributions of

funds from the districts to carry out activities under

the program.

(3) ESTIMATION OF COST.—

(A) IN GENERAL.—Not later than Decem-

ber 1 of each year of the program, the Sec-

retary of Commerce shall submit to the districts

an estimate of the cost to be incurred by the

National Marine Fisheries Service for the pro-

gram during the following calendar year, if any,

including the cost of any data collection and

posting under subsection (g).

(B) FAILURE TO FUND.—If an amount

equal to the estimate of the Secretary of Com-

merce is not provided through contributions

pursuant to paragraph (2) before December 31

of that calendar year—

(i) the Secretary shall have no obliga-

tion to conduct the program activities oth-
otherwise scheduled for the following calendar year until the amount is contributed by the districts; and

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

(4) ACCOUNTING.—

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

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

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

(ii) if no such activities are to be performed, repay the excess amounts to the districts.
(g) Publication and Evaluation of Data.—

(1) In general.—All data generated through the program, including by any private consultants, shall be routinely provided to the Assistant Administrator.

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

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

(h) Consistency with Law.—

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

(2) Limitation.—No provision, plan, or definition under that Act, including section 3406(b)(1) of that Act (Public Law 102–575; 106 Stat. 4714), shall be used—
(A) to prohibit the implementation of the programs in this section and section 204; or
(B) to prevent the accomplishment of the goals of the programs.

(3) 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.

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

(a) 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 establish and carry out pilot projects to implement the invasive species control program under section 103(d)(6)(A)(iv) of Public Law 108–361 (118 Stat. 1690).

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

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

(2) 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, zebra and quagga mussels, and brown bullheads.

(e) EMERGENCY ENVIRONMENTAL REVIEWS.—To expedite environmentally beneficial programs in this title for the conservation of threatened and endangered species, the Secretaries of the Interior and Commerce shall 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.) for those programs.
TITLE III—CALIFORNIA EMERGENCY DROUGHT RELIEF AND OPERATIONAL FLEXIBILITY

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

(a) SMELT BIOLOGICAL OPINION.—The Director shall use the best scientific and commercial data available to implement, continuously evaluate, and refine or amend, as appropriate, the reasonable and prudent alternative described in the smelt biological opinion.

(b) INCREASED MONITORING TO INFORM REAL-TIME OPERATIONS.—

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

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

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

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

(C) science-based recommendations devel-
oped by any of the persons or entities described
in subsection (d)(2) to inform the agencies’
real-time decisions.

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

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

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

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

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

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

(d) Delta Smelt Distribution Study.—

(1) In general.—Not later than March 15, 2021, the Secretary of the Interior shall—

(A) complete studies, to be initiated by not later than 90 days after the date of enactment of this Act, designed—
(i) to understand the location and determine the abundance and distribution of Delta smelt throughout the range of the Delta smelt; and

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

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

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

(D) if new sampling and monitoring is not implemented under subparagraph (B), provide a detailed explanation of the determination of the Secretary of the Interior that no change is warranted.
(2) Consultation.—In determining the scope of the studies under this subsection, the Secretary of the Interior shall consult with—

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

(B) other public water agencies;

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

(D) nongovernmental organizations.

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

(1) Environmental Protection Mandate.—

The Secretaries of the Interior and Commerce shall take no action pursuant to this Act that would cause additional adverse effects on the listed fish species beyond the range of effects anticipated to occur to the listed fish species for the duration of the applicable biological opinion, using the best scientific and commercial data available.

(2) Real-Time Management to Achieve Multiple Goals.—Building upon previous drought operations in calendar years 2014 and 2015, the Secretaries of the Interior and Commerce shall mon-
itor in real time to determine the location and densities of listed fish species relative to the pumps, Delta conditions, and other relevant factors, in order to identify—

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

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

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

(4) REVERSE FLOW.—

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

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

(i) document in writing any signifi-
cant facts regarding real-time conditions
relevant to the determinations of OMR re-
verse flow rates, including—

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

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

(ii) explain in writing why any deci-
sion to manage OMR reverse flow at rates
less negative than -5,000 cubic feet per
second is necessary to comply with the environmental standard in subparagraph (e)(1), after considering relevant factors such as—

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

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

(III) the water temperature;

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

(V) turbidity; and

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

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

(f) First Sediment Flush.—During the first flush of sediment out of the Delta in each water year, based on objective evidence and notwithstanding subsection (e), the Secretary of the Interior shall manage OMR flow pursuant to the portion of the smelt biological opinion that protects adult Delta smelt from the first flush if required to do so by the smelt biological opinion.

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

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

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

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

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

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

(i) SUCCESSOR BIOLOGICAL OPINIONS.—The Secretaries of the Interior and Commerce shall apply the provisions of this Act to successor biological opinions to the salmonid biological opinion and the smelt biological opinion, to the extent that the Secretaries of the Interior and Commerce determine to be consistent with—

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


SEC. 302. EMERGENCY OPERATIONS.

(a) WATER SUPPLIES.—The Secretaries of the Interior and Commerce shall provide the maximum quantity of water supplies practicable to Central Valley Project agricultural, municipal, and industrial contractors, water service or repayment contractors, water rights settlement contractors, exchange contractors, refuge contractors, and
State Water Project contractors, by approving, in accordance with applicable Federal and State laws (including regulations), operations or temporary projects to provide additional water supplies as quickly as practicable, based on available information, to address the emergency conditions.

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

(1)(A) in close coordination with the California Department of Water Resources and the California Department of Fish and Wildlife, implement a pilot project to test and evaluate the ability to operate the Delta cross-channel gates daily or as otherwise may be appropriate to keep the gates open to the maximum extent practicable to protect out-migrating salmonids, manage salinities in the interior Delta and any other water quality issues, and maximize Central Valley Project and State Water Project pumping, subject to the condition that the pilot project shall be designed and implemented consistent with operational criteria and monitoring criteria required by the California State Water Resources Control Board, including its order, “Order Approving a
(B) design, implement, and evaluate those real-time monitoring capabilities to enable effective real-time operations of the cross-channel in order efficiently to meet the objectives described in subparagraph (A);

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

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

(B) water quality; and

(C) water supply benefits;

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

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

(5) implement turbidity control strategies that
may allow for increased water deliveries while avoid-
ing jeopardy to adult Delta smelt due consistent
with the smelt biological opinion;

(6) adopt a 1:1 inflow-to-export ratio for the in-
crement of increased flow, as measured as a 3-day
running average at Vernalis during the period begin-
ing on April 1 and ending on May 31, that results
from the voluntary sale, transfer, or exchange, un-
less the Secretaries of the Interior and Commerce
determine in writing that the ratio will cause addi-
tional adverse effects on any salmonid listed fish
species beyond the range of effects anticipated to
occur to the listed fish species for the duration of
the salmonid biological opinion using the best sci-
centific and commercial data available and subject to
the condition that any individual sale, transfer, or
exchange using that ratio may only proceed if—

(A) the Secretary of the Interior deter-
mines that the environmental effects of the pro-
posed 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.));

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

(C) the 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;

(7)(A) issue all necessary permit decisions under the authority of the Secretaries of the Interior and Commerce by not later than 60 days after the date of receipt of a completed application by the State of California 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, subject to the condition that the barriers or gates shall be designed so that, if practicable, formal consultations under section 7 of the Endangered Species Act of 1973 (16 U.S.C. 1536) are not necessary; or

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

(8) allow and facilitate, consistent with existing priorities, water transfers through the C.W. “Bill” Jones Pumping Plant or the Harvey O. Banks Pumping Plant during the period beginning on April 1 and ending on November 30, subject to the condition that the transfers—

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

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

(9) require the Director and the Commissioner—

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

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

(B)(i) 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 in the State of California by—

(I) not later than 30 days after deeming the application complete pursuant to subparagraph (A); or
such later date as the Director or
the Commissioner determines to be nec-
essary, only if the Director or the Commiss-
ioner determines in writing that an envi-
ronmental impact statement is needed for
the proposal to comply with the National
Environmental Policy Act of 1969 (42
U.S.C. 4321 et seq.); and
(ii) approve any water transfer request de-
scribed in clause (i) to maximize the quantity of
water supplies, subject to the condition that ac-
tions associated with the water transfer comply
with applicable Federal and State laws (includ-
ing regulations) and are consistent with—
(I) existing permitted water rights;
and
(II) the requirements of section
3405(a)(1)(H) of the Central Valley
Project Improvement Act (Public Law
102–575; 106 Stat. 4711);
(10) in coordination with the Secretary of Agri-
culture, 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 effective-
ness and environmental impacts of salteedar biological control efforts on increasing water supplies and improving riparian habitats of the Colorado River and its principal tributaries, in the State of California and elsewhere;

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

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

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

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

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

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

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

(d) ACCELERATED PROJECT DECISION AND EVALUATION.—

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

(2) REQUEST FOR RESOLUTION.—

(A) IN GENERAL.—On request of the Governor of California, the Secretaries of the Inte-
rior and Commerce or the head of another Fed-
eral department or agency responsible for car-
rying out a review of a project, as applicable,
shall convene a final project decision meeting
with the heads of all relevant Federal agencies
to decide whether to approve a project to pro-
vide emergency water supplies or otherwise ad-
dress emergency drought conditions.

(B) MEETING.—A meeting under subpara-
graph (A) shall convene not later than 7 days
after the date of receipt of the meeting request.

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

(A) the project to be reviewed; and

(B) 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).

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

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

(B) to the extent the procedures are con-
sistent with applicable laws (including regula-
tions).

(e) DROUGHT PLAN.—For any year during which
this section is in effect, the Secretaries of the Interior and
Commerce, in consultation with appropriate State offi-
cials, shall develop a drought operations plan that is con-
sistent with this Act and other applicable Federal and
State laws, including provisions intended to provide addi-
tional water supplies that could be of assistance during
the drought in existence on the date of enactment of this
Act.

SEC. 303. TEMPORARY OPERATIONAL FLEXIBILITY TO CAP-
TURE PEAK FLOWS FROM WINTER STORMS.

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

(b) Real-time Management to Achieve Multiple Goals.—Pursuant to the adaptive management
provisions of the smelt biological opinion and the salmonid
biological opinion, the Secretaries of the Interior and Com-
merce shall monitor in real time to determine the location
and densities of listed fish species relative to the pumps
and Delta conditions, in order to identify—

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

(2) circumstances where it is necessary to de-
crease water pumping to protect listed fish species.

(c) Requirement.—When consistent with the envi-
ronmental protection mandate in subsection (a) and other
environmental protections under subsection (f), the Secret-
taries of the Interior and Commerce, through the drought
contingency plans, shall evaluate and may authorize the
Central Valley Project and the State Water Project, com-
bined, to operate at levels that result in daily average
OMR flows more negative than -5,000 cubic feet per sec-
ond (based on United States Geological Survey gauges on
OMR) to capture peak flows during storm-related events, in accordance with subsections (d), (e), and (f).

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

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

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

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

(e) Other Environmental Protections.—

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

(2) First Sediment Flush.—During the first flush of sediment out of the Delta during each water year, based on objective evidence and notwithstanding the other provisions of this subsection, the Secretary of the Interior shall manage OMR flow pursuant to the portion of the smelt biological opin-
ion that protects adult Delta smelt from the first flush if required to do so by the smelt biological opinion.

(3) APPLICABILITY.—

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

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

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

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

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

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

SEC. 304. 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 of California, the head of each applicable Federal department or agency shall, in carrying out this title, 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. The Council on Environmental Quality shall exercise its authority in a timely manner and with an outcome consistent with the need to address the emergency drought conditions in the State of California.

SEC. 305. LEVEL OF DETAIL REQUIRED FOR ANALYSIS.

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

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

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

TITLE IV—WATER RIGHTS

SEC. 401. 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 Act regarding 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.

(b) ADDITIONAL YIELD.—If, as a result of the application of this Act, the California Department of Fish and Wildlife—

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

(2) requires take authorization under California Fish and Game Code section 2081 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 result, Central Valley Project yield is greater than it otherwise would have been, then that additional yield shall be made available to the State Water Project for delivery to State Water Project contractors to offset the reduced water supply, provided that if it is necessary to reduce water sup-
plies for any Central Valley Project authorized uses or contractors to make available to the State Water Project that additional yield, such reductions shall be applied proportionately to those uses or contractors that benefit from that increased yield.

(c) NOTIFICATION RELATED TO ENVIRONMENTAL PROTECTIONS.—The Secretaries of the Interior and 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 consistent with the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.).

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

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

(a) IN GENERAL.—In carrying out this Act, the Secretaries of the Interior and Commerce shall not take any action that—
(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 before December 19, 1914, provided under California law;

(2) limits, expands, or otherwise affects the application of section 10505, 10505.5, 11128, 11460, 11461, 11462, 11463, or 12200 through 12220 of the California Water Code or any other provision of California 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 or water rights priorities under applicable law.

(b) EFFECT OF ACT.—Nothing in this Act—

(1) 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); or

(2) diminishes, impairs, or otherwise affects in any manner any project purposes or priorities for the allocation, delivery, or use of water under applicable law, including the project purposes and priorities established under sections 3402 and section
3406 of the Central Valley Project Improvement Act (Public Law 102–575; 106 Stat. 4706).

SEC. 403. NO REDIRECTED ADVERSE IMPACTS.

(a) APPLICABILITY.—

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

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

(b) ACTION ON DETERMINATION.—If, after exploring all options, the Secretary makes a final determination that a proposed action under this Act cannot be carried out in accordance with subsection (a), the Secretary—
(1) shall document that determination in writing with regard to that action, including a statement of the facts relied on, and an explanation of the basis, for the decision; and

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

SEC. 404. ALLOCATIONS FOR SACRAMENTO VALLEY WATER SERVICE CONTRACTORS.

(a) DEFINITIONS.—In this section:

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

(2) YEAR TERMS.—The terms “Above Normal”, “Below Normal”, “Dry”, and “Wet”, with respect to a year, have the meanings given those terms in the Sacramento Valley Water Year Type (40–30–30) Index.
(b) ALLOCATIONS OF WATER.—

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

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

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

(C) Not less than 100 percent of the contract quantity shall be allocated to the Central Valley Project agricultural water service contractor within the Sacramento River Watershed in a Below Normal year that is preceded by an Above Normal or Wet year.
(D) Not less than 50 percent of the contract quantity shall be allocated to the existing Central Valley Project agricultural water service contractor within the Sacramento River Watershed in a Dry year that is preceded by a Below Normal, Above Normal, or Wet year.

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

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

(c) PROTECTION OF ENVIRONMENT, MUNICIPAL, AND INDUSTRIAL SUPPLIES AND OTHER CONTRACTORS.—
(1) ENVIRONMENT.—Nothing in subsection (b) shall adversely affect any protections for the environment, including—

(A) the cold water pool behind Shasta Dam or any other Central Valley Project reservoir;

(B) the obligation of the Secretary of the Interior to make water available to managed wetlands pursuant to section 3406(d) of the Central Valley Project Improvement Act (Public Law 102–575; 106 Stat. 4722); or

(C) any obligation—

(i) of the Secretaries of the Interior and Commerce under the smelt biological opinion, the salmonid biological opinion, or any other applicable biological opinion; or

(ii) under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.), the Central Valley Project Improvement Act (Public Law 102–575; 106 Stat. 4706), or any other applicable State or Federal law (including regulations).

(2) MUNICIPAL AND INDUSTRIAL SUPPLIES.—Nothing in subsection (b) shall—
(A) modify any provision of a water service contract that addresses municipal or industrial water shortage policies of the Secretaries of the Interior and Commerce;

(B) affect or limit the authority of the Secretaries of the Interior and Commerce—

(i) to adopt or modify municipal and industrial water shortage policies; or

(ii) to implement a municipal or industrial water shortage policy;

(C) constrain, govern, or affect, directly or indirectly, the operations of the American River Division of the Central Valley Project or any deliveries from that Division or a unit or facility of that Division; or

(D) affect any allocation to a Central Valley Project municipal or industrial water service contractor by increasing or decreasing allocations to the contractor, as compared to the allocation the contractor would have received absent subsection (b).

(3) OTHER CONTRACTORS.—Nothing in subsection (b) shall—

(A) affect the priority of any individual or entity with a Sacramento River settlement con-
tract over water service or repayment contractors;

(B) affect the obligation of the United States to make a substitute supply of water available to the San Joaquin River exchange contractors;

(C) result in the involuntary reduction in water allocations to refuge contractors;

(D) affect the allocation of water to Friant Division contractors of the Central Valley Project;

(E) result in the involuntary reduction in contract water allocations to individuals or entities with contracts to receive water from the Friant Division; or

(F) authorize any actions inconsistent with State water rights law.

TITLE V—MISCELLANEOUS PROVISIONS

SEC. 501. AUTHORIZED SERVICE AREA.

(a) IN GENERAL.—The service area of the Central Valley Project, as authorized by the Central Valley Project Improvement Act (Public Law 102–575; 106 Stat. 4706), shall include the area within the boundaries of the
(b) LONG-TERM CONTRACT.—

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

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

(c) PERMIT.—The Secretary shall apply to the State of California for a permit for a joint place of use for water deliveries under the contract entered into under subsection (b) with respect to the expanded service area under subsection (a), in accordance with State law.
(d) ADDITIONAL COSTS.—The applicable non-Federal entity shall pay the costs of any additional infrastructure, water treatment, or related costs are needed to carry out this section.

SEC. 502. OVERSIGHT OVER AND PUBLIC INPUT INTO RESTORATION FUND ACTIVITIES.

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

“(f) RESTORATION FUND FINANCIAL REPORTS.—

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

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

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

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

“(2) PUBLIC PARTICIPATION FOR PLANNED EXPENDITURES.—

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

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

SEC. 503. BASIN STUDIES.

(a) IN GENERAL.—The Secretary of the Interior shall—

(1) expand opportunities and expedite completion of assessments under the Secure Water Act (section 9503(b) of Public Law 111–11 (42 U.S.C. 10363(b)), together with non-Federal partners, of individual sub-basins and watersheds within major Reclamation river basins; and
(2) ensure prompt decisionmaking regarding, and expedited implementation of, adaptation and mitigation strategies developed through the special study process.

(b) CONTRIBUTED FUNDS.—The Secretary may accept and use contributions of funds from the non-Federal partners to carry out activities under the special studies consistent with the administration of basin studies program criteria.

SEC. 504. TECHNICAL AND MODELING ASSISTANCE.

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

(b) DATA AVAILABILITY.—The Secretaries of the Interior and Commerce shall make publicly available on request any modeling and data provided under subsection (a).

SEC. 505. REPORT ON RESULTS OF WATER USAGE.

The Secretary of the Interior, in consultation with the Secretary of Commerce and the Secretary of Natural Resources of the State of California, shall publish an annual report describing, with respect to the period covered by the report—
(1) instream flow releases from the Central Valley Project and State Water Project;

(2) the explicit purpose and authority of those releases; and

(3) all measured environmental benefits as a result of the releases.

SEC. 506. ADDITIONAL STORAGE AT NEW MELONES.

(a) COORDINATION.—The Commissioner shall coordinate with local water and irrigation districts in the Stanislaus River Basin to identify the quantity of water storage made available by the draft plan of operations in New Melones Reservoir (referred to in this section as the "draft plan") for—

(1) water conservation programs;

(2) conjunctive use projects;

(3) water transfers;

(4) rescheduled project water; and

(5) other projects to maximize water storage and ensure the beneficial use of the water resources in the Stanislaus River Basin.

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

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

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

(2) any other applicable State water law.

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

SEC. 507. CONTRACTING AUTHITIES.

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

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

SEC. 508. VOLUNTARY OPEN WATER DATA SYSTEM.

(a) DEFINITIONS.—In this section:

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

(A) a public or private elementary or sec-

ondary school;

(B) an institution of vocational, profes-

sional, 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


(3) SECRETARY.—The term “Secretary” means

the Secretary of the Interior, acting through the Di-

rector 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;
(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 promote the voluntary sharing of water data and information among State, local, and tribal governments, communities, educational institutions, and the private sector;

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

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

(d) ACTIVITIES.—

(1) IN GENERAL.—In carrying out this section, the Secretary shall coordinate with the National Oceanic and Atmospheric Administration—

(A) to integrate water data and information into an interoperable, national, geospatially referenced water data framework;

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

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

(D) to support water data and information sharing, applied research, and educational pro-
grams of State, local, and tribal governments, communities, educational institutions, and the private sector.

(2) REQUIREMENT.—Any activity carried out pursuant to this section by the Secretary or a non-Federal participant shall be—

(A) voluntary; and

(B) carried out in accordance with all Federal and State privacy laws.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $2,000,000 for each of fiscal years 2016 through 2020.

SEC. 509. SINGLE ANNUAL REPORT.

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

TITLE VI—OFFSETS

SEC. 601. DEAUTHORIZATION OF INACTIVE PROJECTS.

(a) PURPOSES; DEFINITIONS.—

(1) PURPOSES.—The purposes of this section are—
(A) to identify Bureau of Reclamation projects and programs that are no longer feasible due to—

(i) a lack of local support;

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

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

(B) to establish an efficient and transparent process for deauthorizing Reclamation 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 authorized projects;

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

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

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

(i) in the Federal interest; or

(ii) feasible.

(2) DEFINITIONS.—In this section:
(A) **Reclamation project or program.**—The term “Reclamation project or program” includes any project or program that is administered by the Bureau of Reclamation.

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

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

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

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

(iv) 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) Reclamation programs that are authorized and for which funding was not obligated during the current fiscal year or any of the preceding 5 fiscal years; and

(B)(i) projects or separable elements that are authorized for construction but have not been completed;
(ii) the date of authorization of the project or separable element, including any subsequent modifications to the original authorization;

(iii) the original budget authority for the project or separable element;

(iv) a brief description of the project or separable element;

(v) the estimated date of completion of the project or separable element;

(vi) the estimated cost of completion of the project or separable element; and

(vii) 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 authorized Reclamation program or project, or separable element of a Reclamation program or project, for which Federal or non-Federal funds were not obligated for construction during—

(A) the applicable fiscal year; or

(B) any of the 5 preceding fiscal years.

(2) SPECIAL RULE FOR PROJECTS RECEIVING FUNDS FOR POST-AUTHORIZATION STUDY.—A Rec-
lamination project or separable element of a Reclamation project may not be identified on the interim deauthorization list, or on the final deauthorization list under subsection (d), if the Reclamation project or separable element received funding for a post-authorization study during—

(A) the applicable fiscal year; or

(B) any of the 5 preceding fiscal years.

(3) Public comment and consultation.—

(A) In general.—The Secretary shall solicit comments from the public and the Governors of each applicable State regarding the interim deauthorization list developed under paragraph (1).

(B) Comment period.—The public comment period under subparagraph (A) shall be 90 days.

(4) Submission to Congress; publication.—Not later than 90 days after the date of submission of the list required under subsection (b), the Secretary shall—

(A) submit the interim 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 interim deauthorization list in the Federal Register.

(d) **FINAL DEAUTHORIZATION LIST.**—

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

(2) **IDENTIFICATION OF PROJECTS.**—

(A) **SEQUENCING.**—

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

(ii) **FACTORS FOR CONSIDERATION.**—

The Secretary may identify a Reclamation program, project, or separable element of a Reclamation program or project for exclu-
sion from the final deauthorization list if
the Secretary determines, on a case-by-case
basis, that the Reclamation program,
project, or separable element is critical for
interests of the United States, based on
the possible impact of the Reclamation
program, project, or separable element
on—

(I) public health and safety;

(II) the national economy; or

(III) the environment.

(iii) CONSIDERATION OF PUBLIC COM-
MENTS.—In making a determination under
clause (i) or (ii), the Secretary shall take
into consideration any comments received
under subsection (c)(3).

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

(i) identifies each Reclamation pro-
gram, project, and separable element of a
Reclamation program or project on the in-
terim deauthorization list developed under
subsection (c) that is not included on the
final deauthorization list; and
(ii) describes the reasons why the Reclamation program, project, or separable element is not included.

(3) Submission to Congress; Publication.—Not later than 120 days after the date of expiration of the public comment period under subsection (c)(3), the Secretary shall—

(A) submit the final deauthorization list and the appendix under paragraph (2)(B) 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 in the Federal Register.

(e) Deauthorization; Congressional Review.—

(1) In general.—Subject to paragraph (2), effective beginning on the date that is 180 days after the date of submission of the final deauthorization list under subsection (d), a Reclamation program, project, or separable element of a Reclamation program or project included on the list is deauthorized, unless Congress passes a joint resolution disapproving the final deauthorization report before that date.
(2) Non-Federal Contributions.—A Reclamation program, project, or separable element included on the final deauthorization list 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 Reclamation program, project, or separable element provides sufficient funds to complete the Reclamation program, project, or separable element.

(f) Treatment of Project Modifications.—For purposes of this section, if an authorized water resources development Reclamation program, project, or separable element of the program or project has been modified by an Act of Congress, the date of authorization of the Reclamation program, project, or separable element shall be deemed to be the date of the most recent modification.

(g) Exemption.—Any Reclamation project that would yield an average of more than 200,000 acre-feet of water per year shall be exempt from this subsection.

SEC. 602. ACCELERATED REVENUE, REPAYMENT, AND SURFACE WATER STORAGE ENHANCEMENT.

(a) Short Title.—This section may be cited as the “Accelerated Revenue, Repayment, and Surface Water Storage Enhancement Act”.

(b) **DEFINITIONS.**—In this section:

1. **ACCOUNT.**—The term “Account” means the Reclamation Surface Water Storage Account established under subsection (f)(1).

2. **CONSTRUCTION.**—
   - **IN GENERAL.**—The term “construction” means the designing, materials engineering and testing, surveying, and building of surface water storage.
   - **INCLUSIONS.**—The term “construction” includes—
     - (i) any addition to existing surface water storage; and
     - (ii) construction of a new surface water storage facility.
   - **EXCLUSIONS.**—The term “construction” excludes any Federal statutory or regulatory obligation relating to any permit, review, approval, or other similar requirement.

3. **SECRETARY.**—The term “Secretary” means the Secretary of the Interior.

4. **SURFACE WATER STORAGE.**—The term “surface water storage” means storage at—
   - (A) any federally owned facility under the jurisdiction of the Bureau of Reclamation; or
(B) any non-Federal facility used for the surface storage and supply of water resources.

(5) Treasury rate.—The term “Treasury rate” means the 20-year constant maturity treasury rate published by the United States Treasury, as in existence on the effective date of the applicable contract.

(6) Water users association.—

(A) In general.—The term “water users association” means an entity organized and recognized under State law that is eligible to enter into contracts with the Commissioner—

(i) to receive contract water for delivery to users of the water; and

(ii) to pay any applicable charges.

(B) Inclusions.—The term “water users association” includes—

(i) an association;

(ii) a conservatory district;

(iii) an irrigation district;

(iv) a municipality; and

(v) a water project contract unit.

(e) Conversion and Prepayment of Contracts.—

(1) Conversion.—
(A) IN GENERAL.—On receipt of a request from a water users association, the Secretary shall convert any water service contract in effect on the date of enactment of this Act between the United States and the water users association to allow for prepayment of the repayment contract in accordance with this paragraph under mutually agreeable terms and conditions.

(B) MANNER.—The manner of conversion under this paragraph shall be as follows:

(i) Water service contracts entered under section 9(c)(2) of the Act of August 4, 1939 (53 Stat. 1194, chapter 418), to be converted under this section shall be converted to a contract under section 9(c)(1) of that Act (53 Stat. 1194, chapter 418).

(ii) Water service contracts entered into under section 9(e) of the Act of August 4, 1939 (53 Stat. 1196, chapter 418), to be converted under this section shall be converted to repayment contracts under section 9(d) of that Act (53 Stat. 1195, chapter 418).
(2) PREPAYMENT.—

(A) SECTION 9(e)(1).—Except for a repayment contract under which the applicable water users association has previously negotiated for prepayment, each repayment contract under section 9(e)(1) of the Act of August 4, 1939 (53 Stat. 1194, chapter 418) (including any contract converted pursuant to paragraph (1)(B)(i)), in effect on the date of enactment of this Act shall, at the request of the water users association—

(i) provide for the repayment in lump sum of the remaining construction costs identified in an applicable water project-specific municipal or industrial rate repayment schedule (as adjusted to reflect payment not reflected in the schedule) and properly assignable for ultimate return by the water users association, subject to the condition that an estimate of the remaining construction costs, as adjusted, shall be provided by the Secretary to the water users association by not later than 90 days after the date of receipt of the request of the water users association;
(ii) require that any construction costs or other capitalized costs that were incurred after the effective date of the contract, were not reflected in the rate schedule referred to in clause (i), or were not properly assignable to the water users association, and were incurred as a result of a collective annual allocation of capital costs to the water users association electing contract conversion under this subsection, shall be repaid—

(I) for costs equal to less than $5,000,000, by not later than the date that is 5 years after the date of notification of the allocation; or

(II) for costs equal to $5,000,000 or more, in accordance with applicable reclamation laws; and

(iii) continue in effect for the period during which the water users association pays applicable charges in accordance with section 9(c)(1) of the Act of August 4, 1939 (53 Stat. 1194, chapter 418), and other applicable law.
(B) Section 9(d).—Except for a repayment contract under which the applicable water users association has previously negotiated for prepayment, each repayment contract under section 9(d) of the Act of August 4, 1939 (53 Stat. 1195, chapter 418) (including any contract converted pursuant to paragraph (1)(B)(ii)), in effect on the date of enactment of this Act shall, at the request of the water users association—

(i) provide for repayment of the remaining construction costs identified in an applicable water project-specific irrigation rate repayment schedule (as adjusted to reflect payment not reflected in the schedule) and properly assignable for ultimate return by the water users association in lump sum, by accelerated prepayment, or if made in approximately equal installments, by not later than 3 years after the effective date of the repayment contract, subject to the conditions that—

(I) the amount shall be discounted by $\frac{1}{2}$ the Treasury rate; and
(II) the estimate of the remaining construction costs, as adjusted, shall be provided by the Secretary to the water users association by not later than 90 days after the date of receipt of the request of the water users association;

(ii) require that any construction costs or other capitalized costs that were incurred after the effective date of the contract, were not reflected in the rate schedule referred to in clause (i), or were not properly assignable to the water users association, and were incurred as a result of a collective annual allocation of capital costs to the water users association electing contract conversion under this subsection, shall be repaid—

(I) for costs equal to less than $5,000,000, by not later than the date that is 5 years after the date of notification of the allocation; or

(II) for costs equal to $5,000,000 or more, in accordance with applicable reclamation laws;
(iii) provide that power revenues will not be available to aid in repayment of construction costs allocated to irrigation under the contract; and

(iv) continue in effect for the period during which the water users association pays applicable charges in accordance with section 9(d) of the Act of August 4, 1939 (53 Stat. 1195, chapter 418), and other applicable law.

(3) TREATMENT.—A contract entered into pursuant to this subsection—

(A) shall not be adjusted on the basis of the type of prepayment financing used by the applicable water users association;

(B) shall conform to any other applicable agreement, such as a settlement agreement or a new constructed appurtenant facility agreement; and

(C) shall not modify any other—

(i) water service, repayment, exchange, or transfer contractual right between the water users association, and the Bureau of Reclamation; or
(ii) right, obligation, or relationship of the water users association and an applicable landowner in accordance with State law.

(d) ACCOUNTING.—

(1) ADJUSTMENT.—The amounts paid pursuant to subsection (c) shall be subject to adjustment following a final cost allocation by the Secretary.

(2) DEFICIENCIES.—

(A) IN GENERAL.—If the final cost allocation under paragraph (1) indicates that the costs properly assignable to a water users association are greater than the costs paid by the water users association, the water users association shall be obligated to pay to the Secretary the remaining allocated costs under an additional repayment contract under subparagraph (B).

(B) ADDITIONAL REPAYMENT CONTRACTS.—An additional repayment contract required by subparagraph (A) shall—

(i) have a term of—

(I) not less than 1 year; and

(II) not more than 10 years; and
(ii) include such mutually agreeable provisions regarding the rate of repayment of the deficient amount as may be developed by the parties.

(3) OVERPAYMENTS.—If the final cost allocation under paragraph (1) indicates that the costs properly assignable to a water users association are less than the costs paid by the water users association, the Secretary shall credit the amount of the overpayment as an offset against any outstanding or future obligation of the water users association with the exception of Restoration Fund charges pursuant to section 3407(d) of Public Law 102-575.

(e) APPLICABILITY OF CERTAIN PROVISIONS.—

(1) EFFECT OF EXISTING LAW.—On compliance by a water users association with, and discharge of the obligation of repayment of the construction costs pursuant to, a contract entered into under to subsection (c)(2)(B), subsections (a) and (b) of section 213 of the Reclamation Reform Act of 1982 (43 U.S.C. 390mm) shall apply to any affected land.

(2) EFFECT OF OTHER OBLIGATIONS.—The obligation of a water users association to repay any construction costs or other capitalized cost described in subparagraph (A)(ii) or (B)(ii) of subsection
(c)(2), or subsection (d), shall not, on repayment, aff-  
fect—  
(A) the status of the water users associa- 
tion as having repaid all of the construction  
costs assignable to the water users association;  
or  
(B) the applicability of subsection (a) or  
(b) of section 213 of the Reclamation Reform  

(f) Surface Water Storage Enhancement Pro-  
gram.—  

(1) Establishment of Account.—The Sec-  
retary shall establish an account, to be known as the  
“Reclamation Surface Storage Account”, consisting  
of such amounts as are deposited in the Account  
under paragraph (2), to fund the construction of  
surface water storage.  

(2) Deposits.—Not later than 3 years after  
the date of enactment of this Act, an amount equal  
to 50 percent of receipts generated from the prepay-  
ment of contracts under this section in excess of  
amounts necessary to cover the amount of receipts  
forgone from scheduled payments under applicable  
law in effect on that date of enactment during the
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10-year period beginning on that date of enactment shall be deposited in the Account.

(3) USE.—

(A) COOPERATIVE AGREEMENTS.—The Secretary may—

(i) enter into cooperative agreements with water users associations for the construction of surface water storage; and

(ii) use amounts in the Account to fund construction under such a cooperative agreement.

(B) TREATMENT.—A surface water storage project that is otherwise not federally authorized shall not be considered to be a Federal facility as a result of the allocation of any amount from the Account for any portion of the project.

(4) REPAYMENT.—Any amount from the Account used for surface water storage construction shall be fully reimbursed to the Account in accordance with applicable requirements under the reclamation laws, except that all funds reimbursed shall be deposited in the Account.
(5) **Availability of Amounts.**—The amounts deposited in the Account under this subsection shall—

(A) be made available for the storage projects identified in section 402, subject to appropriation; and

(B) be in addition to amounts appropriated for those purposes under any other provision of law.

(6) **Purposes of Surface Water Storage.**—

The construction of surface water storage under this section shall be made available for the federally owned and State-led storage projects pursued under this Act, provided that funds are limited to the Federal cost-share (up to 25 percent for State-led projects and up to 50 percent for federally owned projects).

(g) **Effect of Section.**—Nothing in this section—

(1) alters the repayment obligation of any water service or repayment contractor receiving water from a water project, or shifts any costs that would otherwise have been properly assignable to a water users association described in subsection (e) or another contractor, absent this section, including operation and maintenance costs, construction costs, or other
capitalized costs incurred after the date of enactment of this Act;

(2) alters any specific requirement for the disposition of amounts received as repayments by the Secretary under the reclamation laws; or

(3) except as expressly provided in this section, alters any obligations under the Reclamation Law, including the continuation of Restoration Fund charges pursuant to section 3407(d) (Public Law 102–575), of the water service and repayment contractors making prepayments pursuant to this section.

TITLE VII—DURATION AND EFFECT ON EXISTING OBLIGATIONS

SEC. 701. SAVINGS CLAUSE.

(a) IN GENERAL.—This Act shall not be interpreted or implemented in a manner that—

(1) preempts or modifies any obligation of the United States to act in conformance with applicable State law, including applicable State water law;

(2) affects or modifies any obligation under the Central Valley Project Improvement Act (Public Law 102–575; 106 Stat. 4706), except for the procedural provisions relating to public input and sav-
ings provisions for the Stanislaus River predator management program expressly established by sections 203 and 502; or

(3) overrides, modifies, or amends the applicability of the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq) or the application of the smelt and salmonid biological opinions to the operation of the Central Valley Project or the State Water Project.

(b) SEVERABILITY.—If any provision of this Act, or any application of such provision to any person or circumstance, is held to be inconsistent with any law or the biological opinions, the remainder of this Act and the application of this Act to any other person or circumstance shall not be affected.

SEC. 702. TERMINATION.

All of title III (relating to California emergency drought relief and operational flexibility), except for subsections (a) through (d) of section 301, and title IV (relating to water rights) shall expire on the date that is the later of—

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

(2) September 30, 2017.