

**AMENDMENT**  
**TO RULES COMMITTEE PRINT 115-72**  
**OFFERED BY MR. DENHAM OF CALIFORNIA**

Add at the end of title I the following:

1 **SEC. \_\_\_\_ . RECLAMATION WATER INFRASTRUCTURE FI-**  
2 **NANCE AND INNOVATION.**

3 (a) **SHORT TITLE.**—This section may be cited as the  
4 “Reclamation Water Infrastructure Finance and Innova-  
5 tion Act of 2018”.

6 (b) **DEFINITIONS.**—Section 5022 of the Water Infra-  
7 structure Finance and Innovation Act of 2014 (33 U.S.C.  
8 3901) is amended—

9 (1) by redesignating paragraphs (2) through  
10 (15) as paragraphs (3), (4), (5), (6), (7), (8), (9),  
11 (10), (12), (13), (14), (15), (16), and (17), respec-  
12 tively;

13 (2) by inserting after paragraph (1) the fol-  
14 lowing:

15 “(2) **COMMISSIONER.**—The term ‘Commis-  
16 sioner’ means the Commissioner of Reclamation.”;  
17 and

18 (3) by inserting after paragraph (10) (as so re-  
19 designated) the following:

1           “(11) RECLAMATION STATE.—The term ‘Rec-  
2           lamation State’ means any of the States of—

3           “(A) Arizona;

4           “(B) California;

5           “(C) Colorado;

6           “(D) Idaho;

7           “(E) Kansas;

8           “(F) Montana;

9           “(G) Nebraska;

10          “(H) Nevada;

11          “(I) New Mexico;

12          “(J) North Dakota;

13          “(K) Oklahoma;

14          “(L) Oregon;

15          “(M) South Dakota;

16          “(N) Texas;

17          “(O) Utah;

18          “(P) Washington; and

19          “(Q) Wyoming.”.

20          (c) AUTHORITY TO PROVIDE ASSISTANCE.—Section  
21          5023 of the Water Infrastructure Finance and Innovation  
22          Act of 2014 (33 U.S.C. 3902) is amended—

23                 (1) in subsection (a)—

24                         (A) by striking “The Secretary” and in-  
25                         serting the following:

1           “(1) CORPS OF ENGINEERS AND EPA  
2 PROJECTS.—The Secretary”; and

3           (B) by adding at the end the following:

4           “(2) BUREAU OF RECLAMATION PROJECTS.—

5           “(A) IN GENERAL.—The Commissioner, in  
6 consultation with the Administrator, shall select  
7 and recommend to the Administrator for finan-  
8 cial assistance under this subtitle any project  
9 that is—

10           “(i) eligible under paragraph (9),  
11 (10), or (12) of section 5026; and

12           “(ii) located in a Reclamation State,  
13 the State of Alaska, or the State of Ha-  
14 waii.

15           “(B) ADMINISTRATION.—The Adminis-  
16 trator may issue and administer any financial  
17 assistance for projects recommended by the  
18 Commissioner under subparagraph (A).

19           “(C) GUIDANCE.—The Commissioner shall  
20 issue guidance that describes the information  
21 that an applicant for a project described in sub-  
22 paragraph (A) shall include in the application.”;  
23 and

24           (2) in subsection (b)—

1 (A) in paragraph (2), by striking “and  
2 (9)” and inserting “(9), (10), and (11)”; and

3 (B) in paragraph (3), by striking “(10)”  
4 and inserting “(12)”.

5 (d) APPLICATIONS.—Section 5024 of the Water In-  
6 frastructure Finance and Innovation Act of 2014 (33  
7 U.S.C. 3903) is amended—

8 (1) by striking “Secretary or the Adminis-  
9 trator” each place it appears and inserting “Sec-  
10 retary, the Administrator, or the Commissioner”;  
11 and

12 (2) in subsection (b), by striking “paragraph  
13 (9) or (10)” and inserting “paragraph (11) or  
14 (12)”.

15 (e) ELIGIBLE ENTITIES.—Section 5025 of the Water  
16 Infrastructure Finance and Innovation Act of 2014 (33  
17 U.S.C. 3904) is amended—

18 (1) by striking “The following entities” and in-  
19 serting the following:

20 “(a) IN GENERAL.—The following entities”; and

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

22 “(b) BUREAU OF RECLAMATION PROJECTS.—In the  
23 case of a project eligible for assistance under paragraph  
24 (9) or (10) of section 5026, the following entities are eligi-  
25 ble to receive assistance under this subtitle:

1 “(1) An entity described in subsection (a).

2 “(2) A conservancy district, reclamation dis-  
3 trict, or irrigation district.

4 “(3) A canal company or mutual water com-  
5 pany.

6 “(4) A water users’ association.

7 “(5) An agency created by interstate compact.

8 “(6) Any individual or other entity that has the  
9 capacity to contract with the United States under  
10 Federal reclamation law.”.

11 (f) PROJECTS ELIGIBLE FOR ASSISTANCE.—Section  
12 5026 of the Water Infrastructure Finance and Innovation  
13 Act of 2014 (33 U.S.C. 3905) is amended—

14 (1) in paragraph (8)(A), by inserting “or para-  
15 graph (9) or (10)” after “through (6)”;

16 (2) by redesignating paragraphs (9) and (10)  
17 as paragraphs (11) and (12), respectively;

18 (3) by inserting after paragraph (8) the fol-  
19 lowing:

20 “(9) Any non-Federal water infrastructure  
21 project that the Commissioner determines would  
22 contribute to a safe, adequate water supply for do-  
23 mestic, agricultural, environmental, or municipal and  
24 industrial use and is otherwise eligible for assistance  
25 under this subtitle, including—

1           “(A) a project for the reclamation and  
2 reuse of wastewater, and naturally impaired  
3 ground and surface waters;

4           “(B) a new water infrastructure facility  
5 project, including a water conduit, pipeline,  
6 canal, pumping, power, and associated facilities  
7 or a water efficiency project;

8           “(C) a project for accelerated repair and  
9 replacement of an aging water distribution fa-  
10 cility;

11           “(D) a brackish or sea water desalination  
12 project, including chloride control; and

13           “(E) a project for groundwater replenish-  
14 ment, groundwater storage, or surface storage.

15           “(10) A water infrastructure project for water  
16 supply purposes as described in paragraph (9) that  
17 supports improvements to, or is associated with, Bu-  
18 reau of Reclamation projects, if—

19           “(A) the eligible entity demonstrates to the  
20 satisfaction of the Commissioner that it is initi-  
21 ating and implementing the project for non-  
22 Federal purposes;

23           “(B) the eligible entity retains, or secures  
24 through a long-term Federal property lease or  
25 easement agreement, which the Commissioner is

1 hereby authorized to enter into with the eligible  
2 entity, substantial control over the project's as-  
3 sets, operation, and management and mainte-  
4 nance; and

5 “(C) the project meets such other criteria  
6 as the Commissioner may establish for projects  
7 under this paragraph.”; and

8 (4) in paragraph (12) (as so redesignated), by  
9 striking “or (8)” and inserting “(8), (9), or (10)”.

10 (g) DETERMINATION OF ELIGIBILITY AND PROJECT  
11 SELECTION.—Section 5028 of the Water Infrastructure  
12 Finance and Innovation Act of 2014 (33 U.S.C. 3907) is  
13 amended—

14 (1) in subsection (a)—

15 (A) in paragraph (1)(E), by striking  
16 “under section 5026(9) or an entity for a  
17 project under section 5026(10)” and inserting  
18 “under section 5026(11) or an entity for a  
19 project under section 5026(12)”;

20 (B) in paragraph (2)—

21 (i) in subparagraph (A), by striking  
22 “subparagraph (B)” and inserting “sub-  
23 paragraphs (B) and (C)”;

24 (ii) by adding at the end the fol-  
25 lowing:

1           “(C) SMALL WATER SUPPLY PROJECTS.—  
2           For projects eligible for assistance under sec-  
3           tion 5026(9) that will provide water supply to  
4           an area of not more than 25,000 individuals—

5                   “(i) the eligible project costs shall be  
6                   reasonably anticipated to be not less than  
7                   \$5,000,000; and

8                   “(ii) the Commissioner may assist ap-  
9                   plicants in combining 1 or more projects  
10                  into a single application in order to meet  
11                  the requirement under clause (i).”; and

12                  (C) in paragraph (6)(A), by striking “Sec-  
13                  retary or the Administrator” and inserting  
14                  “Secretary, the Administrator, or the Commis-  
15                  sioner”; and

16                  (2) in subsection (b)(3), by striking “section  
17                  5026(9)” and inserting “section 5026(11)”.

18           (h) REGULATIONS.—Section 5032 of the Water In-  
19           frastructure Finance and Innovation Act of 2014 (33  
20           U.S.C. 3911) is amended—

21                   (1) by striking “Secretary or the Adminis-  
22                   trator” and inserting “Secretary, the Administrator,  
23                   or the Commissioner”; and

1           (2) by striking “Secretary or Administrator”  
2           and inserting “Secretary, the Administrator, or the  
3           Commissioner”.

4           (i) FUNDING.—Section 5033 of the Water Infrastruc-  
5           ture Finance and Innovation Act of 2014 (33 U.S.C.  
6           3912) is amended—

7           (1) in subsection (a)—

8                   (A) by redesignating paragraphs (1)  
9                   through (5) as subparagraphs (A) through (E),  
10                   respectively, and indenting appropriately;

11                   (B) in the matter preceding subparagraph  
12                   (A) (as so redesignated), by striking “There is  
13                   authorized” and inserting the following:

14                   “(1) CORPS OF ENGINEERS AND EPA.—There  
15                   are authorized”; and

16                   (C) by adding at the end the following:

17                   “(2) BUREAU OF RECLAMATION PROJECTS.—  
18                   There are authorized to be appropriated to carry out  
19                   projects described in section 5023(a)(2)(A), to re-  
20                   main available until expended—

21                           “(A) \$2,000,000 for fiscal year 2019;

22                           “(B) \$22,000,000 for fiscal year 2020;

23                           “(C) \$22,000,000 for fiscal year 2021;

24                           “(D) \$22,000,000 for fiscal year 2022;

25                           “(E) \$22,000,000 for fiscal year 2023; and

1 “(F) \$23,000,000 for fiscal year 2024.”;

2 and

3 (2) in subsection (b)—

4 (A) by striking “Of the funds” and insert-  
5 ing the following:

6 “(1) IN GENERAL.—Of the funds”; and

7 (B) by adding at the end the following:

8 “(2) BUREAU OF RECLAMATION.—Of the funds  
9 made available under subsection (a)(2)—

10 “(A) the Commissioner may use for the  
11 administration of this subtitle, including for the  
12 provision of technical assistance to aid project  
13 sponsors in obtaining the necessary approvals  
14 for the project—

15 “(i) not more than \$2,000,000 for fis-  
16 cal year 2019; and

17 “(ii) not more than \$2,200,000 for  
18 each of fiscal years 2020 through 2024;

19 and

20 “(B) the Administrator may use to admin-  
21 ister any loans recommended by the Commis-  
22 sioner under section 5023(a)(2)(A), not more  
23 than \$2,000,000 for each of fiscal years 2020  
24 through 2024.

25 “(3) SMALL WATER SUPPLY PROJECTS.—

1           “(A) IN GENERAL.—Subject to subpara-  
2 graph (B), of the funds made available under  
3 subsection (a)(2), the Commissioner may use to  
4 provide assistance, including assistance to pay  
5 the costs of acquiring the rating opinion letters  
6 under section 5028(a)(1)(D), to assist project  
7 sponsors in obtaining the necessary approvals  
8 for small water supply projects that are eligible  
9 for assistance under section 5028(a)(2)(C), not  
10 more than \$2,000,000 for each fiscal year.

11           “(B) LIMITATION.—Assistance provided to  
12 a project sponsor under subparagraph (A) may  
13 not exceed an amount equal to 75 percent of  
14 the total administrative costs incurred by the  
15 project sponsor in securing financial assistance  
16 under this subtitle.”.

17           (j) LIMITATION.—Section 5029 of the Water Infra-  
18 structure Finance and Innovation Act of 2014 (33 U.S.C.  
19 3908) is amended by adding at the end the following:

20           “(f) LIMITATION.—No project eligible under section  
21 3905(9) or (10) that receives Federal credit assistance  
22 under this Act may be financed (directly or indirectly),  
23 in whole or in part, with proceeds of any obligation—

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

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

