



- Board of Directors  
*Communications and Legislation Committee*

9/22/2015 Board Meeting

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8-5

## Subject

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Express support and seek amendments to S. 1894 (Feinstein, D-CA) – California Emergency Drought Relief Act of 2015

## Executive Summary

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S. 1894, the “California Emergency Drought Relief Act of 2015” was introduced on July 29, 2015 ([Attachment 1](#)) by Senator Feinstein and cosponsored by Senator Boxer. S. 1894 seeks to alleviate the impacts of the drought in California by: (1) directing federal agencies to use their authority and discretion under existing laws and regulations to improve water supply conditions through operational flexibility measures; (2) providing direction and funding for actions to benefit fish and refuges; (3) providing financial assistance for water supply, water conservation, and drought-alleviation projects; and (4) authorizing new programs and creating new financing and funding programs. Altogether, S. 1894 authorizes over \$1.2 billion in appropriations over the next 10 years and directs spending of three times that amount between 2026 and 2050.

## Details

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### Background

S. 1894 utilizes language from legislation introduced by Senator Feinstein in 2014 (S. 2016 and S. 2198), but has an expanded scope with provisions similar to other legislation introduced by other members of the California delegation in 2015. The author states that the goals of the legislation are “moving and creating water long-term to help those communities suffering the worst effects of the drought, while remaining completely compliant with environmental laws such as the *Endangered Species Act* and *Clean Water Act* as well as all biological opinions.” Senate Energy and Natural Resources Committee Chairwoman Lisa Murkowski has announced that S. 1894 and other drought-related legislation will be heard at an October meeting of that committee.

### Measures to Take Advantage of Operational Flexibility under Existing Law

Title 1 contains a number of actions that the Secretaries of Interior and Commerce are directed to take during the drought emergency or until September 30, 2017, whichever is later. Many provisions are similar to S. 2198 introduced by Senator Feinstein last year. For example, the Secretaries of Interior and Commerce are directed to “provide the maximum quantity of water supplies possible” to the water projects and “any other locality or municipality in the state.” Title 1 contains provisions directing the Secretaries to act, including that the Secretaries ensure the Delta Cross Channel Gates remain open to the greatest extent possible; that they manage reverse flow in Old and Middle Rivers (OMR) to minimize water supply reductions to the projects (but as prescribed by the biological opinions); adopt a 1:1 inflow to export ratio for new transfer water during the spring; issue permits within the shortest practicable time period for temporary barriers or operable gates and for decisions on water transfers; have the National Academy of Sciences conduct a study on the effectiveness of saltcedar biological control efforts; and “use all available scientific tools to identify any changes to real-time operations” of water projects that could result in the availability of additional water supplies.

### **Actions to Benefit Fish and Refuges**

S. 1894 authorizes nearly \$60 million over five years to benefit listed fish species. The bill contains direction and authorizes appropriations for various actions to benefit listed fish species. In general, the authorizations are through 2020. It begins by authorizing funding for projects to recover listed salmonids, along with direction for federal agencies to expedite federal reviews and approvals of individual projects. Other projects include reports on the use of non-physical barriers; reports on adding gravel and other ways to restore additional salmonid rearing areas along with direction to implement restoration if it is feasible; a pilot program to test alternative hatchery release strategies; a pilot program to identify habitat that favors predatory fish to the detriment of sensitive native species and make recommendations (without implementation) of how to modify that habitat to reduce predation; and an assessment of whether reduced lighting at artificial structures would reduce predation and direction to implement recommendations. Other projects include evaluating and improving delta pump salvage systems; creating a pilot program to increase salmonid survival through the Delta using a trap and barge program for San Joaquin origin fish; and improved temperature modeling.

### **Financial Assistance for Water Supply and Demand-Management Projects**

The bill also authorizes substantial financial assistance through a variety of federal programs for water supply, water conservation and water use efficiency projects, including desalination, storage, and recycling projects; emergency projects to provide drinking water to areas where water shortages pose a risk to public health and safety; on-farm water conservation actions; combating water theft for illegal marijuana cultivation; innovative water supply and conservation technologies; and establishing an open water data system within the United States Geological Survey to improve access to and exchange of water data and information for water management, education, research, assessment, and monitoring purposes.

### **New Programs and Authorizations**

S. 1894 provides direction to existing programs to expedite drought relief and authorizes a number of new programs. Most notably, the bill authorizes the U.S. Bureau of Reclamation (Reclamation), without further Congressional approval, to partner in both federally owned and non-federal storage projects. This sea-change in federal policy would allow Reclamation's expertise to be shared more widely and could give more local control for projects, such as Sites Reservoir. The bill also calls for feasibility studies authorized under CalFed to be completed. In addition S. 1894 makes amendments to the Safety of Dams Act to allow increased reservoir capacity as part of a dam safety project. The bill also directs the Army Corps to identify and carry out five pilot projects to update operation manuals at federal and non-federal dams in states with a drought declaration.

Also of note, S. 1894 creates the Reclamation Infrastructure Finance and Innovation (RIFIA) Act. Similar to Transportation Infrastructure Financing and Innovation Act for transportation projects and Water Infrastructure Financing and Innovation Act (WIFIA) (authorized by WRDA) for certain water projects, RIFIA is a program to provide secured loans or loan guarantees for various infrastructure projects, but would be limited to water-related projects in the Reclamation states. Other provisions include authorizing the Secretary to designate, subject to certain conditions, the state as lead agency for the purposes of National Environmental Policy Act (NEPA), which could expedite environmental review for state drought projects that also trigger NEPA review. Similar to WIFIA, projects that use tax-free municipal financing may not be eligible for RIFIA funding.

Among other changes, S. 1894 would also amend the Reclamation Wastewater and Groundwater Study and Facilities Act (43 USC 390h), known as Title XVI, by adding a competitive grant program and authorizing \$200 million through 2020.

### **Impacts of the Legislation upon Metropolitan**

Assuming that federal regulatory officials diligently exercise their discretion under existing law to use the flexibility inherent in the biological opinions, the operational flexibility measures in the bill, particularly the 1:1 San Joaquin River Inflow to Export ratio for water transfers and exchanges, the use of turbidity triggers, application of the OMR criteria to minimize water supply impacts, revised Delta Cross Channel operations, and use of temporary barriers and operable gates in the Delta could provide both water supply and water quality benefits to Metropolitan. The actions to benefit species in the bill are unlikely to create short-term water supply

relief, but in the long run will improve information about listed species. Substantial funding for water supply and demand-management projects will facilitate Southern California's ability to respond to the next drought and may provide some short-term relief to areas of the state at risk of facing an inadequate supply of water. Moreover, S. 1894 could assist or accelerate additional new storage, which could make Central Valley Project-State Water Project (SWP) coordinated operations more flexible in the future, increasing water yields of both projects relative to the current system and regulatory constraints.

### **Suggested Metropolitan Position and Response**

Metropolitan adopted priorities for federal drought legislation in August 2015. S. 1894 represents legislative progress on many of those priorities. S. 1894 is an expansive bill that provides funding and regulatory assistance for regions affected by drought for both immediate and long-term water projects that aid in the development, storage, treatment and delivery of water. The bill provides funding and regulatory incentives for conservation and water use efficiency measures. S. 1894 could help protect reliability for the SWP, Colorado River and local water supplies. The bill also works within the current federal and state Endangered Species Acts to increase operational flexibility while not weakening protections for listed species. The bill additionally provides direction and funding to improve information about listed fish and wildlife species and water project operations in the Delta, while also encouraging the most current scientific data and analysis to provide enhanced flexibility for water project operations. It is unclear the degree the bill will secure broad, bipartisan support, but it has been set for a hearing by the Republican Chair of the Senate Energy and Natural Resources Committee, and could potentially win broad support there.

Staff recommends that the Board authorize the General Manager to express a support and seek amendment position for S. 1894. If the Board approves, the General Manager would send a letter stating the Board's position on S. 1894, listing the Board's federal drought legislative priorities as adopted August 18, 2015 and urging that the final drought bill be amended to represent those priorities

### **Suggested Amendments**

In addition to technical amendments, staff would seek a number of amendments to S. 1894 that relate to four important Metropolitan interests.

- First, the bill contains protections for SWP contractors against redirected impacts of federal actions, but also contains a loophole from those protections. Staff recommends providing language to close that loophole.
- Second, S. 1894 amends the Reclamation Safety of Dams Act of 1978 to allow additional project benefits (such as increasing storage) to be approved concurrent with Safety of Dams projects. While this language is much better at protecting SWP water supplies than other language we have seen in House of Representative bills, staff recommends that to protect SWP interests in San Luis Reservoir provisions be added to retain cost allocations under existing law.
- Third, S. 1894 amends the Water Desalination Act of 1996 to prioritize projects that "reduce reliance on imported water supplies that have an impact" on listed species. The term "reduced reliance," is not defined in federal or state law, and is the source of diametrically opposed state law interpretations that are the basis of claims in the *Delta Stewardship Council Cases*. Staff recommends the term and associated language addressing limitations on imports be removed to reduce litigation risks.
- Finally, the Collaborative Science and Adaptive Management Program (CSAMP) was started in 2013 by the federal, state, local, and Non-Governmental Organization parties to the biological opinions litigation as a means to seek improved scientific understanding of species in a way that would reduce the chance of litigation in the future. This program is working well with the exception that funding has been difficult to obtain and Reclamation has experienced serious difficulties and delays in contracting. Staff recommends that a provision be added to Title II to fix contracting issues, authorize Reclamation to contribute directly to CSAMP, and authorize \$5 million in appropriations.

## Policy

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Minute Item 46637, dated April 11, 2006, adopting a set of Delta policy principles ensuring a foundation for development of future positions and provide guidance to staff

Minute Item 47135, dated June 12, 2007, adopting Metropolitan's Delta Action Plan

Draft Minute Item 50217, dated August 18, 2015, adopting additional Metropolitan 2015/2016 Legislative Priorities

## California Environmental Quality Act (CEQA)

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### CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because the proposed action involves organizational and administrative activities that will not result in physical changes in the environment (Section 15378(b)(5) of the State CEQA Guidelines). In addition, where it can be seen with certainty that there is no possibility that the proposed action in question may have a significant effect on the environment, the proposed action is not subject to CEQA (Section 15061(b)(3) of the State CEQA Guidelines).

The CEQA determination is: Determine that the proposed action is not subject to the provisions of CEQA pursuant to Sections 15378(b)(5) and 15061(b)(3) of the State CEQA Guidelines.

### CEQA determination for Option #2:

None required

## Board Options

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### Option #1

Adopt the CEQA determination that the proposed action is not defined as a project under CEQA and is not subject to CEQA, and

Authorize the General Manager to express a support position for, and seek amendments to S. 1894.

**Fiscal Impact:** Unknown

**Business Analysis:** If passed, S. 1894 could potentially provide short-term benefits to SWP operations during the drought. If authorized funding is appropriated, it could also provide a significant amount of funding for water supply and demand-management projects that benefit Southern California.

### Option #2

Adopt the CEQA determination that the proposed action is not defined as a project under CEQA and is not subject to CEQA, and

Take no position on S. 1894.

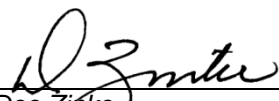
**Fiscal Impact:** Unknown

**Business Analysis:** If passed, S. 1894 could potentially provide short-term benefits to SWP operations during the drought. If authorized funding is appropriated, it could also provide a significant amount of funding for water supply and demand-management projects that benefit Southern California.

### Staff Recommendation

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Option #1

  
\_\_\_\_\_  
Dee Zinke  
Deputy General Manager, External Affairs

9/16/2015

Date

  
\_\_\_\_\_  
Jeffrey Kightlinger  
General Manager

9/16/2015

Date

**Attachment 1 – S. 1894 introduced July 29, 2015**

Ref# ea2639178

114TH CONGRESS  
1ST SESSION

# S. 1894

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

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IN THE SENATE OF THE UNITED STATES

JULY 29, 2015

Mrs. FEINSTEIN (for herself and Mrs. BOXER) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

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## A BILL

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

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

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

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

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

- Sec. 1. Short title; table of contents.
- Sec. 2. Definitions.

**TITLE I—CALIFORNIA EMERGENCY DROUGHT RELIEF**

Subtitle A—Drought Relief Actions

- Sec. 101. Emergency operations.

## 2

- Sec. 102. Emergency environmental reviews.
- Sec. 103. State revolving funds.

Subtitle B—Protection of Third-Party Water Rights

- Sec. 111. Offset for State water project.
- Sec. 112. Area of origin and water rights protections.
- Sec. 113. No redirected adverse impacts.

Subtitle C—General Provisions

- Sec. 121. Effect on existing obligations.
- Sec. 122. Level of detail required for analysis.
- Sec. 123. Progress report.
- Sec. 124. Termination.

TITLE II—ACTIONS TO BENEFIT FISH AND REFUGES

- Sec. 201. Actions to benefit threatened and endangered fish populations.
- Sec. 202. Pilot program to protect native anadromous fish in Stanislaus River, Delta, and other Delta tributaries.
- Sec. 203. Improved science to better protect threatened and endangered fish.
- Sec. 204. Actions to benefit refuges.

TITLE III—LONG-TERM WATER SUPPLY PROJECTS

Subtitle A—Desalination and Water Reuse

- Sec. 301. Water recycling and desalination projects.
- Sec. 302. Reauthorization of Desalination Act.

Subtitle B—Storage

- Sec. 311. Definitions.
- Sec. 312. Federal support for investments in storage.
- Sec. 313. CALFED storage projects.
- Sec. 314. Authorization to increase reservoir capacity as part of dam safety projects.
- Sec. 315. Reservoir operation improvement.
- Sec. 316. Report to Congress.

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

- Sec. 321. Promoting water efficiency with WaterSense.
- Sec. 322. Increasing opportunities for agricultural conservation.
- Sec. 323. Assistance for drought-stricken communities.
- Sec. 324. Conservation at California military installations.
- Sec. 325. Support for State Water Resources Control Board curtailment of illegal water diversions.
- Sec. 326. Combating water theft for illegal marijuana cultivation.
- Sec. 327. Support for innovative water supply and conservation technologies.
- Sec. 328. Open water data system.

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

Subtitle A—Reclamation Infrastructure Finance and Innovation Act

- Sec. 401. Purposes.

## 3

- Sec. 402. Definitions.
- Sec. 403. Authority to provide assistance.
- Sec. 404. Applications.
- Sec. 405. Eligibility for assistance.
- Sec. 406. Determination of eligibility and project selection.
- Sec. 407. Secured loans.
- Sec. 408. Program administration.
- Sec. 409. State and local permits.
- Sec. 410. Regulations.
- Sec. 411. Funding.
- Sec. 412. Deauthorization of inactive projects.

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

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

Subtitle C—Water Recycling Eligibility

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

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

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

**1 SEC. 2. DEFINITIONS.**

2 In this Act:

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

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



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

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

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

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

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

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

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

5           (a) WATER SUPPLIES.—

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

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

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

6

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5 (2) REQUEST FOR RESOLUTION.—

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

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

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



## 12

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7 (b) ACTION ON DETERMINATION.—

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

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

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

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

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

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

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

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

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

## 15 **Subtitle C—General Provisions**

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

17 Nothing in this Act—

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

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

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

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

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

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

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

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

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

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



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

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

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

13 **SEC. 124. TERMINATION.**

14 This title shall expire on the later of—

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

17 (2) September 30, 2017.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

25

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

5 (2) AUTHORIZATION OF APPROPRIATIONS.—

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

9 (e) REDUCING PREDATOR HABITAT.—

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

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

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

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

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

5 (2) AUTHORIZATION OF APPROPRIATIONS.—

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

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

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

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

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

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

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

3            (3) AUTHORIZATION OF APPROPRIATIONS.—

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

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

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

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

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

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

23            (3) AUTHORIZATION OF APPROPRIATIONS.—

24       There is authorized to be appropriated to carry out



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

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

5               (1) PILOT PROGRAM.—

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

18                      (B) PLAN.—

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

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

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

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

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

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

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

30

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

23 (3) FUNDING.—

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

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

5           (B) ANNUAL FUNDING.—

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

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

17          (C) ACCOUNTING.—

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

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

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

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

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

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

22 (4) REPORTING AND EVALUATION.—

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

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

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

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

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

12 (5) PERMITS PROCESS.—

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

20 (A) Federal and State water users; and

21 (B) appropriate nongovernmental organiza-  
22 tions.

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

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

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

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

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

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

40

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

8 (b) COST-SHARING.—

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

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

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

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

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

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

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

23 (a) FINDINGS.—Congress finds that—

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

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

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

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

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

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

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

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

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



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

- 1           (63) Monterey Regional Water Pollution Con-  
2           trol Agency.
- 3           (64) Napa County Department of Public  
4           Works.
- 5           (65) North Bay Water Reuse Authority.
- 6           (66) North Marin Water District.
- 7           (67) Novato Sanitary District.
- 8           (68) Olivenhain Municipal Water District.
- 9           (69) Orange County Sanitation District.
- 10          (70) Orange County Water District.
- 11          (71) Otay Water District.
- 12          (72) Padre Dam Municipal Water District.
- 13          (73) Pajaro Valley Water Management Agency.
- 14          (74) Paradise Irrigation District.
- 15          (75) Pebble Beach Community Services Dis-  
16          trict.
- 17          (76) Rainbow Municipal Water District.
- 18          (77) Ramona Municipal Water District.
- 19          (78) Rancho California Water District.
- 20          (79) Rincon Del Diablo Municipal Water Dis-  
21          trict.
- 22          (80) Sacramento Regional County Sanitation  
23          District.
- 24          (81) San Bernardino County Special Districts.

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

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

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

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

7           (105) Yucaipa Valley Water District.

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

18               (1) Cambria Desalination Project.

19               (2) Camp Pendleton Seawater Desalination  
20          Project.

21               (3) Chino Basin Desalter 3.

22               (4) Doheny Ocean Desalination Project.

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

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

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

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

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

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

9           (26) West Simi Valley Desalter.

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

19                (1) groundwater recharge;

20                (2) stormwater capture;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

10 “(b) FEASIBILITY STUDIES.—

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

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

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

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

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

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

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

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

10          “(c) PROJECT DESIGN.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## 4 **Subtitle B—Storage**

### 5 **SEC. 311. DEFINITIONS.**

6 In this subtitle:

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

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

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

#### 19 **AGE.**

20 (a) FEDERAL STORAGE PROJECTS.—

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

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

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

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

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

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

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

3       (b) NON-FEDERAL STORAGE PROJECTS.—

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

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

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

15             (B) the Secretary—

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4 (c) AUTHORIZATION OF APPROPRIATIONS.—

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

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

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

19 (a) FINDINGS.—Congress finds that—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

4 “(A) necessary;

5 “(B) in the interests of—

6 “(i) the United States; and

7 “(ii) the project;

8 “(C) feasible; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14 (d) PILOT PROJECTS.—

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

25 (A) forecast-informed operations;

1 (B) new watershed data; and

2 (C) if applicable, spillway improvements.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

17          (h) EFFECT.—

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

21                (2) EFFECT.—

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



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

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

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

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

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

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

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

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

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

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

13 (1) to reduce water use;

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

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

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

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

4 (1) establish—

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

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

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

13 (A) reducing water use; and

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

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

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

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

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

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

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

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

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

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

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

6                   (A) an explanation of the changes; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22 (d) CONTRIBUTED FUNDS.—

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





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

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

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

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

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

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

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

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

11      (2) ELIGIBLE COMMUNITIES.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5 (a) INITIAL ASSESSMENT.—

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

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

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

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

21 (A) consideration of—

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

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

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

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

6 (B) a description of—

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

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

17 (I) reduce water demand;

18 (II) increase water conservation;

19 or

20 (III) reclaim water.

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

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

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

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

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

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

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

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

5 (1) are conducted on public land; or

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

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

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

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

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

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



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

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

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

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

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

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

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

22 (2) is economically feasible;

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

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

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

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

9           (e) AUTHORITY TO ENGAGE OTHERS.—

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

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

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

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

6 (f) COST-SHARING.—

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

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

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

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

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

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

4 (a) DEFINITIONS.—In this section:

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

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

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

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

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

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

21 (4) STATE.—The term “State” means—

22 (A) a State;

23 (B) the District of Columbia;

24 (C) the Commonwealth of Puerto Rico;

25 and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

8 **SEC. 401. PURPOSES.**

9 The purposes of this subtitle are—

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

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

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

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

23 **SEC. 402. DEFINITIONS.**

24 In this subtitle:

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

3 (A) a corporation;

4 (B) a partnership;

5 (C) a joint venture;

6 (D) a trust;

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

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

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

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

23 (4) LENDER.—

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



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

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

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

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

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

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

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1 (7) PROJECT OBLIGATION.—

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

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

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

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

17 (A) Arizona;

18 (B) California;

19 (C) Colorado;

20 (D) Idaho;

21 (E) Kansas;

22 (F) Montana;

23 (G) Nebraska;

24 (H) Nevada;

25 (I) New Mexico;

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

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

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

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

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

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

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

9           (1) any Reclamation State;

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

13           (3) the States of Alaska and Hawaii.

14 **SEC. 404. APPLICATIONS.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3 (1) CREDITWORTHINESS.—

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

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

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

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

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

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

4           (b) SELECTION CRITERIA.—

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

4 (a) AGREEMENTS.—

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

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

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

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

19 (i) is selected under section 406; or

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

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

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

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

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

17 (b) TERMS AND LIMITATIONS.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

25          (c) REPAYMENT.—

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

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

11          (3) DEFERRED PAYMENTS.—

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

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

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

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

6 (C) CRITERIA.—

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

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

15 (4) PREPAYMENT.—

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

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

6 (d) SALE OF SECURED LOANS.—

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

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

20 (e) LOAN GUARANTEES.—

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



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

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

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

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

14               (1) ESTABLISHMENT.—

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

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

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

4 (2) CAPITAL RESERVE FEES.—

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

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

21 (c) SERVICER.—

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

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

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

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

7           (a) ESTABLISHMENT.—

8           (1) ASSUMPTION OF RESPONSIBILITY.—

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

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

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

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

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

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

17 (b) STATE PARTICIPATION.—

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

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

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

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

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

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

17 (3) PUBLIC NOTICE.—

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

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

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

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

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

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

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

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

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

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

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1 (3) provide that the State—

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

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

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

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

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

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

23 (6) be renewable.

24 (d) JURISDICTION.—

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

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

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

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

19          (f) AUDITS.—

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



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

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

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

7       (2) PUBLIC AVAILABILITY AND COMMENT.—

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

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

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

21       (h) TERMINATION.—

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

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

4 (B) the Secretary provides to the State—  
5 (i) notification of the determination of  
6 noncompliance; and

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

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

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

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

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

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

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

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

10 **SEC. 410. REGULATIONS.**

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

14 **SEC. 411. FUNDING.**

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

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

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

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

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

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

12 (a) PURPOSES; DEFINITIONS.—

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

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

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

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

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

7 (i) in the Federal interest; or

8 (ii) feasible.

9 (2) DEFINITIONS.—In this section:

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

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

17 (b) COMPREHENSIVE REPORTS.—

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

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

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

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

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

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

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

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

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

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

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

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

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

15 (c) INTERIM DEAUTHORIZATION LIST.—

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

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

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

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

6 (2) PUBLIC COMMENT AND CONSULTATION.—

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

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

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

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

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

25 (d) FINAL DEAUTHORIZATION LIST.—



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

7           (2) IDENTIFICATION OF PROJECTS.—

8           (A) CRITERIA FOR INCLUSION.—

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

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

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

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

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

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

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

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

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

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

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

8 (e) DEAUTHORIZATION; CONGRESSIONAL REVIEW.—

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

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

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

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

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

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

17 (a) FINDINGS.—Congress finds that—

18 (1) the State is currently experiencing an his-  
19 toric drought that has not been witnessed in over  
20 100 years of recorded history, and funding will allow  
21 the Bureau of Reclamation to better respond to and  
22 mitigate the potential impacts of extended drought  
23 and long-term sustainability challenges;

24 (2) since WaterSMART was established in  
25 2010, the program has provided approximately

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1       \$250,000,000 in competitively awarded funding to  
2       non-Federal partners, including Indian tribes, water  
3       districts, municipalities, and institutions of higher  
4       education, which investments have conserved enough  
5       water to meet the needs of more than 3,800,000 in-  
6       dividuals, allowing every acre-foot of water conserved  
7       to be made available for other uses; and

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

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

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

19               (2) by inserting after subsection (b) the fol-  
20       lowing:

21       “(c) WATER STORAGE, INTEGRATED REGIONAL  
22       WATER MANAGEMENT, RECLAMATION, AND RECYCLING  
23       PROJECTS.—

24               “(1) IN GENERAL.—The Secretary is authorized  
25       to enter into cost shared financial assistance and

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1 other long-term agreements with non-Federal par-  
2 ticipants in Reclamation States (as defined in sec-  
3 tion 402 of the California Emergency Drought Re-  
4 lief Act of 2015) and the States of Hawaii and Alas-  
5 ka to advance the planning, design, and construction  
6 of non-Federal permanent water storage and convey-  
7 ance facilities, projects for the reclamation and reuse  
8 of municipal, industrial, domestic and agricultural  
9 wastewater, and naturally impaired ground and sur-  
10 face waters, and other water management improve-  
11 ment projects for which the Secretary is authorized  
12 under this subtitle to assist an applicant in the plan-  
13 ning, design, and construction.

14 “(2) PRIORITY.—In providing financial assist-  
15 ance under this section, the Secretary shall give pri-  
16 ority to storage, conveyance, and water management  
17 improvement projects that—

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

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

22 “(C) increase the availability of usable  
23 water supplies in a watershed or region to ben-  
24 efit individuals, the economy, and the environ-

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1 ment and include adaptive measures needed to  
2 address climate change and future demands;

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

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

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

16 “(3) FEDERAL COST SHARE.—The Federal  
17 share of the cost of a project authorized under sub-  
18 section (a) shall be—

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

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

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

23 “(B) nonreimbursable.

24 “(4) IN-KIND CONTRIBUTIONS.—The non-Fed-  
25 eral share of the cost of a project authorized under

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1 subsection (a) may include in-kind contributions to  
2 the planning, design, and construction of a project.

3 “(5) TITLE; OPERATION AND MAINTENANCE  
4 COSTS.—The non-Federal entity entering into a fi-  
5 nancial assistance agreement under this subsection  
6 shall hold title to any and all facilities constructed  
7 under this section, and shall be solely responsible for  
8 the costs of operating and maintaining such facili-  
9 ties.”; and

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

## 13 **Subtitle C—Water Recycling** 14 **Eligibility**

### 15 **SEC. 431. NEW WATER RECYCLING AND REUSE PROJECTS.**

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

19 “(e) AUTHORIZATION OF NEW WATER RECYCLING  
20 AND REUSE PROJECTS.—

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



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1           “(2) ELIGIBLE PROJECTS.—A project shall be  
2 considered eligible for consideration under this sub-  
3 section if the project reclaims and reuses—

4                   “(A) municipal, industrial, domestic, or ag-  
5 ricultural wastewater; or

6                   “(B) impaired ground or surface waters.

7           “(3) GUIDELINES.—

8                   “(A) IN GENERAL.—Not later than 90  
9 days after the date of enactment of this sub-  
10 section, the Secretary shall issue water recy-  
11 cling project solicitation and evaluation guide-  
12 lines that include the criteria listed in sub-  
13 section (f)(2).

14                   “(B) REVIEW.—Consistent with the prior-  
15 ities described in section 301 of the California  
16 Emergency Drought Relief Act of 2015, the  
17 Secretary shall review each feasibility study re-  
18 ceived under paragraph (1) for the purpose of  
19 determining whether the study, and the process  
20 under which the study was developed, comply  
21 with Federal laws and regulations applicable to  
22 feasibility studies of water recycling and reuse  
23 projects.

24           “(f) COMPETITIVE GRANT FUNDING OF WATER RE-  
25 CYCLING AND REUSE PROJECTS.—

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1           “(1) ESTABLISHMENT.—The Secretary shall es-  
2           tablish a competitive grant program under which the  
3           non-Federal project sponsor of any project deter-  
4           mined by the Secretary to be feasible under sub-  
5           section (e)(2) shall be eligible to apply for funding  
6           for the planning, design, and construction of the  
7           project.

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

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

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

19          “(3) CRITERIA.—The project criteria referred  
20          to in paragraph (2) are as follows:

21                 “(A) Projects that are likely—

22                         “(i) to provide a more reliable water  
23                         supply; and

24                         “(ii) to protect, restore, or enhance  
25                         aquatic ecosystems including estuaries,

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1 groundwater basins, and rivers and  
2 streams and tributaries.

3 “(B) Projects that are likely to increase  
4 water management flexibility and reduce im-  
5 pacts on environmental resources.

6 “(C) Projects that are regional in scale or  
7 are included in integrated regional water man-  
8 agement plans.

9 “(D) Projects that use integrated and co-  
10 ordinated water management on a watershed or  
11 regional scale.

12 “(E) Projects that provide multiple bene-  
13 fits, including improved water supply reliability  
14 for urban and agricultural water users, eco-  
15 system benefits, such as benefits to fisheries,  
16 wildlife and habitat, water quality, groundwater  
17 management, and water quality improvements.

18 “(F) Projects for which a feasibility study  
19 has been completed and any necessary environ-  
20 mental or public reviews have been initiated.

21 “(4) AUTHORIZATION OF APPROPRIATIONS.—  
22 There is authorized to be appropriated to the Sec-  
23 retary to carry out this subsection \$200,000,000  
24 through fiscal year 2020.”.

1 **Subtitle D—Federal Support for**  
2 **State and Local Drought Solu-**  
3 **tions Fund**

4 **SEC. 441. ESTABLISHMENT.**

5 There is established in the Treasury of the United  
6 States a fund, to be known as the “Federal Support for  
7 State and Local Drought Solutions Fund” (referred to in  
8 this subtitle as the “Fund”), consisting of—

9 (1) such amounts as are deposited in the Fund  
10 under section 443; and

11 (2) any interest earned on investment of  
12 amounts in the Fund under section 445.

13 **SEC. 442. ACCOUNTS.**

14 Within the Fund, there are established the following  
15 accounts:

16 (1) The Federal Assistance to State and Local  
17 Storage Project Account, for expenditure on projects  
18 with a maximum 25-percent Federal cost share au-  
19 thorized under section 301(c).

20 (2) The Reclamation Infrastructure Finance  
21 and Innovation Account, for expenditure on Federal  
22 loan guarantees authorized under subtitle A.

23 **SEC. 443. DEPOSITS TO FUND.**

24 (a) IN GENERAL.—For each of fiscal years 2026  
25 through 2050, the Secretary of the Treasury shall deposit

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1 in the Fund \$150,000,000 of the revenues that would oth-  
2 erwise be deposited for the fiscal year in the reclamation  
3 fund established by the first section of the Act of June  
4 17, 1902 (32 Stat. 388, chapter 1093), of which—

5 (1) \$75,000,000 for each of those fiscal years  
6 shall be deposited in the Federal Assistance to State  
7 and Local Storage Project Account established by  
8 section 442(1);

9 (2) \$40,000,000 for each of those fiscal years  
10 shall be used to fund projects pursuant to section  
11 1602 of the Reclamation Wastewater and Ground-  
12 water Study and Facilities Act (43 U.S.C. 390h);  
13 and

14 (3) \$35,000,000 for each of the fiscal years  
15 shall be deposited in the Reclamation Infrastructure  
16 Finance and Innovation Account established by sec-  
17 tion 442(2).

18 (b) AVAILABILITY OF AMOUNTS.—Amounts depos-  
19 ited in the Fund under this subtitle shall—

20 (1) be made available in accordance with this  
21 section, without further appropriation; and

22 (2) be in addition to amounts appropriated for  
23 such purposes under any other provision of law.

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1 **SEC. 444. EXPENDITURES FROM FUND.**

2 (a) IN GENERAL.—Subject to subsection (b), for each  
3 of fiscal years 2026 through 2050, the Secretary of the  
4 Interior may expend from the Fund, in accordance with  
5 this subtitle, not more than an amount equal to the sum  
6 of—

7 (1) the amounts deposited in the Fund that  
8 year under section 443; and

9 (2) the amount of interest accrued in the Fund  
10 in each account for the fiscal year in which the ex-  
11 penditures are made, with the interest accrued in  
12 each account used only for expenditures from that  
13 account.

14 (b) ADDITIONAL EXPENDITURES.—

15 (1) IN GENERAL.—The Secretary may expend  
16 more in any fiscal year than the amounts described  
17 in subsection (a) if the additional amounts are avail-  
18 able in the Fund as a result of a failure of the Sec-  
19 retary to expend all of the amounts available under  
20 subsection (a) in 1 or more prior fiscal years.

21 (2) RETENTION IN ACCOUNTS.—Any additional  
22 amounts referred to in paragraph (1) shall—

23 (A) be retained within the account to  
24 which the amounts were designated;

25 (B) accrue interest for the designated ac-  
26 count in accordance with this subtitle; and

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1 (C) only be expended for the purposes for  
2 which expenditures from the designated ac-  
3 counts are authorized.

4 **SEC. 445. INVESTMENTS OF AMOUNTS.**

5 (a) IN GENERAL.—The Secretary shall invest such  
6 portion of the Fund as is not, in the judgment of the Sec-  
7 retary, required to meet current withdrawals.

8 (b) CREDITS TO FUND.—The interest on, and the  
9 proceeds from the sale or redemption of, any obligations  
10 held in the Fund shall be credited to, and form a part  
11 of, the Fund.

12 **SEC. 446. TRANSFERS OF AMOUNTS.**

13 (a) IN GENERAL.—The amounts required to be  
14 transferred to the Fund under this subtitle shall be trans-  
15 ferred at least monthly from the general fund of the  
16 Treasury to the Fund on the basis of estimates made by  
17 the Secretary of the Treasury.

18 (b) ADJUSTMENTS.—Proper adjustment shall be  
19 made in amounts subsequently transferred to the extent  
20 prior estimates are in excess of or less than the amounts  
21 required to be transferred.

22 **SEC. 447. TERMINATION.**

23 On September 30, 2050—

24 (1) the Fund shall terminate; and

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1           (2) the unexpended and unobligated balance of  
2           the Fund shall be transferred to the reclamation  
3           fund established by the first section of the Act of  
4           June 17, 1902 (32 Stat. 388, chapter 1093).

○