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

Add at the end of title I the following:

SEC. 3. RECLAMATION WATER INFRASTRUCTURE FINANCE AND INNOVATION.

(a) SHORT TITLE.—This section may be cited as the “Reclamation Water Infrastructure Finance and Innovation Act of 2018”.

(b) DEFINITIONS.—Section 5022 of the Water Infrastructure Finance and Innovation Act of 2014 (33 U.S.C. 3901) is amended—

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

(2) by inserting after paragraph (1) the following:

“(2) COMMISSIONER.—The term ‘Commissioner’ means the Commissioner of Reclamation.”;

and

(3) by inserting after paragraph (10) (as so redesignated) the following:
“(11) RECLAMATION STATE.—The term ‘Reclamation State’ means any of the States of—

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

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

(1) in subsection (a)—

(A) by striking “The Secretary” and inserting the following:
“(1) CORPS OF ENGINEERS AND EPA PROJECTS.—The Secretary”; and

(B) by adding at the end the following:

“(2) BUREAU OF RECLAMATION PROJECTS.—

“(A) IN GENERAL.—The Commissioner, in consultation with the Administrator, shall select and recommend to the Administrator for financial assistance under this subtitle any project that is—

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

“(ii) located in a Reclamation State, the State of Alaska, or the State of Hawaii.

“(B) ADMINISTRATION.—The Administrator may issue and administer any financial assistance for projects recommended by the Commissioner under subparagraph (A).

“(C) GUIDANCE.—The Commissioner shall issue guidance that describes the information that an applicant for a project described in subparagraph (A) shall include in the application.”;

and

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

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

(d) APPLICATIONS.—Section 5024 of the Water Infrastructure Finance and Innovation Act of 2014 (33 U.S.C. 3903) is amended—

(1) by striking “Secretary or the Administrator” each place it appears and inserting “Secretary, the Administrator, or the Commissioner”;

and

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

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

(1) by striking “The following entities” and inserting the following:

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

(2) by adding at the end the following:

“(b) BUREAU OF RECLAMATION PROJECTS.—In the case of a project eligible for assistance under paragraph (9) or (10) of section 5026, the following entities are eligible to receive assistance under this subtitle:
“(1) An entity described in subsection (a).

“(2) A conservancy district, reclamation district, or irrigation district.

“(3) A canal company or mutual water company.

“(4) A water users’ association.

“(5) An agency created by interstate compact.

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

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

(1) in paragraph (8)(A), by inserting “or paragraph (9) or (10)” after “through (6)”;

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

(3) by inserting after paragraph (8) the following:

“(9) Any non-Federal water infrastructure project that the Commissioner determines would contribute to a safe, adequate water supply for domestic, agricultural, environmental, or municipal and industrial use and is otherwise eligible for assistance under this subtitle, including—
“(A) a project for the reclamation and reuse of wastewater, and naturally impaired ground and surface waters;

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

“(C) a project for accelerated repair and replacement of an aging water distribution facility;

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

“(E) a project for groundwater replenishment, groundwater storage, or surface storage.

“(10) A water infrastructure project for water supply purposes as described in paragraph (9) that supports improvements to, or is associated with, Bureau of Reclamation projects, if—

“(A) the eligible entity demonstrates to the satisfaction of the Commissioner that it is initiating and implementing the project for non-Federal purposes;

“(B) the eligible entity retains, or secures through a long-term Federal property lease or easement agreement, which the Commissioner is
hereby authorized to enter into with the eligible entity, substantial control over the project’s assets, operation, and management and maintenance; and

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

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

(g) Determination of Eligibility and Project Selection.—Section 5028 of the Water Infrastructure Finance and Innovation Act of 2014 (33 U.S.C. 3907) is amended—

(1) in subsection (a)—

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

(B) in paragraph (2)—

(i) in subparagraph (A), by striking “subparagraph (B)” and inserting “subparagraphs (B) and (C)”;

(ii) by adding at the end the following:
“(C) SMALL WATER SUPPLY PROJECTS.—

For projects eligible for assistance under section 5026(9) that will provide water supply to an area of not more than 25,000 individuals—

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

“(ii) the Commissioner may assist applicants in combining 1 or more projects into a single application in order to meet the requirement under clause (i).”;

(C) in paragraph (6)(A), by striking “Secretary or the Administrator” and inserting “Secretary, the Administrator, or the Commissioner”; and

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

(h) REGULATIONS.—Section 5032 of the Water Infrastructure Finance and Innovation Act of 2014 (33 U.S.C. 3911) is amended—

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

(i) FUNDING.—Section 5033 of the Water Infrastructure Finance and Innovation Act of 2014 (33 U.S.C. 3912) is amended—

(1) in subsection (a)—

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

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

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

(C) by adding at the end the following:

“(2) BUREAU OF RECLAMATION PROJECTS.—There are authorized to be appropriated to carry out projects described in section 5023(a)(2)(A), to remain available until expended—

“(A) $2,000,000 for fiscal year 2019;

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

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

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

“(E) $22,000,000 for fiscal year 2023; and
“(F) $23,000,000 for fiscal year 2024.”;

and

(2) in subsection (b)—

(A) by striking “Of the funds” and inserting the following:

“(1) IN GENERAL.—Of the funds”; and

(B) by adding at the end the following:

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

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

“(i) not more than $2,000,000 for fiscal year 2019; and

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

“(B) the Administrator may use to administer any loans recommended by the Commissioner under section 5023(a)(2)(A), not more than $2,000,000 for each of fiscal years 2020 through 2024.

“(3) SMALL WATER SUPPLY PROJECTS.—
“(A) IN GENERAL.—Subject to subparagraph (B), of the funds made available under subsection (a)(2), the Commissioner may use to provide assistance, including assistance to pay the costs of acquiring the rating opinion letters under section 5028(a)(1)(D), to assist project sponsors in obtaining the necessary approvals for small water supply projects that are eligible for assistance under section 5028(a)(2)(C), not more than $2,000,000 for each fiscal year.

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

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

“(f) LIMITATION.—No project eligible under section 3905(9) or (10) that receives Federal credit assistance under this Act may be financed (directly or indirectly), in whole or in part, with proceeds of any obligation—
“(1) the interest on which is exempt from the tax imposed under chapter 1 of the Internal Revenue Code of 1986; or

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