

**AMENDMENT TO H.R. 5538, AS REPORTED
OFFERED BY MR. GARAMENDI OF CALIFORNIA**

Page 162, strike line 14 and all that follows through page 183, line 22.

Page 184, after line 21, insert the following:

1 **TITLE V—CALIFORNIA LONG-**
2 **TERM PROVISIONS FOR**
3 **WATER SUPPLY AND SHORT-**
4 **TERM PROVISIONS FOR**
5 **EMERGENCY DROUGHT RE-**
6 **LIEF**

7 **SECTION 501. SHORT TITLE; TABLE OF CONTENTS.**

8 (a) **SHORT TITLE.**—This title may be cited as the
9 “California Long-Term Provisions for Water Supply and
10 Short-Term Provisions for Emergency Drought Relief
11 Act”.

12 (b) **TABLE OF CONTENTS.**—The table of contents of
13 this title is as follows:

- Sec. 501. Short title; table of contents.
- Sec. 502. Purposes.
- Sec. 503. Findings.
- Sec. 504. Definitions.

Subtitle A—Long-term Improvements for Western States Subject to Drought

CHAPTER 1—ASSISTANCE FOR DROUGHT-STRICKEN COMMUNITIES

Sec. 511. Assistance for drought-stricken communities and WaterSMART reauthorization.

Sec. 512. Utilizing State revolving funds for areas with inadequate water supplies.

CHAPTER 2—STORAGE PROVISIONS

Sec. 521. Definitions.

Sec. 522. Water storage project construction.

Sec. 523. Reservoir operation improvement.

Sec. 524. Findings.

Sec. 525. Studies.

Sec. 526. Losses caused by construction and operation of water storage projects.

CHAPTER 3—DESALINATION, WATER REUSE AND RECYCLING, AND CONSERVATION

Sec. 531. Water recycling and desalination projects.

Sec. 532. Reauthorization of Water Desalination Act.

Sec. 533. New water recycling and reuse projects.

Sec. 534. Promoting water efficiency with WaterSense.

CHAPTER 4—RECLAMATION INFRASTRUCTURE FINANCE AND INNOVATION

Sec. 541. Purposes.

Sec. 542. Definitions.

Sec. 543. Authority to provide assistance.

Sec. 544. Applications.

Sec. 545. Eligibility for assistance.

Sec. 546. Determination of eligibility and project selection.

Sec. 547. Secured loans.

Sec. 548. Program administration.

Sec. 549. State and local permits.

Sec. 550. Regulations.

Sec. 550a. Funding.

Subtitle B—Listed Species and Wildlife

Sec. 551. Actions to benefit endangered fish populations.

Sec. 552. Actions to benefit refuges.

Sec. 553. Non-Federal program to protect native anadromous fish in Stanislaus River.

Sec. 554. Pilot projects to implement CALFED invasive species program.

Subtitle C—California Emergency Drought Relief and Operational Flexibility

Sec. 561. Taking into account increased real-time monitoring and updated science.

Sec. 562. Emergency operations.

Sec. 563. Temporary operational flexibility to capture peak flows from winter storms.

Sec. 564. Emergency environmental reviews.

Sec. 565. Level of detail required for analysis.

Subtitle D—Water Rights

Sec. 571. Offset for State Water Project.

- Sec. 572. Area of origin and water rights protections.
- Sec. 573. No redirected adverse impacts.
- Sec. 574. Allocations for Sacramento Valley water service contractors.

Subtitle E—Miscellaneous Provisions

- Sec. 581. Authorized service area.
- Sec. 582. Oversight over and public input into Restoration Fund activities.
- Sec. 583. Basin studies.
- Sec. 584. Technical and modeling assistance.
- Sec. 585. Report on results of water usage.
- Sec. 586. Additional storage at New Melones.
- Sec. 587. Contracting authorities.
- Sec. 588. Voluntary open water data system.
- Sec. 589. Single annual report.

Subtitle F—Offsets

- Sec. 591. Deauthorization of inactive projects.
- Sec. 592. Accelerated revenue, repayment, and surface water storage enhancement.

Subtitle G—Duration and Effect on Existing Obligations

- Sec. 595. Savings clause.
- Sec. 596. Termination.

1 **SEC. 502. PURPOSES.**

2 The purposes of this title are—

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

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

8 (3) to protect threatened and endangered spe-
9 cies; and

10 (4) to facilitate the movement of water to com-
11 munities most in need while adhering to all environ-
12 mental laws.

13 **SEC. 503. FINDINGS.**

14 Congress finds that—

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

4 (2) Governor Jerry Brown declared a drought
5 state of emergency on January 17, 2014, and subse-
6 quently imposed strict water reductions on commu-
7 nities throughout the State;

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

10 (A) human health and safety;

11 (B) economic security; and

12 (C) the environment;

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

19 (5) rural and disadvantaged communities have
20 been hardest hit, placing great strain on drinking
21 water supplies in the Southern San Joaquin Val-
22 ley—

23 (A) 69 communities in Southern San Joa-
24 quin Valley have reported significant water sup-
25 ply and quality issues; and

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

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

9 (7) while storage levels are below their histor-
10 ical averages, snowpack is the deepest it's been since
11 2005, the State of California's Department of Water
12 Resources found in its survey conducted on Feb-
13 ruary 2, 2016, that the snow-water equivalent (the
14 amount of water in the snowpack) was 130 percent
15 above the February average;

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

22 (9) thousands of families have been affected,
23 placing ever greater demands on food banks and
24 other relief organizations, and as of December 21,
25 2015—

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

6 (B) nearly 72 percent of the food distribu-
7 tions have occurred in the Tulare Basin coun-
8 ties of Fresno, Kern, Kings, and Tulare;

9 (10) 2015 statewide economic costs are esti-
10 mated at \$2,700,000,00, including but not limited
11 to—

12 (A) the loss of \$900,000,000 in crop rev-
13 enue;

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

16 (C) an increase of \$590,000,000 in ground
17 water pumping costs;

18 (11) 1,032,508 acres in California's Central
19 Valley were fallowed in 2015, a 626,512 acre in-
20 crease from 2011;

21 (12) the drought is imperiling California's for-
22 ests, which provide important ecological, economic,
23 and cultural benefits to the State, and among the ef-
24 fects of the drought—

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

3 (B) 888,000,000 trees, covering
4 26,000,000 acres of California forestland, expe-
5 rienced losses of canopy cover since 2011,
6 threatening ecosystem destruction and loss of
7 animal habitat; and

8 (C) 6,337 fires covering 307,598 acres oc-
9 curred in 2015;

10 (13) fish continue to be threatened by the ex-
11 tended drought, compounding effects on two endan-
12 gered species, further reducing river flows and in-
13 creasing water temperatures—

14 (A) Delta smelt abundance are at a his-
15 toric low, as evidenced by long-term monitoring
16 surveys; and

17 (B) the abundance of the last remaining
18 population of wild Sacramento River winter run
19 Chinook salmon continue to decline, with mor-
20 tality rates between 95 percent and 97 percent
21 over the past 2 years, according to the National
22 Oceanic and Atmospheric Administration;

23 (14) wildlife has also been affected, with Level
24 2 water deliveries to wildlife refuges under the Cen-
25 tral Valley Project Improvement Act reduced by 25

1 percent in the north-of-Delta region and 35 percent
2 in the south-of-Delta region, and delivery schedules
3 shortened to only the winter months, and—

4 (A) these reduced water supplies have con-
5 tributed to a decline of the Pacific Flyway, a
6 migratory route for waterfowl that spans from
7 Alaska to South America;

8 (B) the reduction in water supplies has led
9 to a significant decline in flooded rice fields, a
10 vital habitat for migratory birds. Only one-third
11 of the usual acres of rice fields were flooded in
12 2015; and

13 (C) the reduction of available habitat for
14 migratory waterfowl contributed to a decreased
15 food availability in wildlife refuges and an in-
16 creased risk of disease due to overcrowding of
17 birds;

18 (15) subsidence in California is occurring at
19 more than 12 inches per year, caused in part by an
20 increase in ground water pumping of more than
21 6,000,000 acre feet, some areas in the Central Val-
22 ley have sunk as much as 2 inches per month, and
23 the damage from subsidence is wide-ranging—

1 (A) roads, bridges, building foundations,
2 pipelines, canals, dams, and other infrastruc-
3 ture have been damaged;

4 (B) vital aquifers have been depleted;

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

7 (D) shallow aquifers have become vulner-
8 able to contamination as surface water infil-
9 trates through fissures in the soil;

10 (16) the California Department of Water Re-
11 sources identified 21 ground water basins where ex-
12 cessive ground water pumping has resulted in over-
13 draft, 11 of which are in the San Joaquin Valley;

14 (17) California homes, cities, wildlife, busi-
15 nesses, and farming need more water than is avail-
16 able today, particularly in the San Joaquin Valley;

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

21 (A) alternative management strategies,
22 such as removing nonnative species, enhancing
23 habitat, monitoring fish movement and location
24 in real-time, and improving water quality in the
25 Delta, which could contribute significantly to

1 protecting and recovering those endangered fish
2 species, and at potentially lower costs to water
3 supplies than solely focusing on restrictions on
4 water exports; and

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

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

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

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

21 **SEC. 504. DEFINITIONS.**

22 In this title:

23 (1) ASSISTANT ADMINISTRATOR.—The term
24 “Assistant Administrator” means the Assistant Ad-

1 administrator for Fisheries of the National Oceanic
2 and Atmospheric Administration.

3 (2) 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 (3) COMMISSIONER.—The term “Commis-
9 sioner” means the Commissioner of Reclamation.

10 (4) DELTA.—The term “Delta” means the Sac-
11 ramento-San Joaquin Delta and the Suisun Marsh
12 (as defined in section 12220 of the California Water
13 Code and section 29101 of the California Public Re-
14 sources Code (as in effect on the date of enactment
15 of this title)).

16 (5) DELTA SMELT.—The term “Delta smelt”
17 means the fish species with the scientific name
18 *Hypomesus transpacificus*.

19 (6) DIRECTOR.—The term “Director” means
20 the Director of the United States Fish and Wildlife
21 Service.

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

24 (A) any natural origin steelhead, natural
25 origin genetic spring run Chinook, or genetic

1 winter run Chinook salmon (including any
2 hatchery steelhead or salmon population within
3 the evolutionary significant unit or a distinct
4 population segment); and

5 (B) Delta smelt.

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

8 (9) OMR FLOW.—The term “OMR flow”
9 means Old and Middle River flow of any given meas-
10 urement, expressed in cubic feet per second, as de-
11 scribed in—

12 (A) the smelt biological opinion; and

13 (B) the salmonid biological opinion.

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

16 (A) Arizona;

17 (B) California;

18 (C) Colorado;

19 (D) Idaho;

20 (E) Kansas;

21 (F) Montana;

22 (G) Nebraska;

23 (H) Nevada;

24 (I) New Mexico;

25 (J) North Dakota;

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

8 (11) SALMONID BIOLOGICAL OPINION.—

9 (A) IN GENERAL.—The term “salmonid bi-
10 ological opinion” means the biological and con-
11 ference opinion of the National Marine Fish-
12 eries Service dated June 4, 2009, regarding the
13 long-term operation of the Central Valley
14 Project and the State Water Project, and suc-
15 cessor biological opinions.

16 (B) INCLUSIONS.—The term “salmonid bi-
17 ological opinion” includes the operative inci-
18 dental take statement of the opinion described
19 in subparagraph (A).

20 (12) SMELT BIOLOGICAL OPINION.—

21 (A) IN GENERAL.—The term “smelt bio-
22 logical opinion” means the biological opinion
23 dated December 15, 2008, regarding the coordi-
24 nated operation of the Central Valley Project

1 and the State Water Project, and successor bio-
2 logical opinions.

3 (B) INCLUSIONS.—The term “smelt bio-
4 logical opinion” includes the operative inci-
5 dental take statement of the opinion described
6 in subparagraph (A).

7 (13) STATE WATER PROJECT.—The term
8 “State Water Project” means the water project de-
9 scribed in chapter 5 of part 3 of division 6 of the
10 California Water Code (section 11550 et seq.) (as in
11 effect on the date of enactment of this title) and op-
12 erated by the California Department of Water Re-
13 sources.

14 **Subtitle A—Long-term Improve-**
15 **ments for Western States Sub-**
16 **ject to Drought**

17 **CHAPTER 1—ASSISTANCE FOR DROUGHT-**
18 **STRICKEN COMMUNITIES**

19 **SEC. 511. ASSISTANCE FOR DROUGHT-STRICKEN COMMU-**
20 **NITIES AND WATERSMART REAUTHORIZA-**
21 **TION.**

22 (a) FINDINGS.—Congress finds that—

23 (1) across the United States, more than 90 per-
24 cent of the community water systems serve popu-
25 lations of less than 10,000 individuals;

1 (2) the number of dry wells continues to in-
2 crease as the State of California entered the fourth
3 consecutive summer of drought, with approximately
4 2,591 wells statewide identified as critical or dry,
5 which affected an estimated 12,955 residents, with
6 2,444 of the 2,502 of the dry wells concentrated in
7 the inland regions within the Central Valley;

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

14 (4) those communities throughout the State of
15 California have been impacted by the presence of
16 naturally occurring arsenic in the ground water
17 among other contaminants, as a result of higher
18 concentration of contaminants in the water.

19 (b) AMENDMENT.—Section 9504 of the Omnibus
20 Public Land Management Act of 2009 (42 U.S.C. 10364)
21 is amended—

22 (1) by redesignating subsections (b) through (e)
23 as subsections (d) through (f), respectively;

24 (2) by inserting after subsection (b) the fol-
25 lowing:

1 “(c) WATER STORAGE, INTEGRATED REGIONAL
2 WATER MANAGEMENT, RECLAMATION, AND RECYCLING
3 PROJECTS.—

4 “(1) IN GENERAL.—The Secretary of the Inte-
5 rior is authorized to enter into cost-shared financial
6 assistance and other long-term agreements with non-
7 Federal participants to advance the planning, de-
8 sign, and construction of non-Federal permanent
9 water storage and conveyance facilities, projects for
10 the reclamation and reuse of municipal, industrial,
11 domestic and agricultural wastewater, and naturally
12 impaired ground and surface waters, ground water
13 recharge, and other water management improvement
14 projects for which the Secretary of the Interior is
15 authorized under this subtitle to assist an applicant
16 in the planning, design, and construction.

17 “(2) AUTHORITY TO PROVIDE ASSISTANCE.—
18 The Secretary of the Interior may provide financial
19 assistance under this subtitle to carry out projects
20 within—

21 “(A) any Reclamation State, including—

22 “(i) Arizona;

23 “(ii) California;

24 “(iii) Colorado;

25 “(iv) Idaho;

- 1 “(v) Kansas;
- 2 “(vi) Montana;
- 3 “(vii) Nebraska;
- 4 “(viii) Nevada;
- 5 “(ix) New Mexico;
- 6 “(x) North Dakota;
- 7 “(xi) Oklahoma;
- 8 “(xii) Oregon;
- 9 “(xiii) South Dakota;
- 10 “(xiv) Texas;
- 11 “(xv) Utah;
- 12 “(xvi) Washington; and
- 13 “(xvii) Wyoming; and
- 14 “(B) the States of Alaska and Hawaii.
- 15 “(3) PRIORITY.—In providing financial assist-
- 16 ance under this section, the Secretary of the Interior
- 17 shall give priority to storage, conveyance, and water
- 18 management improvement projects that—
- 19 “(A) ensure the efficient and beneficial use
- 20 of water or reuse of recycled water;
- 21 “(B) use integrated and coordinated water
- 22 management on a watershed or regional scale;
- 23 “(C) increase the availability of usable
- 24 water supplies in a watershed or region to ben-
- 25 efit individuals, the economy, and the environ-

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; and

7 “(E) generate environmental benefits, such
8 as benefits to fisheries, wildlife and habitat,
9 water quality, water-dependent ecological sys-
10 tems, and water supply benefits to agricultural
11 and urban water users.

12 “(4) FEDERAL COST SHARE.—The Federal
13 share of the cost of a project under this subsection
14 shall be—

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

16 “(i) 25 percent of total costs; and

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

19 “(B) nonreimbursable.

20 “(5) IN-KIND CONTRIBUTIONS.—The non-Fed-
21 eral share of the cost of a project under this sub-
22 section may include in-kind contributions to the
23 planning, design, and construction of the project.

24 “(6) TITLE; OPERATION AND MAINTENANCE
25 COSTS.—The non-Federal entity entering into a fi-

1 nancial assistance agreement under this subsection
2 shall—

3 “(A) hold title in and to all facilities con-
4 structed under this subsection, and

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

7 and

8 (3) in subsection (f) (as redesignated by para-
9 graph (1)), by striking “\$350,000,000” and insert-
10 ing “\$500,000,000”.

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

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

16 (2) by inserting after subsection (a) the fol-
17 lowing:

18 “(b) ADDITIONAL ASSISTANCE FOR COMMUNITIES
19 WITHOUT ACCESS TO ADEQUATE WATER.—

20 “(1) IN GENERAL.—To assist disadvantaged
21 communities that have experienced a significant de-
22 cline in quantity or quality of drinking water, and to
23 obtain or maintain adequate quantities of water that
24 meet the standards set by the Federal Water Pollu-
25 tion Control Act (33 U.S.C. 1251 et seq.), the Sec-

1 retary of the Interior is authorized to provide grants
2 for communities—

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

5 “(B) the local private or public water sup-
6 ply of which has been lost or severely dimin-
7 ished due to drought conditions.

8 “(2) ELIGIBLE COMMUNITIES.—To be eligible
9 to receive a grant under this subsection, a commu-
10 nity shall carry out a project described in paragraph
11 (3), the service area of which—

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

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

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

20 “(A) emergency water supplies;

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

23 “(C) distributed treatment facilities;

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

4 “(E) water distribution facilities;

5 “(F) connection fees to existing systems;

6 “(G) assistance to households to connect to
7 water facilities; and

8 “(H) any combination of activities de-
9 scribed in subparagraphs (A) through (G).

10 “(4) PRIORITIZATION.—In determining prior-
11 ities for funding projects, the Secretary of the Inte-
12 rior shall take into consideration—

13 “(A) where water outages—

14 “(i) are most serious; and

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

17 “(B) whether the applicant has the ability
18 to qualify for alternative funding sources.

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

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

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

1 “(C) costs of operation or maintenance in-
2 curred subsequent to placing the facilities or
3 components into service.”.

4 **SEC. 512. UTILIZING STATE REVOLVING FUNDS FOR AREAS**
5 **WITH INADEQUATE WATER SUPPLIES.**

6 (a) IN GENERAL.—For the 5-year period beginning
7 on the date of enactment of this title, in allocating
8 amounts to California from the Clean Water State Revolv-
9 ing Fund established under title VI of the Federal Water
10 Pollution Control Act (33 U.S.C. 1381 et seq.) and the
11 Drinking Water State Revolving Fund established under
12 section 1452 of the Safe Drinking Water Act (42 U.S.C.
13 300j–12) for any project eligible to receive assistance
14 under section 603 of the Federal Water Pollution Control
15 Act (33 U.S.C. 1383) or section 1452(a)(2) of the Safe
16 Drinking Water Act (42 U.S.C. 300j–12(a)(2)), respec-
17 tively, that the State of California determines will provide
18 additional water supplies most expeditiously to areas that
19 are at risk of having an inadequate supply of water for
20 public health and safety purposes or to improve resiliency
21 to drought, the Administrator of the Environmental Pro-
22 tection Agency shall—

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

1 (2) make a finding on any request for a waiver
2 received from the State of California by not later
3 than 30 days after the date of conclusion of the in-
4 formal public comment period pursuant to section
5 436(c) of division G of Public Law 113–76 (128
6 Stat. 347); and

7 (3) authorize, at the request of the State of
8 California, 40-year financing for assistance under
9 section 603(d)(2) of the Federal Water Pollution
10 Control Act (33 U.S.C. 1383(d)(2)) or section
11 1452(f)(2) of the Safe Drinking Water Act (42
12 U.S.C. 300j–12(f)(2)), as applicable.

13 (b) EFFECT OF SECTION.—Nothing in this section
14 authorizes the Administrator of the Environmental Pro-
15 tection Agency to modify any funding allocation, funding
16 criteria, or other requirement relating to State water pol-
17 lution control revolving funds established under title VI
18 of the Federal Water Pollution Control Act (33 U.S.C.
19 1381 et seq.) or the State drinking water treatment re-
20 volving loan funds established under section 1452 of the
21 Safe Drinking Water Act (42 U.S.C. 300j–12) for any
22 State other than California.

23 **CHAPTER 2—STORAGE PROVISIONS**

24 **SEC. 521. DEFINITIONS.**

25 In this subtitle:

1 (1) **FEDERALLY OWNED STORAGE PROJECT.**—

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

5 (A) to which the United States holds title;
6 and

7 (B) that was authorized to be constructed,
8 operated, and maintained pursuant to the re-
9 clamation laws.

10 (2) **STATE-LED STORAGE PROJECT.**—The term
11 “State-led storage project” means any project in a
12 Reclamation State that—

13 (A) involves a ground water or surface
14 water storage facility constructed, operated, and
15 maintained by any State, department of a
16 State, subdivision of a State, or public agency
17 organized pursuant to State law; and

18 (B) provides a benefit in meeting any obli-
19 gation under Federal law (including regula-
20 tions).

21 **SEC. 522. WATER STORAGE PROJECT CONSTRUCTION.**

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

23 (1) **AGREEMENTS.**—On the request of any
24 State, any department, agency, or subdivision of a
25 State, or any public agency organized pursuant to

1 State law, the Secretary of the Interior may nego-
2 tiate and enter into an agreement on behalf of the
3 United States for the design, study, and construc-
4 tion or expansion of any federally owned storage
5 project in accordance with this section.

6 (2) FEDERAL COST SHARE.—Subject to the re-
7 quirements of this subsection, the Secretary of the
8 Interior may participate in a federally owned storage
9 project in an amount equal to not more than 50 per-
10 cent of the total cost of the federally owned storage
11 project.

12 (3) COMMENCEMENT.—The construction of a
13 federally owned storage project that is the subject of
14 an agreement under this subsection shall not com-
15 mence until the Secretary of the Interior—

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

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

22 (C) determines that, in return for the Fed-
23 eral cost-share investment in the federally
24 owned storage project, at least a proportionate
25 share of the project benefits are Federal bene-

1 fits, including water supplies dedicated to spe-
2 cific purposes such as environmental enhance-
3 ment and wildlife refuges.

4 (4) ENVIRONMENTAL LAWS.—In participating
5 in a federally owned storage project under this sub-
6 section, the Secretary of the Interior shall comply
7 with all applicable environmental laws, including the
8 National Environmental Policy Act of 1969 (42
9 U.S.C. 4321 et seq.).

10 (b) STATE-LED STORAGE PROJECTS.—

11 (1) IN GENERAL.—Subject to the requirements
12 of this subsection, the Secretary of the Interior may
13 participate in a State-led storage project in an
14 amount equal to not more than 25 percent of the
15 total cost of the State-led storage project.

16 (2) REQUEST BY GOVERNOR.—Participation by
17 the Secretary of the Interior in a State-led storage
18 project under this subsection shall not occur un-
19 less—

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

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

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

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

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

8 (C) the Secretary of the Interior deter-
9 mines that, in return for the Federal cost-share
10 investment in the State-led storage project, at
11 least a proportional share of the project benefits
12 are the Federal benefits, including water sup-
13 plies dedicated to specific purposes such as en-
14 vironmental enhancement and wildlife refuges;
15 and

16 (D) the Secretary of the Interior submits
17 to Congress a written notification of these de-
18 terminations.

19 (3) ENVIRONMENTAL LAWS.—When partici-
20 pating in a State-led storage project under this sub-
21 section, the Secretary shall comply with all applica-
22 ble environmental laws, including the National Envi-
23 ronmental Policy Act of 1969 (42 U.S.C. 4321 et
24 seq.).

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

4 (A) may rely on reports prepared by the
5 sponsor of the State-led storage project, includ-
6 ing feasibility (or equivalent) studies, environ-
7 mental analyses, and other pertinent reports
8 and analyses; but

9 (B) shall retain responsibility for making
10 the independent determinations described in
11 paragraph (2).

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

- 16 (1) Arizona;
- 17 (2) California;
- 18 (3) Colorado;
- 19 (4) Idaho;
- 20 (5) Kansas;
- 21 (6) Montana;
- 22 (7) Nebraska;
- 23 (8) Nevada;
- 24 (9) New Mexico;
- 25 (10) North Dakota;

- 1 (11) Oklahoma;
- 2 (12) Oregon;
- 3 (13) South Dakota;
- 4 (14) Texas;
- 5 (15) Utah;
- 6 (16) Washington; and
- 7 (17) Wyoming.

8 (d) RIGHTS TO USE CAPACITY.—Subject to compli-
9 ance with State water rights laws, the right to use the
10 capacity of a federally owned storage project or State-led
11 storage project for which the Secretary of the Interior has
12 entered into an agreement under this subsection shall be
13 allocated in such manner as may be mutually agreed to
14 by the Secretary of the Interior and each other party to
15 the agreement.

16 (e) COMPLIANCE WITH CALIFORNIA WATER
17 BOND.—

18 (1) IN GENERAL.—The provision of Federal
19 funding for construction of a State-led storage
20 project in the State shall be subject to the condition
21 that the California Water Commission shall deter-
22 mine that the State-led storage project is consistent
23 with the California Water Quality, Supply, and In-
24 frastructure Improvement Act, approved by Cali-
25 fornia voters on November 4, 2014.

1 (2) APPLICABILITY.—This subsection expires
2 on the date on which State bond funds available
3 under the Act referred to in paragraph (1) are ex-
4 pended.

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

15 (g) CALFED AUTHORIZATION.—Title I of Public
16 Law 108–361 (the CALFED Bay-Delta Authorization
17 Act) (118 Stat. 1681; 123 Stat. 2860; 128 Stat. 164; 128
18 Stat. 2312) (as amended by section 207 of Public Law
19 114–113) is amended by striking “2017” each place it ap-
20 pears and inserting “2019”.

21 (h) AUTHORIZATION OF APPROPRIATIONS.—

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

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

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

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

15 **SEC. 523. RESERVOIR OPERATION IMPROVEMENT.**

16 (a) REPORT.—Not later than 180 days after the date
17 of enactment of this title, the Secretary of the Army shall
18 submit to the Committees on Appropriations and Environ-
19 ment and Public Works of the Senate and the Committees
20 on Appropriations and Transportation and Infrastructure
21 of the House of Representatives a report describing, with
22 respect to any State under a gubernatorial drought dec-
23 laration during water year 2015, the following:

24 (1) A list of Corps of Engineer projects and
25 non-Federal projects operated for flood control in

1 accordance with rules prescribed by the Secretary of
2 the Army pursuant to section 7 of the Act of De-
3 cember 22, 1944 (commonly known as the “Flood
4 Control Act of 1944”) (58 Stat. 890, chapter 665)).

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

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

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

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

15 (6) A list of projects for which permanent or
16 seasonal changes to storage allocations have been re-
17 quested, and the status of the request.

18 (b) PROJECT IDENTIFICATION.—Not later than 60
19 days after the date of completion of the report under sub-
20 section (a), the Secretary of the Army shall identify any
21 projects described in the report that meet the following
22 criteria:

23 (1) The project is located in a State in which
24 a drought emergency has been declared or was in ef-

1 fect during the 1-year period preceding the date of
2 final review by the Secretary.

3 (2) The water control manual and
4 hydrometeorological information establishing the
5 flood control rule curves of the project are consid-
6 ered out of date as a result of not being updated for
7 a period of 20 years.

8 (3) A non-Federal sponsor of a Corps of Engi-
9 neers project, or owner of a non-Federal project, as
10 applicable, has submitted to the Secretary a written
11 request to revise water operations manuals, includ-
12 ing flood control rule curves, based on the use of im-
13 proved weather forecasting or run-off forecasting
14 methods, new watershed data, changes to project op-
15 erations, or structural improvements.

16 (c) PILOT PROJECTS.—

17 (1) IN GENERAL.—Not later than 1 year after
18 the date of identification of projects under sub-
19 section (b), if any, the Secretary of the Army shall
20 carry out not more than 15 pilot projects, including
21 not less than 6 non-Federal projects (within the
22 meaning of subsection (a)(1)), if any are identified
23 under subsection (b), to implement revisions of
24 water operations manuals, including flood control

1 rule curves, based on the best available science,
2 which may include—

- 3 (A) forecast-informed operations;
- 4 (B) new watershed data; and
- 5 (C) if applicable, in the case of non-Fed-
6 eral projects, structural improvements.

7 (2) CONSULTATION.—In implementing the pilot
8 projects pursuant to this subsection, the Secretary of
9 the Army shall consult with all affected interests, in-
10 cluding—

- 11 (A) non-Federal entities responsible for op-
12 erations and maintenance costs of a Corps of
13 Engineers facility;
- 14 (B) affected water rights holders;
- 15 (C) individuals and entities with storage
16 entitlements; and
- 17 (D) local agencies with flood control re-
18 sponsibilities downstream of a Corps of Engi-
19 neers facility.

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

- 23 (1) a non-Federal project, the Secretary of the
24 Army shall—

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

3 (B) enter into a cooperative agreement,
4 memorandum of understanding, or other agree-
5 ment with the non-Federal project owner de-
6 scribing the scope and goals of the activity and
7 the coordination among the parties; or

8 (2) owned and operated by the Corps of Engi-
9 neers, the Secretary of the Army shall—

10 (A) consult with each non-Federal entity
11 (including a municipal water district, irrigation
12 district, joint powers authority, or other local
13 governmental entity) that currently—

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

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

18 (B) enter into a cooperative agreement,
19 memorandum of understanding, or other agree-
20 ment with each entity describing the scope and
21 goals of the activity and the coordination
22 among the parties.

23 (e) CONSIDERATION.—In designing and imple-
24 menting a forecast-informed reservoir operations plan, the
25 Secretary of the Army shall work closely with the National

1 Oceanic and Atmospheric Administration and may con-
2 sider—

3 (1) the relationship between ocean and atmos-
4 pheric conditions, including the El Niño and La
5 Niña cycles, and the potential for above-normal, nor-
6 mal, and below-normal rainfall for the coming water
7 year, including consideration of atmospheric river
8 forecasts;

9 (2) the precipitation and runoff index specific
10 to the basin and watershed of the relevant dam or
11 reservoir, including incorporating knowledge of
12 hydrological and meteorological conditions that influ-
13 ence the timing and quantity of runoff;

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

16 (4) an adjustment of operational flood control
17 rule curves to optimize water supply storage and re-
18 liability, hydropower production, environmental bene-
19 fits for flows and temperature, and other authorized
20 project benefits, without a reduction in flood safety;
21 and

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

24 (f) FUNDING.—

1 (1) DEFINITION OF OPERATIONAL DOCU-
2 MENT.—In this subsection, the term “operational
3 document” means—

4 (A) a water control plan;

5 (B) a water control manual;

6 (C) a water control diagram;

7 (D) a release schedule;

8 (E) a rule curve;

9 (F) an operational agreement with a non-
10 Federal entity; and

11 (G) any environmental documentation as-
12 sociated with a document described in any of
13 subparagraphs (A) through (F).

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

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

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

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

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

9 (2) EFFECT.—

10 (A) TITLE.—Nothing in this title author-
11 izes the Secretary of the Army to carry out, at
12 a Corps of Engineers or non-Federal dam or
13 reservoir, any project or activity for a purpose
14 not otherwise authorized as of the date of en-
15 actment of this title.

16 (B) SECTION.—Nothing in this section—

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

20 (ii) authorizes the diversion or use of
21 water in a manner that is inconsistent with
22 State water rights law.

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

1 (h) MODIFICATIONS TO MANUALS AND CURVES.—
2 Not later than 180 days after the date of completion of
3 a modification to an operations manual or flood control
4 rule curve, the Secretary of the Army shall submit to Con-
5 gress a report regarding the components of the forecast-
6 based reservoir operations plan incorporated into the
7 change.

8 **SEC. 524. FINDINGS.**

9 Congress finds that—

10 (1) the record drought conditions being experi-
11 enced in the State of California as of the date of en-
12 actment of this title are—

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

14 (B) likely to do so with increasing fre-
15 quency;

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

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

22 (A) enlargement of Shasta Dam in Shasta
23 County under section 2(a) of Public Law 96-
24 375 (94 Stat. 1506), as reaffirmed under sec-

1 tion 103(d)(1)(A)(i)(I) of Public Law 108–361
2 (118 Stat. 1684);

3 (B) enlargement of Los Vaqueros Res-
4 ervoir in Contra Costa County under section
5 215 of Public Law 108–7 (117 Stat. 147), as
6 reaffirmed under section 103(d)(1)(A)(i)(II) of
7 Public Law 108–361 (118 Stat. 1684);

8 (C) construction of North-of-Delta
9 Offstream Storage (Sites Reservoir) in Colusa
10 County under section 215 of Public Law 108–
11 7 (117 Stat. 147), as reaffirmed under section
12 103(d)(1)(A)(ii)(I) of Public Law 108–361
13 (118 Stat. 1684);

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

20 (E) expansion of San Luis Reservoir under
21 section 103(f)(1)(A) of Public Law 108–361
22 (118 Stat. 1694);

23 (4) as of the date of enactment of this title,
24 more than 10 years have elapsed since the author-
25 ization of the feasibility studies referred to in para-

1 graph (3), but for a variety of reasons the slow pace
2 of work on completion of the feasibility studies for
3 those 5 water storage projects is unjustified and of
4 deep concern; and

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

12 **SEC. 525. STUDIES.**

13 The Secretary of the Interior, through the Commis-
14 sioner, shall—

15 (1) complete the Upper San Joaquin River
16 (Temperance Flat) feasibility study described in
17 clause (ii)(II) of section 103(d)(1)(A) of Public Law
18 108–361 (118 Stat. 1684) and submit the study to
19 the appropriate committees of the House of Rep-
20 resentatives and the Senate not later than March
21 31, 2016;

22 (2) complete the Los Vaqueros Reservoir feasi-
23 bility study described in clause (i)(II) of section
24 103(d)(1)(A) of Public Law 108–361 (118 Stat.
25 1684) and submit the study to the appropriate com-

1 mittees of the House of Representatives and the
2 Senate not later than November 30, 2016;

3 (3) complete the North-of-Delta Offstream
4 Storage (Sites Reservoir) feasibility study described
5 in clause (ii)(I) of section 103(d)(1)(A) of Public
6 Law 108–361 (118 Stat. 1684) and submit the
7 study to the appropriate committees of the House of
8 Representatives and the Senate not later than No-
9 vember 30, 2017;

10 (4) complete the San Luis Reservoir feasibility
11 study described in section 103(f)(1)(A) of Public
12 Law 108–361 (118 Stat. 1694) and submit the
13 study to the appropriate committees of the House of
14 Representatives and the Senate not later than De-
15 cember 31, 2017;

16 (5) provide a progress report on the status of
17 the feasibility studies referred to in paragraphs (1)
18 through (3) to the appropriate committees of the
19 House of Representatives and the Senate not later
20 than 90 days after the date of enactment of this title
21 and every 180 days thereafter until December 31,
22 2017, as applicable, which report shall include
23 timelines for study completion, draft environmental
24 impact statements, final environmental impact state-
25 ments, and records of decision;

1 (6) document, delineate, and publish costs di-
2 rectly relating to the engineering and construction of
3 a water storage project separately from the costs re-
4 sulting from regulatory compliance or the construc-
5 tion of auxiliary facilities necessary to achieve regu-
6 latory compliance if the Secretary of the Interior de-
7 termines in any feasibility study required under this
8 subsection, reclamation laws, the Central Valley
9 Project Improvement Act (Public Law 102–575; 106
10 Stat. 4706), the Fish and Wildlife Coordination Act
11 (16 U.S.C. 661 et seq.), the Endangered Species Act
12 of 1973 (16 U.S.C. 1531 et seq.), and other applica-
13 ble law, that the project is not feasible;

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

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

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

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

1 **SEC. 526. LOSSES CAUSED BY CONSTRUCTION AND OPER-**
2 **ATION OF WATER STORAGE PROJECTS.**

3 The Secretary of the Interior, in consultation with
4 other appropriate agencies, shall establish a process to ad-
5 dress direct and substantial impacts caused by any storage
6 projects identified under section 115.

7 **CHAPTER 3—DESALINATION, WATER**
8 **REUSE AND RECYCLING, AND CON-**
9 **SERVATION**

10 **SEC. 531. WATER RECYCLING AND DESALINATION**
11 **PROJECTS.**

12 (a) FINDINGS.—Congress finds that—

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

17 (2) climate variability and drought resiliency re-
18 quire additional water supply projects to cope with
19 higher probabilities of longer, more intense droughts;

20 (3) the historic drought in the State of Cali-
21 fornia highlights the necessity of long-term projects
22 to address a changing climate;

23 (4) the California Water Plan and surveys con-
24 ducted by the National Association of Clean Water
25 Agencies, the Water Reuse Association, the Associa-
26 tion of California Water Agencies, the Western Re-

1 cycled Water Coalition, and the California Associa-
2 tion of Sanitation Agencies led to the identification
3 of 137 water recycling and desalination projects ca-
4 pable of producing 1,412,799 acre-feet of new water
5 supplies if sufficient funding or financing tools ex-
6 isted to facilitate development of the projects;

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

10 (A) diversify water supplies;

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

14 (C) advance technologies which reduce the
15 cost and improve the efficiency of water desali-
16 nation projects; and

17 (6) this title will enable Federal support for de-
18 salination projects, including the projects referred to
19 in paragraph (4) and others by providing Federal
20 cost-share grants, through the Water Desalination
21 Act of 1996 (42 U.S.C. 10301 note; Public Law
22 104–298), the Reclamation Wastewater and Ground-
23 water Study and Facilities Act (43 U.S.C. 390h et
24 seq.), and the WaterSMART program of the Depart-

1 ment of the Interior, and by making low-cost loans
2 or loan guarantees available under subtitle D.

3 (b) WATER RECYCLING PROJECTS.—On submission
4 of a completed feasibility report in accordance with Bu-
5 reau of Reclamation standards, the Secretary of the Inte-
6 rior shall review requests for water recycling project fund-
7 ing assistance and, subject to the availability of appropria-
8 tions, award funding, on a competitive basis, for projects
9 that meet the eligibility requirements of this title, subject
10 to the condition that the Secretary shall include among
11 the projects reviewed water recycling projects sponsored by
12 any of the following:

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

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

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

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

- 1 (82) Rincon Del Diablo Municipal Water Dis-
- 2 trict.
- 3 (83) Sacramento Regional County Sanitation
- 4 District.
- 5 (84) San Bernardino County Special Districts.
- 6 (85) San Francisco Public Utilities Commis-
- 7 sion.
- 8 (86) San Jose Water Company.
- 9 (87) San Luis Obispo County.
- 10 (88) Santa Clara Valley Water District.
- 11 (89) Santa Clarita Valley Sanitation District.
- 12 (90) Santa Fe Irrigation District.
- 13 (91) Santa Margarita Water District.
- 14 (92) Sausalito-Marín City Sanitary District.
- 15 (93) Sonoma County Water Agency.
- 16 (94) South Orange County Wastewater Author-
- 17 ity.
- 18 (95) South Tahoe Public Utility District.
- 19 (96) Sunnyslope County Water District.
- 20 (97) Town of Yountville.
- 21 (98) Tuolumne Utilities District.
- 22 (99) Upper San Gabriel Valley Municipal Water
- 23 District.
- 24 (100) Valley Center Municipal Water District.
- 25 (101) Valley Sanitary District.

1 (102) Ventura County Waterworks District No.
2 8.

3 (103) Victor Valley Wastewater Reclamation
4 Authority.

5 (104) Water Replenishment District of South-
6 ern California.

7 (105) West Basin Municipal Water District.

8 (106) West Bay Sanitary District.

9 (107) West County Wastewater District.

10 (108) Western Municipal Water District of Riv-
11 erside County.

12 (109) Western Riverside County Regional
13 Wastewater Authority.

14 (110) Yucaipa Valley Water District.

15 (c) FEDERAL SUPPORT FOR WATER RECYCLING
16 PROJECTS.—Water recycling and reuse projects described
17 in subsection (b) may compete for funding authorized
18 under the following sections of this title if the projects
19 meet applicable eligibility requirements, subject to the con-
20 dition that no particular project receive Federal grant
21 funding from more than one Federal grant program:

22 (1) Section 101, which amends section 9504
23 (WaterSMART) of the Omnibus Public Land Man-
24 agement Act of 2009 (42 U.S.C. 10364) and author-
25 izes \$200,000,000 in additional Federal assistance

1 for water storage and conveyance facilities, inte-
2 grated regional water management, reclamation and
3 recycling projects, and ground water recharge.

4 (2) Section 123, which amends the Reclamation
5 Wastewater and Groundwater Study and Facilities
6 Act (43 U.S.C. 390h) and authorizes \$150,000,000
7 in Federal assistance for water recycling and reuse
8 projects.

9 (3) Subtitle D, which authorizes the Secretary
10 of the Interior to provide Federal assistance to fi-
11 nance the development of critical water resource in-
12 frastructure through loans and loan guarantees to
13 qualified applicants.

14 (d) FEDERAL SUPPORT FOR DESALINATION
15 PROJECTS.—

16 (1) ELIGIBILITY.—On submission of a com-
17 pleted feasibility report in accordance with Bureau
18 of Reclamation standards, the Secretary of the Inte-
19 rior shall review requests for water desalination
20 funding assistance and, subject to the availability of
21 appropriations, award funding on a competitive basis
22 for projects that meet the eligibility requirements of
23 this title, subject to the condition that the Secretary
24 shall include among the projects reviewed the fol-
25 lowing desalination projects referred to in the 2013

1 California Water Plan or in an integrated regional
2 water management plan accepted by the State of
3 California:

4 (A) Cambria Desalination Project.

5 (B) Camp Pendleton Seawater Desalina-
6 tion Project.

7 (C) Chino Basin Desalter 3.

8 (D) Doheny Ocean Desalination Project.

9 (E) GREAT Program Groundwater Desali-
10 nation Facility Expansion.

11 (F) Huntington Beach Seawater Desalina-
12 tion Project.

13 (G) Irvine Non-Potable Shallow Ground-
14 water Unit Desalter.

15 (H) Irvine Ranch Water District Wells 51,
16 52, 53, 21, and 22 Potable (Non-exempt)
17 Desalter Plant.

18 (I) Long Beach Seawater Desalination
19 Project.

20 (J) Marina Desalination Facility Expan-
21 sion.

22 (K) Mission Valley Brackish Groundwater
23 Recovery Project.

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

- 1 (M) Monterey Peninsula Water Supply
2 Project.
- 3 (N) Monterey Peninsula Water Supply
4 Project (Ocean Desalination/Groundwater Re-
5 plenishment).
- 6 (O) Moorpark Groundwater Desalter.
- 7 (P) North Pleasant Valley Groundwater
8 Desalter.
- 9 (Q) Oceanside Ocean Desalination Project
10 (San Luis Rey Basin).
- 11 (R) Perris II Desalter.
- 12 (S) Ramona Desalting Facility.
- 13 (T) San Diego Formation/Balboa Park
14 Groundwater Desalination Facility.
- 15 (U) San Elijo Valley Groundwater Project.
- 16 (V) Bay Area Regional Desalination
17 Project.
- 18 (W) San Pasqual Brackish Groundwater
19 Recovery Project.
- 20 (X) Santa Cruz/Soquel Creek Water Dis-
21 trict Desalination Plant.
- 22 (Y) South Orange Coastal Ocean Desalina-
23 tion Project.
- 24 (Z) West Basin Seawater Desalination Re-
25 gional Project.

1 (AA) West Simi Valley Desalter.

2 (2) FUNDING.—Desalination projects described
3 in subsection (1) may compete for funding author-
4 ized under the following sections of this title if the
5 projects meet applicable eligibility requirements, sub-
6 ject to the condition that no particular project re-
7 ceive Federal grant funding from more than one
8 Federal program:

9 (A) Section 101, which amends section
10 9504 (WaterSMART) of the Omnibus Public
11 Land Management Act of 2009 (42 U.S.C.
12 10364) and authorizes \$200,000,000 in addi-
13 tional Federal assistance for water storage and
14 conveyance facilities, integrated regional water
15 management, reclamation and recycling
16 projects, and ground water recharge.

17 (B) Section 122, which reauthorizes the
18 Water Desalination Act of 1996 (42 U.S.C.
19 10301; Public Law 104–298) as amended, and
20 authorizes \$100,000,000 in Federal assistance
21 for desalination research, demonstration
22 projects, and desalination project feasibility and
23 design.

24 (C) Section 123, which amends the Rec-
25 lamation Wastewater and Groundwater Study

1 and Facilities Act (43 U.S.C. 390h) and au-
2 thorizes \$150,000,000 in Federal assistance for
3 water recycling and reuse projects.

4 (D) Subtitle D, which authorizes the Sec-
5 retary of the Interior to provide Federal assist-
6 ance to finance the development of critical
7 water resource infrastructure through loans and
8 loan guarantees to qualified applicants.

9 **SEC. 532. REAUTHORIZATION OF WATER DESALINATION**
10 **ACT.**

11 (a) AUTHORIZATION OF RESEARCH AND STUDIES.—

12 (1) IN GENERAL.—Section 3 of the Water De-
13 salination Act of 1996 (42 U.S.C. 10301 note; Pub-
14 lic Law 104–298) is amended by adding at the end
15 the following:

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

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

21 “(2) to reduce the environmental impacts of
22 seawater desalination, including subsurface intakes
23 and other technological improvements, and develop
24 technology and strategies to mitigate 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;

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; and

14 “(6) to encourage development of desalination
15 siting plans, including maps of preferred and pri-
16 ority locations, by States that consider local and re-
17 gional water supply needs and sources, potential im-
18 pacts on coastal and ocean resources and fisheries,
19 the effects of sea level rise and other factors that af-
20 fect project siting.”.

21 (b) DESALINATION DEMONSTRATION AND DEVELOP-
22 MENT.—Section 4 of the Water Desalination Act of 1996
23 (42 U.S.C. 10301 note; Public Law 104–298) is amend-
24 ed—

25 (1) in subsection (a)—

1 (A) by redesignating paragraphs (2) and
2 (3) as paragraphs (3) and (4), respectively; and

3 (B) by inserting after paragraph (1) the
4 following:

5 “(2) FEASIBILITY AND DESIGN.—Award grants
6 and enter into contracts with non-Federal project
7 sponsors to provide financial assistance to study the
8 feasibility and support the design of desalination fa-
9 cilities (including associated water distribution infra-
10 structure) that provide usable water.”; and

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

12 “(c) PRIORITIZATION.—In carrying out demonstra-
13 tion and development activities under subsection (a), the
14 Secretary of the Interior shall prioritize projects—

15 “(1) in drought-stricken States and commu-
16 nities;

17 “(2) in States for which funding has been au-
18 thorized for desalination demonstration and develop-
19 ment projects; and

20 “(3) that can reduce reliance on imported water
21 supplies that have an impact on species listed under
22 the Endangered Species Act of 1973 (16 U.S.C.
23 1531 et seq.).

24 “(d) CRITERIA FOR ELIGIBILITY.—In carrying out
25 this section, the Secretary of the Interior shall establish

1 criteria to determine projects eligible for grant funding
2 based on the ability of the projects to provide regional
3 water supply benefits, including—

4 “(1) improving water supply reliability in re-
5 gions subject to frequent and severe drought;

6 “(2) enhancement of public health, safety, eco-
7 systems, and watershed sustainability;

8 “(3) preservation of groundwater through re-
9 duction of withdrawals from aquifers;

10 “(4) offsetting demand for water conveyed from
11 environmentally sensitive areas outside service area
12 of the project; and

13 “(5) mitigation of saltwater intrusion to
14 aquifers.”.

15 (c) COST SHARING.—Section 7 of the Water Desali-
16 nation Act of 1996 (42 U.S.C. 10301 note; Public Law
17 104–298) is amended—

18 (1) in the first sentence, by striking “The Fed-
19 eral share” and inserting the following:

20 “(a) MAXIMUM.—

21 “(1) IN GENERAL.—Except as provided in para-
22 graph (2) and subsection (b) and limited to the 5
23 years following the date of enactment of the Cali-
24 fornia Emergency Drought Relief Act, the Federal
25 share”;

1 (2) in the second sentence, by striking “A Fed-
2 eral” and inserting the following:

3 “(b) FEASIBILITY DETERMINATION.—A Federal”;

4 (3) in the third sentence, by striking “The Sec-
5 retary” and inserting the following:

6 “(c) PROCEDURES.—The Secretary”;

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

9 “(d) OPERATION, MAINTENANCE, REPAIR, AND RE-
10 HABILITATION.—The costs”; and

11 (5) in subsection (a) (as designated by para-
12 graph (1)), by adding at the end the following:

13 “(2) EXCEPTION.—The Federal share of the
14 cost of project design under section 4 shall not ex-
15 ceed 25 percent of the total cost of the project de-
16 sign.”.

17 (d) AUTHORIZATION OF APPROPRIATIONS.—In order
18 to advance water desalination research and project devel-
19 opment, section 8 of the Water Desalination Act of 1996
20 (42 U.S.C. 10301 note; Public Law 104–298) is amend-
21 ed—

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

23 (A) by striking “\$5,000,000” and inserting
24 “\$10,000,000”; and

1 (B) by striking “2013” and inserting
2 “2020”; and

3 (2) in subsection (b), by striking “\$3,000,000
4 for each of fiscal years 2012 through 2013” and in-
5 serting “\$50,000,000 for the period of fiscal years
6 2016 through 2020”.

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

10 (1) by striking the section designation and
11 heading and all that follows through “In carrying
12 out the provisions of” in the first sentence and in-
13 serting the following:

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

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

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

18 “(b) OTHER DESALINATION PROGRAMS.—The au-
19 thorization”; and

20 (3) by inserting after subsection (b) (as so des-
21 ignated) the following:

22 “(c) COORDINATION OF FEDERAL DESALINATION
23 RESEARCH AND DEVELOPMENT.—For the effective period
24 of the California Emergency Drought Relief Act, the

1 White House Office of Science and Technology Policy shall
2 develop a coordinated strategic plan that—

3 “(1) establishes priorities for future Federal in-
4 vestments in desalination; and

5 “(2) coordinates the activities of Federal agen-
6 cies involved in desalination, including the Bureau of
7 Reclamation, the National Science Foundation, the
8 Office of Naval Research of the Department of De-
9 fense, the National Laboratories of the Department
10 of Energy, the United States Geological Survey, the
11 Environmental Protection Agency, and the National
12 Oceanic and Atmospheric Administration.”.

13 **SEC. 533. NEW WATER RECYCLING AND REUSE PROJECTS.**

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

17 “(e) **AUTHORIZATION OF NEW WATER RECYCLING**
18 **AND REUSE PROJECTS.—**

19 “(1) **IN GENERAL.—**A non-Federal interest may
20 submit to the Secretary of the Interior proposals for
21 eligible projects in the form of completed feasibility
22 studies.

23 “(2) **AUTHORITY TO PROVIDE ASSISTANCE.—**
24 The Secretary of the Interior may provide financial

1 assistance under this subtitle to carry out projects
2 within—

3 “(A) any Reclamation State, including—

4 “(i) Arizona;

5 “(ii) California;

6 “(iii) Colorado;

7 “(iv) Idaho;

8 “(v) Kansas;

9 “(vi) Montana;

10 “(vii) Nebraska;

11 “(viii) Nevada;

12 “(ix) New Mexico;

13 “(x) North Dakota;

14 “(xi) Oklahoma;

15 “(xii) Oregon;

16 “(xiii) South Dakota;

17 “(xiv) Texas;

18 “(xv) Utah;

19 “(xvi) Washington; and

20 “(xvii) Wyoming; and

21 “(B) the States of Alaska and Hawaii.

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

1 “(A) municipal, industrial, domestic, or ag-
2 gricultural wastewater; or

3 “(B) impaired groundwater or surface
4 water.

5 “(4) GUIDELINES.—

6 “(A) IN GENERAL.—Not later than 90
7 days after the date of enactment of this sub-
8 section, the Secretary of the Interior shall issue
9 water recycling project solicitation and evalua-
10 tion guidelines that include the criteria de-
11 scribed in subsection (f)(3).

12 “(B) REVIEW.—In accordance with the
13 priorities and criteria described in subsection
14 (f), the Secretary of the Interior shall review
15 each feasibility study received under paragraph
16 (1) to determine whether the study, and the
17 process under which the study was developed,
18 comply with Federal laws (including regula-
19 tions) applicable to feasibility studies of water
20 recycling and reuse projects.

21 “(f) COMPETITIVE GRANT FUNDING OF WATER RE-
22 CYCLING AND REUSE PROJECTS.—

23 “(1) IN GENERAL.—The Secretary of the Inte-
24 rior shall administer a competitive grant program
25 under which the non-Federal project sponsor of any

1 project determined by the Secretary of the Interior
2 to be feasible under subsection (e)(2) shall be eligi-
3 ble to apply for funding for the planning, design,
4 and construction of the project.

5 “(2) AUTHORIZATION OF APPROPRIATIONS.—
6 There is authorized to be appropriated to the Sec-
7 retary of the Interior to carry out this subsection
8 \$200,000,000, to remain available until expended.”.

9 **SEC. 534. PROMOTING WATER EFFICIENCY WITH**
10 **WATERSENSE.**

11 (a) AUTHORIZATION.—The Administrator of the En-
12 vironmental Protection Agency (referred to in this section
13 as the “Administrator”) is authorized to continue to carry
14 out the voluntary program, known as the “WaterSense
15 Program”, to identify and promote water efficient prod-
16 ucts, buildings, landscapes, facilities, processes, and serv-
17 ices so as—

18 (1) to reduce water use;

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

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

23 (4) to preserve water resources for future gen-
24 erations, through voluntary labeling of, or other
25 forms of communications regarding, products, build-

1 ings, landscapes, facilities, processes, and services
2 that meet the highest water efficiency and perform-
3 ance criteria.

4 (b) REVIEW.—Not less frequently than once every 4
5 years, the Administrator shall regularly review and, if ap-
6 propriate, update WaterSense criteria that have been
7 adopted for the voluntary labeling of categories of prod-
8 ucts, buildings, landscapes, facilities, processes, and serv-
9 ices.

10 (c) TRANSPARENCY.—The Administrator shall, to the
11 maximum extent practicable, regularly estimate and make
12 available to the public the production and relative market
13 shares of, and the savings of water, energy, and capital
14 costs of water, wastewater, and stormwater infrastructure
15 attributable to the use of WaterSense-labeled products,
16 buildings, landscapes, facilities, processes, and services, at
17 least annually.

18 (d) PUBLIC COMMENT.—Prior to establishing or re-
19 vising a WaterSense category, specification, installation
20 criterion, or other criterion, the Administrator shall—

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

23 (2) provide reasonable notice to interested par-
24 ties and the public of any changes (including effec-
25 tive dates), on the adoption of a new or revised cat-

1 egory, specification, installation criterion, or other
2 criterion.

3 (e) AUTHORIZATION OF APPROPRIATIONS.—There is
4 authorized to be appropriated to carry out the WaterSense
5 program of the Environmental Protection Agency
6 \$2,500,000 for each of fiscal years 2016 through 2019.

7 **CHAPTER 4—RECLAMATION INFRASTRUC-**
8 **TURE FINANCE AND INNOVATION**

9 **SEC. 541. PURPOSES.**

10 The purposes of this subtitle are—

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

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

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

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

24 **SEC. 542. DEFINITIONS.**

25 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

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.

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;

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

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

23 (12) SUBSTANTIAL COMPLETION.—The term
24 “substantial completion”, with respect to a project,
25 means the earliest date on which a project is consid-

1 ered to perform the functions for which the project
2 is designed.

3 **SEC. 543. AUTHORITY TO PROVIDE ASSISTANCE.**

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

7 (1) any Reclamation State;

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

11 (3) the States of Alaska and Hawaii.

12 **SEC. 544. APPLICATIONS.**

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

18 **SEC. 545. ELIGIBILITY FOR ASSISTANCE.**

19 (a) **ELIGIBLE PROJECTS.**—The following non-feder-
20 ally owned projects that contribute to a safe, adequate
21 water supply for domestic, agricultural, environmental, or
22 municipal and industrial use may be carried out using as-
23 sistance made available under this subtitle:

24 (1) A project for the reclamation and reuse of
25 wastewater, and naturally impaired ground and sur-

1 face waters, which has a completed feasibility study
2 that complies with Reclamation standards.

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

7 (3) A project for accelerated repair and replace-
8 ment of an aging water distribution facility.

9 (4) A brackish or sea water desalination
10 project.

11 (5) A project for ground water replenishment,
12 ground water storage, or surface storage.

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

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

21 (1) development-phase activities, including plan-
22 ning, feasibility analysis, revenue forecasting, envi-
23 ronmental review, permitting, preliminary engineer-
24 ing and design work, and other preconstruction ac-
25 tivities;

1 (1) CREDITWORTHINESS.—

2 (A) IN GENERAL.—Subject to subpara-
3 graph (B), the project shall be creditworthy, as
4 determined by the Secretary of the Interior,
5 who shall ensure that any financing for the
6 project has appropriate security features, such
7 as a rate covenant, to ensure repayment.

8 (B) PRELIMINARY RATING OPINION LET-
9 TER.—The Secretary of the Interior shall re-
10 quire each applicant to provide a preliminary
11 rating opinion letter from at least 1 rating
12 agency indicating that the senior obligations of
13 the project (which may be the Federal credit in-
14 strument) have the potential to achieve an in-
15 vestment-grade rating.

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

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

23 (4) PUBLIC SPONSORSHIP OF PRIVATE ENTI-
24 TIES.—A project carried out by a private entity shall
25 be sponsored by a State, department of a State, sub-

1 division of a State, or a public agency organized pur-
2 suant to State law.

3 (b) SELECTION CRITERIA.—

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

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

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

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

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

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

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

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 date of enactment of this
15 title, the Secretary of the Interior shall issue eligi-
16 bility requirements under this title for water recy-
17 cling projects that reclaim and reuse municipal, in-
18 dustrial, domestic, or agricultural wastewater or im-
19 paired ground or surface 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. Assistance under this subtitle shall not be counted
25 as Federal funding under cost-sharing requirements other-

1 wise applicable to a project eligible for assistance under
2 this subtitle.

3 **SEC. 547. SECURED LOANS.**

4 (a) AGREEMENTS.—

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

9 (A) to finance eligible project costs of any
10 project selected under section 136;

11 (B) to refinance interim construction fi-
12 nancing of eligible project costs of any project
13 selected under section 136; or

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

19 (i) is selected under section 136; or

20 (ii) otherwise meets the requirements
21 of section 136.

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 of the Interior, in consultation
6 with the Director of the Office of Management and
7 Budget and each rating agency providing a prelimi-
8 nary rating opinion letter under section
9 136(a)(1)(B), shall determine an appropriate capital
10 reserve subsidy amount for the secured loan, taking
11 into account each such preliminary rating opinion
12 letter.

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

18 (b) TERMS AND LIMITATIONS.—

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

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

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

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

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

15 (4) PAYMENT.—A secured loan under this sec-
16 tion—

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

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

1 (C) may have a lien on revenues described
2 in subparagraph (A), subject to any lien secur-
3 ing project obligations.

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

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

13 (7) FEES.—The Secretary of the Interior may
14 establish fees, in accordance with section 138(b)(2)
15 at a level sufficient to cover all or a portion of the
16 costs to the Federal Government of making a se-
17 cured loan under this section.

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

22 (9) MAXIMUM FEDERAL INVOLVEMENT.—The
23 total amount of Federal assistance provided for a
24 project for which assistance is provided under this
25 subtitle from all sources (including this subtitle)

1 shall not exceed 80 percent of the total cost of the
2 project.

3 (c) REPAYMENT.—

4 (1) SCHEDULE.—The Secretary of the Interior
5 shall establish a repayment schedule for each se-
6 cured loan provided under this section, based on the
7 projected cash flow from project revenues and other
8 repayment sources.

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

15 (3) DEFERRED PAYMENTS.—

16 (A) AUTHORIZATION.—If, at any time
17 after the date of substantial completion of a
18 project for which a secured loan is provided
19 under this section, the project is unable to gen-
20 erate sufficient revenues to pay the scheduled
21 loan repayments of principal and interest on the
22 secured loan, the Secretary of the Interior may
23 allow the obligor, subject to subparagraph (C),
24 to add unpaid principal and interest to the out-
25 standing balance of the secured loan.

1 (B) INTEREST.—Any payment deferred
2 under subparagraph (A) shall—

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

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

8 (C) CRITERIA.—

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

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

18 (4) PREPAYMENT.—

19 (A) USE OF EXCESS REVENUES.—Any ex-
20 cess revenues that remain after satisfying
21 scheduled debt service requirements on the
22 project obligations and secured loan and all de-
23 posit requirements under the terms of any trust
24 agreement, bond resolution, or similar agree-
25 ment securing project obligations may be ap-

1 plied annually to prepay a secured loan under
2 this section without penalty.

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

8 (d) SALE OF SECURED LOANS.—

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

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

22 (e) LOAN GUARANTEES.—

23 (1) IN GENERAL.—The Secretary of the Inte-
24 rior may provide a loan guarantee to a lender in lieu
25 of making a secured loan under this section, if the

1 Secretary of the Interior determines that the budg-
2 etary cost of the loan guarantee is substantially the
3 same as that of a secured loan.

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

11 **SEC. 548. PROGRAM ADMINISTRATION.**

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

15 (b) RECLAMATION LOAN FINANCE CAPITAL RE-
16 SERVE FUND.—

17 (1) ESTABLISHMENT.—

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

22 (B) DEPOSITS TO FUND.—The Secretary
23 of the Treasury shall deposit in the fund estab-
24 lished by subparagraph (A) an amount equal to
25 the amount of capital reserve fees collected

1 under paragraph (2) for each applicable fiscal
2 year.

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

6 (2) CAPITAL RESERVE FEES.—

7 (A) IN GENERAL.—To the extent required
8 by appropriations Acts, the Secretary of the In-
9 terior may assess, collect, and spend capital re-
10 serve fees at a level that is sufficient to cover
11 all or a portion of the costs to the Federal Gov-
12 ernment of servicing the Federal credit instru-
13 ments provided under this subtitle, including all
14 or a portion of the outlays associated with the
15 provision of the Federal credit instruments
16 under this subtitle.

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

24 (c) SERVICER.—

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

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

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

11 **SEC. 549. STATE AND LOCAL PERMITS.**

12 (a) ESTABLISHMENT OF PILOT PROGRAM.—

13 (1) ASSUMPTION OF RESPONSIBILITY.—

14 (A) IN GENERAL.—Subject to the provi-
15 sions of the pilot program established by this
16 section, the Secretary of the Interior and a
17 State identified pursuant to subsection (b) may
18 enter into a written agreement, which may be
19 in the form of a memorandum of under-
20 standing, under which the Secretary of the In-
21 terior may designate the State as lead agency
22 for purposes of the National Environmental
23 Policy Act of 1969 (42 U.S.C. 4321 et seq.).

24 (B) PROCEDURAL AND SUBSTANTIVE RE-
25 QUIREMENTS.—If designated as the lead agency

1 under subparagraph (A), the State shall assume
2 responsibility under this section, subject to the
3 same procedural and substantive requirements
4 that would apply if that responsibility were car-
5 ried out by the Secretary of the Interior.

6 (2) PRESERVATION OF FEDERAL RESPONSI-
7 BILITY AND AUTHORITY.—

8 (A) FEDERAL RESPONSIBILITY.—Any re-
9 sponsibility of the Secretary of the Interior not
10 explicitly assumed by the State by written
11 agreement under this section shall remain the
12 responsibility of the Secretary of the Interior.

13 (B) NO EFFECT ON AUTHORITY.—Nothing
14 in this section preempts or interferes with any
15 power, jurisdiction, responsibility, or authority
16 of an agency, other than the Department of the
17 Interior, under applicable law (including regula-
18 tions) with respect to a project.

19 (3) PRESERVATION OF FLEXIBILITY.—The Sec-
20 retary of the Interior may not require a State, as a
21 condition of participation and assuming lead agency
22 status in the pilot program under this section, to
23 forego project delivery methods that are otherwise
24 permissible for projects.

25 (b) STATE PARTICIPATION.—

1 (1) PARTICIPATING STATES.—The Secretary of
2 the Interior shall permit the State of California, and
3 not more than 4 additional States, to participate in
4 the pilot program under this section, subject to the
5 limitations described in paragraph (4).

6 (2) APPLICATION.—Not later than 270 days
7 after the date of enactment of this title, the Sec-
8 retary of the Interior shall amend, as appropriate,
9 regulations that establish requirements relating to
10 information required to be contained in an applica-
11 tion of a State to participate in the pilot program
12 under this section and to assume lead agency status,
13 including, at a minimum—

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

18 (B) verification of the financial, regulatory,
19 and enforcement resources necessary to carry
20 out the authority that may be granted under
21 the pilot program under this section; and

22 (C) evidence of the notice and solicitation
23 of public comment by the State relating to par-
24 ticipation of the State in the pilot program

1 under this section, including copies of com-
2 ments received from that solicitation.

3 (3) PUBLIC NOTICE.—

4 (A) IN GENERAL.—A State that submits
5 an application under this subsection shall give
6 notice of the intent of the State to participate
7 in the pilot program under this section not later
8 than 30 days before the date of submission of
9 the application.

10 (B) METHOD OF NOTICE AND SOLICITA-
11 TION.—A State shall provide notice and solicit
12 public comment under this paragraph by pub-
13 lishing the complete application of the State in
14 accordance with the appropriate public notice
15 State law.

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

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

21 (B) the Secretary of the Interior deter-
22 mines that the State has the capability, includ-
23 ing financial, regulatory, and enforcement capa-
24 bility and personnel, to assume the responsi-
25 bility of a lead agency for the project; and

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

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

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

12 (2) be in such form as the Secretary of the In-
13 terior may prescribe;

14 (3) provide that the State—

15 (A) agrees to assume all or part of the re-
16 sponsibilities of the Secretary of the Interior de-
17 scribed in subsection (a), including all respon-
18 sibilities as a lead agency;

19 (B) expressly consents, on behalf of the
20 State, to accept the jurisdiction of the Federal
21 courts for the compliance, discharge, and en-
22 forcement of any responsibility of the Secretary
23 of the Interior assumed by the State;

24 (C) certifies that State laws (including reg-
25 ulations) are in effect that authorize the State

1 to take the actions necessary to carry out the
2 responsibilities being assumed; and

3 (D) agrees to maintain the financial re-
4 sources necessary to carry out the responsibil-
5 ities being assumed;

6 (4) require the State to provide to the Secretary
7 of the Interior any information that the Secretary of
8 the Interior considers necessary to ensure that the
9 State is adequately carrying out the responsibilities
10 assigned to the State;

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

12 (6) be renewable.

13 (d) JURISDICTION.—

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

18 (2) LEGAL STANDARDS AND REQUIREMENTS.—

19 A civil action under paragraph (1) shall be governed
20 by the legal standards and requirements that would
21 apply in such a civil action against the Secretary of
22 the Interior if the Secretary of the Interior had
23 taken the actions in question.

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

4 (e) EFFECT OF ASSUMPTION OF RESPONSIBILITY.—
5 A State that assumes responsibility under subsection
6 (a)(2) shall be solely responsible and solely liable for car-
7 rying out, in lieu of the Secretary of the Interior, the re-
8 sponsibilities assumed under subsection (a), until the pilot
9 program is terminated as provided in subsection (h).

10 (f) AUDITS.—

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

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

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

22 (2) PUBLIC AVAILABILITY AND COMMENT.—

23 (A) IN GENERAL.—An audit conducted
24 under paragraph (1) shall be made available to
25 the public for comment.

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

6 (g) MONITORING.—After the fourth year of the par-
7 ticipation of a State in the pilot program, the Secretary
8 of the Interior shall monitor compliance by the State with
9 the written agreement, including the provision by the
10 State of financial resources to carry out the written agree-
11 ment.

12 (h) TERMINATION.—

13 (1) TERMINATION BY SECRETARY OF THE IN-
14 TERIOR.—The Secretary of the Interior may termi-
15 nate the participation of any State in the pilot pro-
16 gram if—

17 (A) the Secretary of the Interior deter-
18 mines that the State is not adequately carrying
19 out the responsibilities assigned to the State;

20 (B) the Secretary of the Interior provides
21 to the State—

22 (i) notification of the determination of
23 noncompliance; and

24 (ii) a period of at least 30 days during
25 which to take such corrective action as the

1 Secretary of the Interior determines is nec-
2 essary to comply with the applicable agree-
3 ment; and

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

8 (2) TERMINATION BY STATE.—The State may
9 terminate the participation of the State in the pilot
10 program at any time by providing to the Secretary
11 of the Interior a notice by not later than the date
12 that is 90 days before the date of termination, and
13 subject to such terms and conditions as the Sec-
14 retary of the Interior may provide.

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

17 (1) authorizes a State to assume any rule-
18 making authority of the Secretary of the Interior
19 under any Federal law;

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

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

1 (4) otherwise supersedes any State or local law
2 (including any regulation) applicable to the construc-
3 tion or operation of the project.

4 **SEC. 550. REGULATIONS.**

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

8 **SEC. 550a. FUNDING.**

9 (a) IN GENERAL.—There is authorized to be appro-
10 priated to the Secretary of the Interior to carry out this
11 subtitle \$200,000,000.

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

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

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

24 (c) ADMINISTRATIVE COSTS.—Of the funds made
25 available to carry out this subtitle, the Secretary of the

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

4 (d) LIMITATION.—Neither the Secretary of the Inte-
5 rior nor the Secretary of Commerce shall enter into a con-
6 tract with, or provide Federal funds or other financial as-
7 sistance in the form of a loan, loan guarantee, annual pay-
8 ment, or any other form of credit enhancement to a recipi-
9 ent under this title without first obtaining adequate assur-
10 ance from the contractor or recipient that the require-
11 ments of section 513 of the Federal Water Pollution Con-
12 trol Act (33 U.S.C. 1372) shall be applied in the same
13 manner they are applied to construction of treatment
14 works carried out in whole or in part with assistance made
15 available by a State water pollution control revolving fund
16 as authorized by title VI of that Act (33 U.S.C. 1381 et
17 seq.) under title II of division E of Public Law 112–74
18 (125 Stat. 1020).

19 **Subtitle B—Listed Species and** 20 **Wildlife**

21 **SEC. 551. ACTIONS TO BENEFIT ENDANGERED FISH POPU-** 22 **LATIONS.**

23 (a) FINDINGS.—Congress finds that—

24 (1) minimizing or eliminating stressors to fish
25 populations and their habitat in an efficient and

1 structured manner is a key aspect of a fish recovery
2 strategy;

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

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

8 (b) ACTIONS FOR BENEFIT OF ENDANGERED SPE-
9 CIES.—There is authorized to be appropriated the fol-
10 lowing amounts:

11 (1) \$35,000,000 for the Secretary of Com-
12 merce, through the Administrator of the National
13 Oceanic and Atmospheric Administration, to carry
14 out the following activities in accordance with the
15 Endangered Species Act of 1973 (16 U.S.C. 1531 et
16 seq.):

17 (A) Gravel and rearing area additions and
18 habitat restoration to the Sacramento River to
19 benefit Chinook salmon and steelhead trout.

20 (B) Scientifically improved and increased
21 real-time monitoring to inform real-time oper-
22 ations of Shasta and related Central Valley
23 Project facilities, and alternative methods, mod-
24 els, and equipment to improve temperature
25 modeling and related forecasted information for

1 purposes of predicting impacts to salmon and
2 salmon habitat as a result of water manage-
3 ment at Shasta.

4 (C) Methods to improve the Delta salvage
5 systems, including alternative methods to rede-
6 posit salvaged salmon smolts and other fish
7 from the Delta in a manner that reduces preda-
8 tion losses.

9 (2) \$6,000,000 for the Secretary of the Interior
10 to conduct the Delta smelt distribution study ref-
11 erenced in section 301.

12 (e) COMMENCEMENT.—If the Administrator of the
13 National Oceanic and Atmospheric Administration deter-
14 mines that a proposed activity is feasible and beneficial
15 for protecting and recovering a fish population, the Ad-
16 ministrator shall commence implementation of the activity
17 by not later than 1 year after the date of enactment of
18 this title.

19 (d) CONSULTATION.—The Administrator shall take
20 such steps as are necessary to partner with, and coordi-
21 nate the efforts of, the Department of the Interior, the
22 Department of Commerce, and other relevant Federal de-
23 partments and agencies to ensure that all Federal reviews,
24 analyses, opinions, statements, permits, licenses, and
25 other approvals or decisions required under Federal law

1 are completed on an expeditious basis, consistent with
2 Federal law.

3 (e) TRAP AND BARGE PILOT PROGRAM.—

4 (1) IN GENERAL.—The Department of Com-
5 merce, in collaboration with the Department of the
6 Interior, the California Department of Fish and
7 Wildlife, applicable water agencies, and other inter-
8 ested parties, shall design, permit, implement, and
9 evaluate a pilot program to test the efficacy of an
10 experimental trap and barge program to improve
11 survival of juvenile salmonids emigrating from the
12 San Joaquin watershed through the Delta.

13 (2) PLAN.—

14 (A) WORKING GROUP.—Not later than 30
15 days after the date of enactment of this title,
16 the Assistant Administrator and the Commis-
17 sioner shall convene a working group, to be
18 comprised of representatives of relevant agen-
19 cies and other interested parties, to develop and
20 execute a plan for the design, budgeting, imple-
21 mentation, and evaluation of the pilot program
22 under this subsection, using such existing ex-
23 pertise regarding trap and barge programs as
24 may be available.

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

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

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

7 (3) IMPLEMENTATION.—The Assistant Admin-
8 istrator and the Commissioner shall seek to com-
9 mence implementation of the pilot program under
10 this subsection during calendar year 2016, if prac-
11 ticable.

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

15 (f) CONSERVATION FISH HATCHERIES.—

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

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

5 (A) to benefit, enhance, support, and oth-
6 erwise recover naturally spawning fish species
7 to the point where the measures provided under
8 the Endangered Species Act of 1973 (16 U.S.C.
9 1531 et seq.) are no longer necessary; and

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

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

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

20 (B) may enter into cooperative agreements
21 for the operation of conservation hatchery pro-
22 grams with States, Indian tribes, and other
23 nongovernmental entities for the benefit, en-
24 hancement, and support of naturally spawning
25 fish species.

1 (g) ACQUISITION OF LAND, WATER, OR INTERESTS
2 FROM WILLING SELLERS FOR ENVIRONMENTAL PUR-
3 POSES IN CALIFORNIA.—

4 (1) IN GENERAL.—The Secretary of the Inte-
5 rior is authorized to acquire by purchase, lease, do-
6 nation, or otherwise, land, water, or interests in land
7 or water from willing sellers in California—

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

13 (B) to meet requirements of, or otherwise
14 provide water quality benefits under, the Fed-
15 eral Water Pollution Control Act (33 U.S.C.
16 1251 et seq.) or the Porter Cologne Water
17 Quality Control Act (division 7 of the California
18 Water Code); or

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

22 (2) FINANCIAL ASSISTANCE.—In implementing
23 this section, the Secretary of the Interior is author-
24 ized to provide financial assistance to the State of
25 California or otherwise hold such interests in joint

1 ownership with the State of California based on a
2 cost share deemed appropriate by the Secretary.

3 (3) TREATMENT.—Any expenditures under this
4 subsection shall be nonreimbursable and nonreturn-
5 able to the United States.

6 **SEC. 552. ACTIONS TO BENEFIT REFUGES.**

7 (a) IN GENERAL.—In addition to funding under sec-
8 tion 3407 of the Central Valley Project Improvement Act
9 (Public Law 102–575; 106 Stat. 4726), there is author-
10 ized to be appropriated to the Secretary of the Interior
11 \$2,000,000 for each of fiscal years 2016 through 2020
12 for the acceleration and completion of water infrastructure
13 and conveyance facilities necessary to achieve full water
14 deliveries to Central Valley wildlife refuges and habitat
15 areas pursuant to section 3406(d) of that Act (Public Law
16 102–575; 106 Stat. 4722).

17 (b) COST-SHARING.—

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

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

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

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

1 **SEC. 553. NON-FEDERAL PROGRAM TO PROTECT NATIVE**
2 **ANADROMOUS FISH IN STANISLAUS RIVER.**

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

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

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

9 (b) ESTABLISHMENT.—The Secretary of Commerce,
10 acting through the Assistant Administrator of the Na-
11 tional Marine Fisheries Service, and the districts, in con-
12 sultation with the Director of the California Department
13 of Fish and Wildlife, shall jointly establish and conduct
14 a nonnative predator research and pilot fish removal pro-
15 gram to study the effects of removing from the Stanislaus
16 River—

17 (1) nonnative striped bass, smallmouth bass,
18 largemouth bass, black bass; and

19 (2) other nonnative predator fish species.

20 (c) REQUIREMENTS.—The program under this sec-
21 tion shall—

22 (1) be scientifically based, with research ques-
23 tions determined jointly by—

24 (A) National Marine Fisheries Service sci-
25 entists; and

26 (B) technical experts of the districts;

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

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

7 (B) the impact of the removal on—

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

10 (ii) the populations of juvenile anad-
11 romous fish in the Stanislaus River;

12 (3) among other methods, consider using wire
13 fyke trapping, portable resistance board weirs, and
14 boat electrofishing; and

15 (4) be implemented as quickly as practicable
16 after the date of issuance of all necessary scientific
17 research permits.

18 (d) MANAGEMENT.—The management of the pro-
19 gram shall be the joint responsibility of the Assistant Ad-
20 ministrator and the districts, which shall—

21 (1) work collaboratively to ensure the perform-
22 ance of the program; and

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

24 (A) qualified scientists to lead the pro-
25 gram;

- 1 (B) research questions;
- 2 (C) experimental design;
- 3 (D) changes in the structure, management,
- 4 personnel, techniques, strategy, data collection
- 5 and access, reporting, and conduct of the pro-
- 6 gram; and
- 7 (E) the need for independent peer review.

8 (e) CONDUCT.—

9 (1) IN GENERAL.—For each applicable calendar

10 year, the districts, on agreement of the Assistant

11 Administrator, may elect to conduct the program

12 under this section using—

13 (A) the personnel of the Assistant Admin-

14 istrator or districts;

15 (B) qualified private contractors hired by

16 the districts;

17 (C) personnel of, on loan to, or otherwise

18 assigned to the National Marine Fisheries Serv-

19 ice; or

20 (D) a combination of the individuals de-

21 scribed in subparagraphs (A) through (C).

22 (2) PARTICIPATION BY NATIONAL MARINE

23 FISHERIES SERVICE.—

24 (A) IN GENERAL.—If the districts elect to

25 conduct the program using district personnel or

1 qualified private contractors hired under sub-
2 paragraph (A) or (B) of paragraph (1), the As-
3 sistant Administrator may assign an employee
4 of, on loan to, or otherwise assigned to the Na-
5 tional Marine Fisheries Service, to be present
6 for all activities performed in the field to ensure
7 compliance with subsection (d).

8 (B) COSTS.—The districts shall pay the
9 cost of participation by the employee under sub-
10 paragraph (A), in accordance with subsection
11 (f).

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

17 (f) FUNDING.—

18 (1) IN GENERAL.—The districts shall be re-
19 sponsible for 100 percent of the cost of the program.

20 (2) CONTRIBUTED FUNDS.—The Secretary of
21 Commerce may accept and use contributions of
22 funds from the districts to carry out activities under
23 the program.

24 (3) ESTIMATION OF COST.—

1 (A) IN GENERAL.—Not later than Decem-
2 ber 1 of each year of the program, the Sec-
3 retary of Commerce shall submit to the districts
4 an estimate of the cost to be incurred by the
5 National Marine Fisheries Service for the pro-
6 gram during the following calendar year, if any,
7 including the cost of any data collection and
8 posting under subsection (g).

9 (B) FAILURE TO FUND.—If an amount
10 equal to the estimate of the Secretary of Com-
11 merce is not provided through contributions
12 pursuant to paragraph (2) before December 31
13 of that calendar year—

14 (i) the Secretary shall have no obliga-
15 tion to conduct the program activities oth-
16 erwise scheduled for the following calendar
17 year until the amount is contributed by the
18 districts; and

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

22 (4) ACCOUNTING.—

23 (A) IN GENERAL.—Not later than Sep-
24 tember 1 of each year, the Secretary of Com-
25 merce shall provide to the districts an account-

1 ing of the costs incurred by the Secretary for
2 the program during the preceding calendar
3 year.

4 (B) EXCESS AMOUNTS.—If the amount
5 contributed by the districts pursuant to para-
6 graph (2) for a calendar year was greater than
7 the costs incurred by the Secretary of Com-
8 merce during that year, the Secretary shall—

9 (i) apply the excess amounts to the
10 cost of activities to be performed by the
11 Secretary under the program, if any, dur-
12 ing the following calendar year; or

13 (ii) if no such activities are to be per-
14 formed, repay the excess amounts to the
15 districts.

16 (g) PUBLICATION AND EVALUATION OF DATA.—

17 (1) IN GENERAL.—All data generated through
18 the program, including by any private consultants,
19 shall be routinely provided to the Assistant Adminis-
20 trator.

21 (2) INTERNET.—Not later than the 15th day of
22 each month of the program, the Assistant Adminis-
23 trator shall publish on the Internet website of the
24 National Marine Fisheries Service a tabular sum-

1 mary of the raw data collected under the program
2 during the preceding month.

3 (3) REPORT.—On completion of the program,
4 the Assistant Administrator shall prepare a final re-
5 port evaluating the effectiveness of the program, in-
6 cluding recommendations for future research and re-
7 moval work.

8 (h) CONSISTENCY WITH LAW.—

9 (1) IN GENERAL.—The programs in this section
10 and section 204 are found to be consistent with the
11 requirements of the Central Valley Project Improve-
12 ment Act (Public Law 102–575; 106 Stat. 4706).

13 (2) LIMITATION.—No provision, plan, or defini-
14 tion under that Act, including section 3406(b)(1) of
15 that Act (Public Law 102–575; 106 Stat. 4714),
16 shall be used—

17 (A) to prohibit the implementation of the
18 programs in this section and section 204; or

19 (B) to prevent the accomplishment of the
20 goals of the programs.

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

1 **SEC. 554. PILOT PROJECTS TO IMPLEMENT CALFED**
2 **INVASIVE SPECIES PROGRAM.**

3 (a) IN GENERAL.—Not later than January 1, 2017,
4 the Secretary of the Interior, in collaboration with the Sec-
5 retary of Commerce, the Director of the California De-
6 partment of Fish and Wildlife, and other relevant agencies
7 and interested parties, shall establish and carry out pilot
8 projects to implement the invasive species control program
9 under section 103(d)(6)(A)(iv) of Public Law 108–361
10 (118 Stat. 1690).

11 (b) REQUIREMENTS.—The pilot projects under this
12 section shall—

13 (1) seek to reduce invasive aquatic vegetation
14 (such as water hyacinth), predators, and other com-
15 petitors that contribute to the decline of native listed
16 pelagic and anadromous species that occupy the Sac-
17 ramento and San Joaquin Rivers and their tribu-
18 taries and the Delta; and

19 (2) remove, reduce, or control the effects of spe-
20 cies including Asiatic clams, silversides, gobies, Bra-
21 zilian water weed, largemouth bass, smallmouth
22 bass, striped bass, crappie, bluegill, white and chan-
23 nel catfish, zebra and quagga mussels, and brown
24 bullheads.

25 (c) EMERGENCY ENVIRONMENTAL REVIEWS.—To
26 expedite environmentally beneficial programs in this title

1 for the conservation of threatened and endangered species,
2 the Secretaries of the Interior and Commerce shall consult
3 with the Council on Environmental Quality in accordance
4 with section 1506.11 of title 40, Code of Federal Regula-
5 tions (or successor regulations), to develop alternative ar-
6 rangements to comply with the National Environmental
7 Policy Act of 1969 (42 U.S.C. 4321 et seq.) for those pro-
8 grams.

9 **Subtitle C—California Emergency**
10 **Drought Relief and Operational**
11 **Flexibility**

12 **SEC. 561. TAKING INTO ACCOUNT INCREASED REAL-TIME**
13 **MONITORING AND UPDATED SCIENCE.**

14 (a) **SMELT BIOLOGICAL OPINION.**—The Director
15 shall use the best scientific and commercial data available
16 to implement, continuously evaluate, and refine or amend,
17 as appropriate, the reasonable and prudent alternative de-
18 scribed in the smelt biological opinion.

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

21 (1) **IN GENERAL.**—The Secretary of the Inte-
22 rior shall conduct additional surveys, on an annual
23 basis at the appropriate time of year based on envi-
24 ronmental conditions, in collaboration with inter-
25 ested stakeholders regarding the science of the Delta

1 in general, and to enhance real-time decisionmaking
2 in particular, working in close coordination with rel-
3 evant State authorities.

4 (2) REQUIREMENTS.—In carrying out this sub-
5 section, the Secretary of the Interior shall use—

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

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

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

21 (3) WINTER MONITORING.—During the period
22 between December 1 and March 31, if suspended
23 sediment loads enter the Delta from the Sacramento
24 River, and the suspended sediment loads appear
25 likely to raise turbidity levels in the Old River north

1 of the export pumps from values below 12
2 Nephelometric Turbidity Units (NTUs) to values
3 above 12 NTUs, the Secretary of the Interior
4 shall—

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

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

15 (c) PERIODIC REVIEW OF MONITORING.—Not later
16 than 1 year after the date of enactment of this title, the
17 Secretary of the Interior shall—

18 (1) evaluate whether the monitoring program
19 under subsection (b), combined with other moni-
20 toring programs for the Delta, is providing sufficient
21 data to inform Central Valley Project and State
22 Water Project operations to maximize the water sup-
23 ply for fish and water supply benefits; and

1 (2) determine whether the monitoring efforts
2 should be changed in the short or long term to pro-
3 vide more useful data.

4 (d) DELTA SMELT DISTRIBUTION STUDY.—

5 (1) IN GENERAL.—Not later than March 15,
6 2021, the Secretary of the Interior shall—

7 (A) complete studies, to be initiated by not
8 later than 90 days after the date of enactment
9 of this title, designed—

10 (i) to understand the location and de-
11 termine the abundance and distribution of
12 Delta smelt throughout the range of the
13 Delta smelt; and

14 (ii) to determine potential methods to
15 minimize the effects of Central Valley
16 Project and State Water Project oper-
17 ations on the Delta smelt;

18 (B) based on the best available science, if
19 appropriate and practicable, implement new tar-
20 geted sampling and monitoring of Delta smelt
21 in order to maximize fish and water supply ben-
22 efits prior to completion of the study under sub-
23 paragraph (A);

24 (C) to the maximum extent practicable,
25 use new technologies to allow for better track-

1 ing of Delta smelt, such as acoustic tagging, op-
2 tical recognition during trawls, and fish detec-
3 tion using residual deoxyribonucleic acid
4 (DNA); and

5 (D) if new sampling and monitoring is not
6 implemented under subparagraph (B), provide a
7 detailed explanation of the determination of the
8 Secretary of the Interior that no change is war-
9 ranted.

10 (2) CONSULTATION.—In determining the scope
11 of the studies under this subsection, the Secretary of
12 the Interior shall consult with—

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

16 (B) other public water agencies;

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

20 (D) nongovernmental organizations.

21 (e) SCIENTIFICALLY SUPPORTED IMPLEMENTATION
22 OF OMR FLOW REQUIREMENTS.—

23 (1) ENVIRONMENTAL PROTECTION MANDATE.—

24 The Secretaries of the Interior and Commerce shall
25 take no action pursuant to this title that would

1 cause additional adverse effects on the listed fish
2 species beyond the range of effects anticipated to
3 occur to the listed fish species for the duration of
4 the applicable biological opinion, using the best sci-
5 entific and commercial data available.

6 (2) REAL-TIME MANAGEMENT TO ACHIEVE
7 MULTIPLE GOALS.—Building upon previous drought
8 operations in calendar years 2014 and 2015, the
9 Secretaries of the Interior and Commerce shall mon-
10 itor in real time to determine the location and den-
11 sities of listed fish species relative to the pumps,
12 Delta conditions, and other relevant factors, in order
13 to identify—

14 (A) opportunities to increase water pump-
15 ing without violating the standard in paragraph
16 (1) or other applicable environmental laws and
17 regulations; and

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

21 (3) MANAGEMENT.—In implementing the smelt
22 biological opinion and the salmonid biological opin-
23 ion, the Secretaries of the Interior and Commerce
24 shall manage the OMR in accordance with those
25 opinions to maximize water supplies for the Central

1 Valley Project and State Water Project, to the ex-
2 tent consistent with paragraph (1).

3 (4) REVERSE FLOW.—

4 (A) IN GENERAL.—With respect to the
5 management of reverse flow in the OMR under
6 the smelt biological opinion, the Secretary of
7 the Interior shall implement the relevant provi-
8 sions of the smelt biological opinion to maxi-
9 mize Central Valley Project and State Water
10 Project water supplies, to the extent consistent
11 with paragraph (1).

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

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

23 (I) targeted real-time fish moni-
24 toring in the Old River pursuant to

1 this section, including monitoring in
2 the vicinity of Station 902; and

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

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

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

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

20 (III) the water temperature;

21 (IV) other significant factors rel-
22 evant to the determination, as re-
23 quired by applicable Federal or State
24 laws;

25 (V) turbidity; and

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

4 (5) IMMEDIATE ACTION.—Nothing in this sec-
5 tion shall prevent the Secretaries of the Interior or
6 Commerce from taking immediate action to reduce
7 pumping if necessary to do so to comply with the
8 Endangered Species Act, its implementing regula-
9 tions, or to avoid additional adverse effects on the
10 listed fish species beyond the range of effects antici-
11 pated to occur to the listed fish species for the dura-
12 tion of the applicable biological opinion.

13 (f) FIRST SEDIMENT FLUSH.—During the first flush
14 of sediment out of the Delta in each water year, based
15 on objective evidence and notwithstanding subsection (e),
16 the Secretary of the Interior shall manage OMR flow pur-
17 suant to the portion of the smelt biological opinion that
18 protects adult Delta smelt from the first flush if required
19 to do so by the smelt biological opinion.

20 (g) CONSTRUCTION.—The Secretaries of the Interior
21 and Commerce may—

22 (1) implement subsection (e) building on, and
23 taking into account the effects of, previous oper-
24 ations in the 2014 and 2015 water years; and

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

4 (h) CALCULATION OF REVERSE FLOW IN OMR.—

5 Not later than 180 days after the date of enactment of
6 this title, the Secretary, in consultation with the California
7 Department of Water Resources, consistent with the smelt
8 biological opinion and the salmonid biological opinion,
9 shall—

10 (1) review, including seeking public comment
11 regarding, whether any revision to the method used
12 to calculate reverse flow in the OMR for implemen-
13 tation of the reasonable and prudent alternatives in
14 the smelt biological opinion and the salmonid biologi-
15 cal opinion for the purpose of using the best avail-
16 able science and monitoring to maximize fish and
17 water supply benefits is warranted; and

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

20 (i) SUCCESSOR BIOLOGICAL OPINIONS.—The Secre-
21 taries of the Interior and Commerce shall apply the provi-
22 sions of this title to successor biological opinions to the
23 salmonid biological opinion and the smelt biological opin-
24 ion, to the extent that the Secretaries of the Interior and
25 Commerce determine to be consistent with—

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

2 (2) the Endangered Species Act of 1973 (16
3 U.S.C. 1531 et seq.) and the regulations imple-
4 menting that Act.

5 **SEC. 562. EMERGENCY OPERATIONS.**

6 (a) WATER SUPPLIES.—The Secretaries of the Inte-
7 rior and Commerce shall provide the maximum quantity
8 of water supplies practicable to Central Valley Project ag-
9 ricultural, municipal, and industrial contractors, water
10 service or repayment contractors, water rights settlement
11 contractors, exchange contractors, refuge contractors, and
12 State Water Project contractors, by approving, in accord-
13 ance with applicable Federal and State laws (including
14 regulations), operations or temporary projects to provide
15 additional water supplies as quickly as practicable, based
16 on available information, to address the emergency condi-
17 tions.

18 (b) ADMINISTRATION.—In carrying out subsection
19 (a), the Secretaries of the Interior and Commerce shall,
20 in accordance with applicable laws (including regula-
21 tions)—

22 (1)(A) in close coordination with the California
23 Department of Water Resources and the California
24 Department of Fish and Wildlife, implement a pilot
25 project to test and evaluate the ability to operate the

1 Delta cross-channel gates daily or as otherwise may
2 be appropriate to keep the gates open to the max-
3 imum extent practicable to protect out-migrating
4 salmonids, manage salinities in the interior Delta
5 and any other water quality issues, and maximize
6 Central Valley Project and State Water Project
7 pumping, subject to the condition that the pilot
8 project shall be designed and implemented consistent
9 with operational criteria and monitoring criteria re-
10 quired by the California State Water Resources Con-
11 trol Board, including its order, “Order Approving a
12 Temporary Urgency Change in License and Permit
13 Terms in Response to Drought Conditions”, effec-
14 tive on January 31, 2014 (or a successor order); and

15 (B) design, implement, and evaluate those real-
16 time monitoring capabilities to enable effective real-
17 time operations of the cross-channel in order effi-
18 ciently to meet the objectives described in subpara-
19 graph (A);

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

23 (A) species listed as threatened or endan-
24 gered under the Endangered Species Act of
25 1973 (16 U.S.C. 1531 et seq.);

1 (B) water quality; and

2 (C) water supply benefits;

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

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

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

20 (6) adopt a 1:1 inflow-to-export ratio for the in-
21 crement of increased flow, as measured as a 3-day
22 running average at Vernalis during the period begin-
23 ning on April 1 and ending on May 31, that results
24 from the voluntary sale, transfer, or exchange, un-
25 less the Secretaries of the Interior and Commerce

1 determine in writing that the ratio will cause addi-
2 tional adverse effects on any salmonid listed fish
3 species beyond the range of effects anticipated to
4 occur to the listed fish species for the duration of
5 the salmonid biological opinion using the best sci-
6 entific and commercial data available and subject to
7 the condition that any individual sale, transfer, or
8 exchange using that ratio may only proceed if—

9 (A) the Secretary of the Interior deter-
10 mines that the environmental effects of the pro-
11 posed sale, transfer, or exchange are consistent
12 with effects permitted under applicable law (in-
13 cluding 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 (B) Delta conditions are suitable to allow
19 movement of the acquired, transferred, or ex-
20 changed water through the Delta, in accordance
21 with existing Central Valley Project and State
22 Water Project permitted water rights and the
23 requirements of section 3405(a)(1)(H) of the
24 Central Valley Project Improvement Act (Public
25 Law 102–575; 106 Stat. 4711); and

1 (C) the voluntary sale, transfer, or ex-
2 change of water results in flow that is in addi-
3 tion to flow that otherwise would occur in the
4 absence of the voluntary sale, transfer, or ex-
5 change;

6 (7)(A) issue all necessary permit decisions
7 under the authority of the Secretaries of the Interior
8 and Commerce by not later than 60 days after the
9 date of receipt of a completed application by the
10 State of California to place and use temporary bar-
11 riers or operable gates in Delta channels to improve
12 water quantity and quality for State Water Project
13 and Central Valley Project south-of-Delta water con-
14 tractors and other water users, which barriers or
15 gates shall provide benefits for species protection
16 and in-Delta water user water quality, subject to the
17 condition that the barriers or gates shall be designed
18 so that, if practicable, formal consultations under
19 section 7 of the Endangered Species Act of 1973 (16
20 U.S.C. 1536) are not necessary; or

21 (B) take a longer period to issue the permit de-
22 cisions described in subparagraph (A) only if the
23 Secretaries of the Interior and Commerce determine
24 in writing that an environmental impact statement is
25 needed for the proposal to comply with the National

1 Environmental Policy Act of 1969 (42 U.S.C. 4321
2 et seq.);

3 (8) allow and facilitate, consistent with existing
4 priorities, water transfers through the C.W. “Bill”
5 Jones Pumping Plant or the Harvey O. Banks
6 Pumping Plant during the period beginning on April
7 1 and ending on November 30, subject to the condi-
8 tion that the transfers—

9 (A) are consistent with applicable Federal
10 and State laws (including regulations), includ-
11 ing the California Environmental Quality Act
12 (California Public Resources Code 21000–
13 21177); and

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

16 (9) require the Director and the Commis-
17 sioner—

18 (A)(i) to determine whether a written
19 transfer proposal is complete by not later than
20 30 days after the date of submission of the pro-
21 posal; and

22 (ii) if the proposal is determined to be in-
23 complete, to State with specificity what shall be
24 supplemented or revised to complete the pro-
25 posal; and

1 (B)(i) complete all requirements under the
2 National Environmental Policy Act of 1969 (42
3 U.S.C. 4321 et seq.) and the Endangered Spe-
4 cies Act of 1973 (16 U.S.C. 1531 et seq.) nec-
5 essary to make final permit decisions on water
6 transfer requests in the State of California
7 by—

8 (I) not later than 30 days after deem-
9 ing the application complete pursuant to
10 subparagraph (A); or

11 (II) such later date as the Director or
12 the Commissioner determines to be nec-
13 essary, only if the Director or the Commis-
14 sioner determines in writing that an envi-
15 ronmental impact statement is needed for
16 the proposal to comply with the National
17 Environmental Policy Act of 1969 (42
18 U.S.C. 4321 et seq.); and

19 (ii) approve any water transfer request de-
20 scribed in clause (i) to maximize the quantity of
21 water supplies, subject to the condition that ac-
22 tions associated with the water transfer comply
23 with applicable Federal and State laws (includ-
24 ing regulations) and are consistent with—

1 (I) existing permitted water rights;

2 and

3 (II) the requirements of section
4 3405(a)(1)(H) of the Central Valley
5 Project Improvement Act (Public Law
6 102–575; 106 Stat. 4711);

7 (10) in coordination with the Secretary of Agri-
8 culture, enter into an agreement with the National
9 Academy of Sciences to conduct a comprehensive
10 study, to be completed not later than 1 year after
11 the date of enactment of this title, on the effective-
12 ness and environmental impacts of saltcedar biologi-
13 cal control efforts on increasing water supplies and
14 improving riparian habitats of the Colorado River
15 and its principal tributaries, in the State of Cali-
16 fornia and elsewhere;

17 (11) pursuant to the research and adaptive
18 management provisions of the smelt biological opin-
19 ion and the salmonid biological opinion—

20 (A) use all available scientific tools to iden-
21 tify any changes to real-time operations of Bu-
22 reau of Reclamation, State of California, or
23 local water projects that could result in the
24 availability of additional water supplies; and

1 (B) determine whether alternative oper-
2 ational or other management measures would
3 meet applicable regulatory requirements for list-
4 ed species while maximizing water supplies and
5 water supply reliability; and

6 (12) continue to vary the averaging period of
7 the maximum percent of Delta Inflow Diverted
8 (Delta export-inflow ratio), to the extent consistent
9 with any applicable California Water Resources Con-
10 trol Board orders under decision D-1641 (which
11 sets water quality objectives for the San Francisco
12 Bay/Sacramento-San Joaquin Delta Estuary) to op-
13 erate—

14 (A) to a ratio using a 3-day averaging pe-
15 riod on the rising limb of a Delta inflow
16 hydrograph; and

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

19 (c) OTHER AGENCIES.—To the extent that a Federal
20 department or agency other than the Department of the
21 Interior or the Department of Commerce has a role in ap-
22 proving a project described in subsection (a) or (b), this
23 section shall apply to the Federal department or agency.

24 (d) ACCELERATED PROJECT DECISION AND ELE-
25 VATION.—

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

9 (2) REQUEST FOR RESOLUTION.—

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

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

23 (3) NOTIFICATION.—On receipt of a request for
24 a meeting under this subsection, the Secretary of the
25 Interior shall notify the heads of all relevant Federal

1 departments and agencies of the request, including
2 a description of—

3 (A) the project to be reviewed; and

4 (B) the date for the meeting.

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

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

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

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

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

22 (e) DROUGHT PLAN.—For any year during which
23 this section is in effect, the Secretaries of the Interior and
24 Commerce, in consultation with appropriate State offi-
25 cials, shall develop a drought operations plan that is con-

1 sistent with this title and other applicable Federal and
2 State laws, including provisions intended to provide addi-
3 tional water supplies that could be of assistance during
4 the drought in existence on the date of enactment of this
5 title.

6 **SEC. 563. TEMPORARY OPERATIONAL FLEXIBILITY TO CAP-**
7 **TURE PEAK FLOWS FROM WINTER STORMS.**

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

15 (b) REAL-TIME MANAGEMENT TO ACHIEVE MUL-
16 TIPLE GOALS.—Pursuant to the adaptive management
17 provisions of the smelt biological opinion and the salmonid
18 biological opinion, the Secretaries of the Interior and Com-
19 merce shall monitor in real time to determine the location
20 and densities of listed fish species relative to the pumps
21 and Delta conditions, in order to identify—

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

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

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

14 (d) FACTORS TO BE CONSIDERED.—In determining
15 additional adverse effects on any listed fish species beyond
16 the range of effects anticipated to occur to the listed fish
17 species for the duration of the smelt biological opinion or
18 salmonid biological opinion, using the best scientific and
19 commercial data available, the Secretaries of the Interior
20 and Commerce may consider the following factors:

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

22 (2) Relevant physical parameters including pro-
23 jected inflows, turbidity, salinities, and tidal cycles.

24 (3) Any other factor under the relevant biologi-
25 cal opinion.

1 (e) OTHER ENVIRONMENTAL PROTECTIONS.—

2 (1) STATE LAW.—The actions of the Secre-
3 taries of the Interior and Commerce pursuant to this
4 section shall be consistent with applicable regulatory
5 requirements under State law.

6 (2) FIRST SEDIMENT FLUSH.—During the first
7 flush of sediment out of the Delta during each water
8 year, based on objective evidence and notwith-
9 standing the other provisions of this subsection, the
10 Secretary of the Interior shall manage OMR flow
11 pursuant to the portion of the smelt biological opin-
12 ion that protects adult Delta smelt from the first
13 flush if required to do so by the smelt biological
14 opinion.

15 (3) APPLICABILITY.—

16 (A) IN GENERAL.—This section on cap-
17 turing peak flows from winter storms shall not
18 affect the application of the salmonid biological
19 opinion during the period beginning on April 1
20 and ending on May 31, unless the Secretary of
21 Commerce determines that this section can be
22 applied during part or all of that time period to
23 provide emergency water supply relief without
24 resulting in additional adverse effects beyond

1 those anticipated to occur for the duration the
2 salmonid biological opinion.

3 (B) THROUGH-DELTA WATER TRANS-
4 FERS.—In addition to any other actions to ben-
5 efit water supply, the Secretaries of the Interior
6 and Commerce shall consider allowing through-
7 Delta water transfers to occur during the pe-
8 riod referred to in subparagraph (A), in accord-
9 ance with section 302(b)(8).

10 (4) MONITORING.—In implementing this sec-
11 tion, the Commissioner, in coordination with the Di-
12 rector, the Assistant Administrator, and the Cali-
13 fornia Department of Fish and Wildlife, shall carry
14 out a monitoring program and other data gathering
15 activities—

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

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

20 (f) EFFECT OF HIGH OUTFLOWS.—When exercising
21 their authorities pursuant to drought contingency plans
22 to capture peak flows pursuant to subsection (c), the Sec-
23 retaries of the Interior and Commerce shall not count any
24 day during that period toward the 5-day or 14-day run-
25 ning averages of tidally filtered daily OMR flow require-

1 ments under the smelt biological opinion or the salmonid
2 biological opinion unless doing so is required to avoid addi-
3 tional adverse effects on listed fish species beyond the
4 range of effects anticipated to occur to the listed fish spe-
5 cies for the duration of the biological opinions, using the
6 best scientific and commercial data available.

7 **SEC. 564. EMERGENCY ENVIRONMENTAL REVIEWS.**

8 To minimize the time spent carrying out environ-
9 mental reviews and quickly to deliver water that is needed
10 to address emergency drought conditions in the State of
11 California, the head of each applicable Federal department
12 or agency shall, in carrying out this title, consult with the
13 Council on Environmental Quality in accordance with sec-
14 tion 1506.11 of title 40, Code of Federal Regulations (or
15 successor regulations), to develop alternative arrange-
16 ments to comply with the National Environmental Policy
17 Act of 1969 (42 U.S.C. 4321 et seq.) during the emer-
18 gency. The Council on Environmental Quality shall exer-
19 cise its authority in a timely manner and with an outcome
20 consistent with the need to address the emergency drought
21 conditions in the State of California.

22 **SEC. 565. LEVEL OF DETAIL REQUIRED FOR ANALYSIS.**

23 In articulating the determinations and demonstra-
24 tions required under this title and title I, the Secretaries
25 of the Interior and Commerce shall—

1 (1) fully satisfy the requirements of this title
2 addressing both supporting and countervailing evi-
3 dence using such quantity of written supporting de-
4 tail as is reasonable within the timeframe permitted
5 for timely decisionmaking in response to changing
6 conditions in the Delta; and

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

9 **Subtitle D—Water Rights**

10 **SEC. 571. OFFSET FOR STATE WATER PROJECT.**

11 (a) IMPLEMENTATION IMPACTS.—The Secretary of
12 the Interior shall confer with the California Department
13 of Fish and Wildlife in connection with the implementa-
14 tion of this title regarding potential impacts to any con-
15 sistency determination for operations of the State Water
16 Project issued pursuant to section 2080.1 of the California
17 Fish and Game Code.

18 (b) ADDITIONAL YIELD.—If, as a result of the appli-
19 cation of this title, the California Department of Fish and
20 Wildlife—

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

1 (2) requires take authorization under California
2 Fish and Game Code section 2081 for operation of
3 the State Water Project,
4 in a manner that directly or indirectly results in reduced
5 water supply to the State Water Project as compared with
6 the water supply available under the smelt biological opin-
7 ion and the salmonid biological opinion, and as a result,
8 Central Valley Project yield is greater than it otherwise
9 would have been, then that additional yield shall be made
10 available to the State Water Project for delivery to State
11 Water Project contractors to offset the reduced water sup-
12 ply, provided that if it is necessary to reduce water sup-
13 plies for any Central Valley Project authorized uses or
14 contractors to make available to the State Water Project
15 that additional yield, such reductions shall be applied pro-
16 portionately to those uses or contractors that benefit from
17 that increased yield.

18 (c) NOTIFICATION RELATED TO ENVIRONMENTAL
19 PROTECTIONS.—The Secretaries of the Interior and Com-
20 merce shall—

21 (1) notify the Director of the California Depart-
22 ment of Fish and Wildlife regarding any changes in
23 the manner in which the smelt biological opinion or
24 the salmonid biological opinion is implemented; and

1 (3) diminishes, impairs, or otherwise affects in
2 any manner any water rights or water rights prior-
3 ities under applicable law.

4 (b) EFFECT OF ACT.—Nothing in this title—

5 (1) affects or modifies any obligation of the
6 Secretary of the Interior under section 8 of the Act
7 of June 17, 1902 (32 Stat. 390, chapter 1093); or

8 (2) diminishes, impairs, or otherwise affects in
9 any manner any project purposes or priorities for
10 the allocation, delivery, or use of water under appli-
11 cable law, including the project purposes and prior-
12 ities established under sections 3402 and section
13 3406 of the Central Valley Project Improvement Act
14 (Public Law 102–575; 106 Stat. 4706).

15 **SEC. 573. NO REDIRECTED ADVERSE IMPACTS.**

16 (a) APPLICABILITY.—

17 (1) IN GENERAL.—The Secretaries of the Inte-
18 rior and Commerce shall not carry out any specific
19 action pursuant to this title that will directly or,
20 through State agency action, indirectly result in the
21 involuntary reduction of water supply to an indi-
22 vidual, district, or agency that has in effect a con-
23 tract for water with the State Water Project or the
24 Central Valley Project, including settlement and ex-
25 change contracts, operating contracts, refuge con-

1 tracts, and Friant Division contracts, as compared
2 to the water supply that would be provided in the
3 absence of action under this title.

4 (2) EFFECT OF ACT.—Nothing in this title
5 modifies, amends, or affects any right or obligation
6 of any party to a contract described in paragraph
7 (1).

8 (b) ACTION ON DETERMINATION.—If, after exploring
9 all options, the Secretary makes a final determination that
10 a proposed action under this title cannot be carried out
11 in accordance with subsection (a), the Secretary—

12 (1) shall document that determination in writ-
13 ing with regard to that action, including a statement
14 of the facts relied on, and an explanation of the
15 basis, for the decision; and

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

19 **SEC. 574. ALLOCATIONS FOR SACRAMENTO VALLEY WATER**
20 **SERVICE CONTRACTORS.**

21 (a) DEFINITIONS.—In this section:

22 (1) EXISTING CENTRAL VALLEY PROJECT AGRI-
23 CULTURAL WATER SERVICE CONTRACTOR WITHIN
24 SACRAMENTO RIVER WATERSHED.—The term “exist-
25 ing Central Valley Project agricultural water service

1 contractor within the Sacramento River Watershed”
2 means any water service contractor within the Shas-
3 ta, Trinity, or Sacramento River Division of the
4 Central Valley Project that has in effect a water
5 service contract on the date of enactment of this
6 title that provides water for irrigation.

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

12 (b) ALLOCATIONS OF WATER.—

13 (1) ALLOCATIONS.—Subject to subsection (c),
14 the Secretary of the Interior shall make every rea-
15 sonable effort in the operation of the Central Valley
16 Project to allocate water provided for irrigation pur-
17 poses to each existing Central Valley Project agricul-
18 tural water service contractor within the Sacramento
19 River Watershed in accordance with the following:

20 (A) Not less than 100 percent of the con-
21 tract quantity shall be allocated to the Central
22 Valley Project agricultural water service con-
23 tractor within the Sacramento River Watershed
24 in a Wet year.

1 (B) Not less than 100 percent of the con-
2 tract quantity shall be allocated to the Central
3 Valley Project agricultural water service con-
4 tractor within the Sacramento River Watershed
5 in an Above Normal year.

6 (C) Not less than 100 percent of the con-
7 tract quantity shall be allocated to the Central
8 Valley Project agricultural water service con-
9 tractor within the Sacramento River Watershed
10 in a Below Normal year that is preceded by an
11 Above Normal or Wet year.

12 (D) Not less than 50 percent of the con-
13 tract quantity shall be allocated to the existing
14 Central Valley Project agricultural water service
15 contractor within the Sacramento River Water-
16 shed in a Dry year that is preceded by a Below
17 Normal, Above Normal, or Wet year.

18 (E) Subject to paragraph (2), in any other
19 year not identified in any of subparagraphs (A)
20 through (D), the Secretary shall allocate not
21 less than twice the allocation percentage to
22 south-of-Delta Central Valley Project agricul-
23 tural water service contractors, up to 100 per-
24 cent.

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

9 (c) PROTECTION OF ENVIRONMENT, MUNICIPAL,
10 AND INDUSTRIAL SUPPLIES AND OTHER CONTRAC-
11 TORS.—

12 (1) ENVIRONMENT.—Nothing in subsection (b)
13 shall adversely affect any protections for the envi-
14 ronment, including—

15 (A) the cold water pool behind Shasta
16 Dam or any other Central Valley Project res-
17 ervoir;

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

23 (C) any obligation—

24 (i) of the Secretaries of the Interior
25 and Commerce under the smelt biological

1 opinion, the salmonid biological opinion, or
2 any other applicable biological opinion; or
3 (ii) under the Endangered Species Act
4 of 1973 (16 U.S.C. 1531 et seq.), the Cen-
5 tral Valley Project Improvement Act (Pub-
6 lic Law 102–575; 106 Stat. 4706), or any
7 other applicable State or Federal law (in-
8 cluding regulations).

9 (2) MUNICIPAL AND INDUSTRIAL SUPPLIES.—

10 Nothing in subsection (b) shall—

11 (A) modify any provision of a water service
12 contract that addresses municipal or industrial
13 water shortage policies of the Secretaries of the
14 Interior and Commerce;

15 (B) affect or limit the authority of the Sec-
16 retaries of the Interior and Commerce—

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

19 (ii) to implement a municipal or in-
20 dustrial water shortage policy;

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

1 (D) affect any allocation to a Central Val-
2 ley Project municipal or industrial water service
3 contractor by increasing or decreasing alloca-
4 tions to the contractor, as compared to the allo-
5 cation the contractor would have received ab-
6 sent subsection (b).

7 (3) OTHER CONTRACTORS.—Nothing in sub-
8 section (b) shall—

9 (A) affect the priority of any individual or
10 entity with a Sacramento River settlement con-
11 tract over water service or repayment contrac-
12 tors;

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

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

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

22 (E) result in the involuntary reduction in
23 contract water allocations to individuals or enti-
24 ties with contracts to receive water from the
25 Friant Division; or

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

3 **Subtitle E—Miscellaneous**
4 **Provisions**

5 **SEC. 581. AUTHORIZED SERVICE AREA.**

6 (a) IN GENERAL.—The service area of the Central
7 Valley Project, as authorized by the Central Valley Project
8 Improvement Act (Public Law 102–575; 106 Stat. 4706),
9 shall include the area within the boundaries of the
10 Kettleman City Community Services District of California,
11 as in existence on the date of enactment of this title.

12 (b) LONG-TERM CONTRACT.—

13 (1) IN GENERAL.—Notwithstanding the Central
14 Valley Project Improvement Act (Public Law 102–
15 575; 106 Stat. 4706) and subject to paragraph (2),
16 the Secretary of the Interior, in accordance with the
17 reclamation laws, shall enter into a long-term con-
18 tract with the Kettleman City Community Services
19 District of California, under terms and conditions
20 mutually agreeable to the parties, for the delivery of
21 up to 900 acre-feet of Central Valley Project water
22 for municipal and industrial use.

23 (2) LIMITATION.—A Central Valley Project
24 water delivery under the contract entered into under
25 paragraph (1) shall be limited to the minimal quan-

1 ture of all amounts deposited in the Restoration
2 Fund during the preceding fiscal year, including—

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

7 “(B) a projection of the expected receipts
8 to the Restoration Fund and Restoration Ac-
9 count for the following fiscal year; and

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

13 “(2) PUBLIC PARTICIPATION FOR PLANNED EX-
14 PENDITURES.—

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

21 “(B) PUBLIC COMMENT.—The draft work
22 plan under this paragraph shall be made avail-
23 able for public comment for a period not less
24 than 30 days.”.

1 **SEC. 583. BASIN STUDIES.**

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

4 (1) expand opportunities and expedite comple-
5 tion of assessments under the Secure Water Act
6 (section 9503(b) of Public Law 111–11 (42 U.S.C.
7 10363(b)), together with non-Federal partners, of
8 individual sub-basins and watersheds within major
9 Reclamation river basins; and

10 (2) ensure prompt decisionmaking regarding,
11 and expedited implementation of, adaptation and
12 mitigation strategies developed through the special
13 study process.

14 (b) CONTRIBUTED FUNDS.—The Secretary may ac-
15 cept and use contributions of funds from the non-Federal
16 partners to carry out activities under the special studies
17 consistent with the administration of basin studies pro-
18 gram criteria.

19 **SEC. 584. TECHNICAL AND MODELING ASSISTANCE.**

20 (a) IN GENERAL.—The Secretaries of the Interior
21 and Commerce may provide technical and modeling assist-
22 ance on request to the State Water Resources Control
23 Board during the drought emergency in effect on the date
24 of enactment of this title.

25 (b) DATA AVAILABILITY.—The Secretaries of the In-
26 terior and Commerce shall make publicly available on re-

1 quest any modeling and data provided under subsection
2 (a).

3 **SEC. 585. REPORT ON RESULTS OF WATER USAGE.**

4 The Secretary of the Interior, in consultation with the
5 Secretary of Commerce and the Secretary of Natural Re-
6 sources of the State of California, shall publish an annual
7 report describing, with respect to the period covered by
8 the report—

9 (1) instream flow releases from the Central Val-
10 ley Project and State Water Project;

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

13 (3) all measured environmental benefits as a re-
14 sult of the releases.

15 **SEC. 586. ADDITIONAL STORAGE AT NEW MELONES.**

16 (a) COORDINATION.—The Commissioner shall coordi-
17 nate with local water and irrigation districts in the
18 Stanislaus River Basin to identify the quantity of water
19 storage made available by the draft plan of operations in
20 New Melones Reservoir (referred to in this section as the
21 “draft plan”) for—

22 (1) water conservation programs;

23 (2) conjunctive use projects;

24 (3) water transfers;

25 (4) rescheduled project water; and

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

4 (b) REQUIREMENT.—The programs and projects de-
5 scribed in subsection (a) shall be implemented in accord-
6 ance with applicable laws (including regulations).

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

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

13 (2) any other applicable State water law.

14 (d) REPORT.—Not later than 18 months after the
15 date of identification of the quantity of storage made
16 available under the draft plan that has been allocated
17 under this section, the Commissioner shall submit to Con-
18 gress a report describing the implementation of this sec-
19 tion, including proposals received by the Commissioner
20 from interested parties for purposes of this section.

21 **SEC. 587. CONTRACTING AUTHORITIES.**

22 (a) DELTA RESEARCH STATION LEASES.—Notwith-
23 standing section 585 of title 40, United States Code, the
24 Secretaries of the Interior and Commerce may enter di-

1 rectly into any lease of real property for the Delta Re-
2 search Station.

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

11 **SEC. 588. VOLUNTARY OPEN WATER DATA SYSTEM.**

12 (a) DEFINITIONS.—In this section:

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

15 (A) a public or private elementary or sec-
16 ondary school;

17 (B) an institution of vocational, profes-
18 sional, or higher education (including a junior
19 college or teachers’ college); and

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

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

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

4 (4) STATE.—The term “State” means—

5 (A) a State;

6 (B) the District of Columbia;

7 (C) the Commonwealth of Puerto Rico;

8 and

9 (D) any other territory or possession of the
10 United States.

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

14 (b) SYSTEM.—The Secretary shall establish and
15 maintain an open water data system within the United
16 States Geological Survey to advance the availability, time-
17 ly distribution, and widespread use of water data and in-
18 formation for water management, education, research, as-
19 sessment, and monitoring purposes.

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

21 (1) to promote the voluntary sharing of water
22 data and information among State, local, and tribal
23 governments, communities, educational institutions,
24 and the private sector;

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

4 (3) to increase accessibility to, and expand the
5 use of, water data and information in a standard,
6 easy-to-use format by Federal, State, local, and trib-
7 al governments, communities, educational institu-
8 tions, and the private sector; and

9 (4) to facilitate the open exchange of water in-
10 formation particularly in the face of climate change
11 and unprecedented drought.

12 (d) ACTIVITIES.—

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

16 (A) to integrate water data and informa-
17 tion into an interoperable, national, geospatially
18 referenced water data framework;

19 (B) identify new water data and informa-
20 tion needs, including data on surface and
21 ground water quality and quantity, contami-
22 nated aquifers, sediment, erosion, transport,
23 water chemistry, brackish water, precipitation,
24 reservoir storage, water cycle, landscape vari-

1 ables, hydrography, climate and weather im-
2 pacts, soil moisture, and human use;

3 (C) to leverage existing shared databases,
4 infrastructure, and tools to provide a platform
5 for water data and information innovation,
6 modeling and data sharing, and solution devel-
7 opment; and

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

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

16 (A) voluntary; and

17 (B) carried out in accordance with all Fed-
18 eral and State privacy laws.

19 (e) AUTHORIZATION OF APPROPRIATIONS.—There is
20 authorized to be appropriated to carry out this section
21 \$2,000,000 for each of fiscal years 2016 through 2020.

22 **SEC. 589. SINGLE ANNUAL REPORT.**

23 To the maximum extent practicable, the Secretary of
24 the Interior shall combine into 1 report the annual reports
25 required to be submitted under this title to the Commit-

1 tees on Appropriations and Energy and Natural Resources
2 of the Senate and the Committees on Appropriations and
3 Natural Resources of the House of Representatives.

4 **Subtitle F—Offsets**

5 **SEC. 591. DEAUTHORIZATION OF INACTIVE PROJECTS.**

6 (a) PURPOSES; DEFINITIONS.—

7 (1) PURPOSES.—The purposes of this section
8 are—

9 (A) to identify Bureau of Reclamation
10 projects and programs that are no longer fea-
11 sible due to—

12 (i) a lack of local support;

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

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

17 (B) to establish an efficient and trans-
18 parent process for deauthorizing Reclamation
19 projects and programs that have failed to re-
20 ceive a minimum level of investment to ensure
21 active projects can move forward while reducing
22 the backlog of authorized projects;

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

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

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

6 (i) in the Federal interest; or

7 (ii) feasible.

8 (2) DEFINITIONS.—In this section:

9 (A) RECLAMATION PROJECT OR PRO-
10 GRAM.—The term “Reclamation project or pro-
11 gram” includes any project or program that is
12 administered by the Bureau of Reclamation.

13 (B) SECRETARY.—The term “Secretary”
14 means the Secretary of the Interior.

15 (b) COMPREHENSIVE REPORTS.—

16 (1) MINIMUM FUNDING LIST.—Not later than
17 180 days after the date of enactment of this title,
18 the Secretary shall submit to the Committee on En-
19 ergy and Natural Resources of the Senate and the
20 Committee on Natural Resources of the House of
21 Representatives, and make available on a publicly
22 accessible Internet website in a manner that is
23 downloadable, searchable, and sortable, a list of—

24 (A) Reclamation programs authorized, and
25 for which funding was obligated, during the

1 current fiscal year or any of the preceding 5 fis-
2 cal years; and

3 (B)(i) Reclamation projects or separable
4 elements of projects authorized for construction
5 for which funding has been obligated during the
6 current fiscal year or any of the 5 preceding fis-
7 cal years;

8 (ii) the amount of funding obligated for
9 each such project or separable element per fis-
10 cal year;

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

13 (iv) the amount required to complete the
14 current phase of each such project or separable
15 element.

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

24 (A) Reclamation programs that are author-
25 ized and for which funding was not obligated

1 during the current fiscal year or any of the pre-
2 ceding 5 fiscal years; and

3 (B)(i) projects or separable elements that
4 are authorized for construction but have not
5 been completed;

6 (ii) the date of authorization of the project
7 or separable element, including any subsequent
8 modifications to the original authorization;

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

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

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

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

17 (vii) any amounts appropriated for the
18 project or separable element that remain unobli-
19 gated.

20 (c) INTERIM DEAUTHORIZATION LIST.—

21 (1) IN GENERAL.—The Secretary shall develop
22 an interim deauthorization list that identifies each
23 authorized Reclamation program or project, or sepa-
24 rable element of a Reclamation program or project,

1 for which Federal or non-Federal funds were not ob-
2 ligated for construction during—

3 (A) the applicable fiscal year; or

4 (B) any of the 5 preceding fiscal years.

5 (2) SPECIAL RULE FOR PROJECTS RECEIVING
6 FUNDS FOR POSTAUTHORIZATION STUDY.—A Rec-
7 lamation project or separable element of a Reclama-
8 tion project may not be identified on the interim de-
9 authorization list, or on the final deauthorization list
10 under subsection (d), if the Reclamation project or
11 separable element received funding for a
12 postauthorization study during—

13 (A) the applicable fiscal year; or

14 (B) any of the 5 preceding fiscal years.

15 (3) PUBLIC COMMENT AND CONSULTATION.—

16 (A) IN GENERAL.—The Secretary shall so-
17 licit comments from the public and the Gov-
18 ernors of each applicable State regarding the
19 interim deauthorization list developed under
20 paragraph (1).

21 (B) COMMENT PERIOD.—The public com-
22 ment period under subparagraph (A) shall be
23 90 days.

24 (4) SUBMISSION TO CONGRESS; PUBLICA-
25 TION.—Not later than 90 days after the date of sub-

1 mission of the list required under subsection (b), the
2 Secretary shall—

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

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

10 (d) FINAL DEAUTHORIZATION LIST.—

11 (1) IN GENERAL.—The Secretary shall develop
12 a final deauthorization list of each Reclamation pro-
13 gram or project, or separable element of a Reclama-
14 tion program or project, described in subsection
15 (c)(1) that is identified pursuant to this subsection.

16 (2) IDENTIFICATION OF PROJECTS.—

17 (A) SEQUENCING.—

18 (i) IN GENERAL.—The Secretary shall
19 identify Reclamation projects and sepa-
20 rable elements of Reclamation projects for
21 inclusion on the final deauthorization list
22 according to the order in which the Rec-
23 lamation projects and separable elements
24 were authorized, beginning with the ear-

1 liest-authorized Reclamation projects and
2 separable elements.

3 (ii) FACTORS FOR CONSIDERATION.—

4 The Secretary may identify a Reclamation
5 program, project, or separable element of a
6 Reclamation program or project for exclu-
7 sion from the final deauthorization list if
8 the Secretary determines, on a case-by-case
9 basis, that the Reclamation program,
10 project, or separable element is critical for
11 interests of the United States, based on
12 the possible impact of the Reclamation
13 program, project, or separable element
14 on—

15 (I) public health and safety;

16 (II) the national economy; or

17 (III) the environment.

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

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

1 (i) identifies each Reclamation pro-
2 gram, project, and separable element of a
3 Reclamation program or project on the in-
4 terim deauthorization list developed under
5 subsection (c) that is not included on the
6 final deauthorization list; and

7 (ii) describes the reasons why the Rec-
8 lamation program, project, or separable
9 element is not included.

10 (3) SUBMISSION TO CONGRESS; PUBLICA-
11 TION.—Not later than 120 days after the date of ex-
12 piration of the public comment period under sub-
13 section (c)(3), the Secretary shall—

14 (A) submit the final deauthorization list
15 and the appendix under paragraph (2)(B) to
16 the Committee on Energy and Natural Re-
17 sources of the Senate and the Committee on
18 Natural Resources of the House of Representa-
19 tives; and

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

22 (e) DEAUTHORIZATION; CONGRESSIONAL REVIEW.—

23 (1) IN GENERAL.—Subject to paragraph (2), ef-
24 fective beginning on the date that is 180 days after
25 the date of submission of the final deauthorization

1 list under subsection (d), a Reclamation program,
2 project, or separable element of a Reclamation pro-
3 gram or project included on the list is deauthorized,
4 unless Congress passes a joint resolution dis-
5 approving the final deauthorization report before
6 that date.

7 (2) NON-FEDERAL CONTRIBUTIONS.—A Rec-
8 lamation program, project, or separable element in-
9 cluded on the final deauthorization list under sub-
10 section (d) shall not be deauthorized under this sub-
11 section if, before the expiration of the 180-day pe-
12 riod referred to in paragraph (1), the non-Federal
13 interest of the Reclamation program, project, or sep-
14 arable element provides sufficient funds to complete
15 the Reclamation program, project, or separable ele-
16 ment.

17 (f) TREATMENT OF PROJECT MODIFICATIONS.—For
18 purposes of this section, if an authorized water resources
19 development Reclamation program, project, or separable
20 element of the program or project has been modified by
21 an Act of Congress, the date of authorization of the Rec-
22 lamation program, project, or separable element shall be
23 deemed to be the date of the most recent modification.

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

4 **SEC. 592. ACCELERATED REVENUE, REPAYMENT, AND SUR-**
5 **FACE WATER STORAGE ENHANCEMENT.**

6 (a) SHORT TITLE.—This section may be cited as the
7 “Accelerated Revenue, Repayment, and Surface Water
8 Storage Enhancement Act”.

9 (b) DEFINITIONS.—In this section:

10 (1) ACCOUNT.—The term “Account” means the
11 Reclamation Surface Water Storage Account estab-
12 lished under subsection (f)(1).

13 (2) CONSTRUCTION.—

14 (A) IN GENERAL.—The term “construc-
15 tion” means the designing, materials engineer-
16 ing and testing, surveying, and building of sur-
17 face water storage.

18 (B) INCLUSIONS.—The term “construc-
19 tion” includes—

20 (i) any addition to existing surface
21 water storage; and

22 (ii) construction of a new surface
23 water storage facility.

24 (C) EXCLUSIONS.—The term “construc-
25 tion” excludes any Federal statutory or regu-

1 latory obligation relating to any permit, review,
2 approval, or other similar requirement.

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

5 (4) SURFACE WATER STORAGE.—The term
6 “surface water storage” means storage at—

7 (A) any federally owned facility under the
8 jurisdiction of the Bureau of Reclamation; or

9 (B) any non-Federal facility used for the
10 surface storage and supply of water resources.

11 (5) TREASURY RATE.—The term “Treasury
12 rate” means the 20-year constant maturity treasury
13 rate published by the United States Treasury, as in
14 existence on the effective date of the applicable con-
15 tract.

16 (6) WATER USERS ASSOCIATION.—

17 (A) IN GENERAL.—The term “water users
18 association” means an entity organized and rec-
19 ognized under State law that is eligible to enter
20 into contracts with the Commissioner—

21 (i) to receive contract water for deliv-
22 ery to users of the water; and

23 (ii) to pay any applicable charges.

24 (B) INCLUSIONS.—The term “water users
25 association” includes—

- 1 (i) an association;
- 2 (ii) a conservatory district;
- 3 (iii) an irrigation district;
- 4 (iv) a municipality; and
- 5 (v) a water project contract unit.

6 (c) CONVERSION AND PREPAYMENT OF CON-
7 TRACTS.—

8 (1) CONVERSION.—

9 (A) IN GENERAL.—On receipt of a request
10 from a water users association, the Secretary
11 shall convert any water service contract in ef-
12 fect on the date of enactment of this title be-
13 tween the United States and the water users
14 association to allow for prepayment of the re-
15 payment contract in accordance with this para-
16 graph under mutually agreeable terms and con-
17 ditions.

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

20 (i) Water service contracts entered
21 under section 9(c)(2) of the Act of August
22 4, 1939 (53 Stat. 1194, chapter 418), to
23 be converted under this section shall be
24 converted to a contract under section

1 9(c)(1) of that Act (53 Stat. 1194, chapter
2 418).

3 (ii) Water service contracts entered
4 into under section 9(e) of the Act of Au-
5 gust 4, 1939 (53 Stat. 1196, chapter 418),
6 to be converted under this section shall be
7 converted to repayment contracts under
8 section 9(d) of that Act (53 Stat. 1195,
9 chapter 418).

10 (2) PREPAYMENT.—

11 (A) SECTION 9(c)(1).—Except for a repay-
12 ment contract under which the applicable water
13 users association has previously negotiated for
14 prepayment, each repayment contract under
15 section 9(c)(1) of the Act of August 4, 1939
16 (53 Stat. 1194, chapter 418) (including any
17 contract converted pursuant to paragraph
18 (1)(B)(i)), in effect on the date of enactment of
19 this title shall, at the request of the water users
20 association—

21 (i) provide for the repayment in lump
22 sum of the remaining construction costs
23 identified in an applicable water project-
24 specific municipal or industrial rate repay-
25 ment schedule (as adjusted to reflect pay-

1 ment not reflected in the schedule) and
2 properly assignable for ultimate return by
3 the water users association, subject to the
4 condition that an estimate of the remain-
5 ing construction costs, as adjusted, shall be
6 provided by the Secretary to the water
7 users association by not later than 90 days
8 after the date of receipt of the request of
9 the water users association;

10 (ii) require that any construction costs
11 or other capitalized costs that were in-
12 curred after the effective date of the con-
13 tract, were not reflected in the rate sched-
14 ule referred to in clause (i), or were not
15 properly assignable to the water users as-
16 sociation, and were incurred as a result of
17 a collective annual allocation of capital
18 costs to the water users association elect-
19 ing contract conversion under this sub-
20 section, shall be repaid—

21 (I) for costs equal to less than
22 \$5,000,000, by not later than the date
23 that is 5 years after the date of notifi-
24 cation of the allocation; or

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

4 (iii) continue in effect for the period
5 during which the water users association
6 pays applicable charges in accordance with
7 section 9(c)(1) of the Act of August 4,
8 1939 (53 Stat. 1194, chapter 418), and
9 other applicable law.

10 (B) SECTION 9(d).—Except for a repay-
11 ment contract under which the applicable water
12 users association has previously negotiated for
13 prepayment, each repayment contract under
14 section 9(d) of the Act of August 4, 1939 (53
15 Stat. 1195, chapter 418) (including any con-
16 tract converted pursuant to paragraph
17 (1)(B)(ii)), in effect on the date of enactment
18 of this title shall, at the request of the water
19 users association—

20 (i) provide for repayment of the re-
21 maining construction costs identified in an
22 applicable water project-specific irrigation
23 rate repayment schedule (as adjusted to
24 reflect payment not reflected in the sched-
25 ule) and properly assignable for ultimate

1 return by the water users association in
2 lump sum, by accelerated prepayment, or if
3 made in approximately equal installments,
4 by not later than 3 years after the effective
5 date of the repayment contract, subject to
6 the conditions that—

7 (I) the amount shall be dis-
8 counted by $\frac{1}{2}$ the Treasury rate; and

9 (II) the estimate of the remain-
10 ing construction costs, as adjusted,
11 shall be provided by the Secretary to
12 the water users association by not
13 later than 90 days after the date of
14 receipt of the request of the water
15 users association;

16 (ii) require that any construction costs
17 or other capitalized costs that were in-
18 curred after the effective date of the con-
19 tract, were not reflected in the rate sched-
20 ule referred to in clause (i), or were not
21 properly assignable to the water users as-
22 sociation, and were incurred as a result of
23 a collective annual allocation of capital
24 costs to the water users association elect-

1 ing contract conversion under this sub-
2 section, shall be repaid—

3 (I) for costs equal to less than
4 \$5,000,000, by not later than the date
5 that is 5 years after the date of notifi-
6 cation of the allocation; or

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

10 (iii) provide that power revenues will
11 not be available to aid in repayment of
12 construction costs allocated to irrigation
13 under the contract; and

14 (iv) continue in effect for the period
15 during which the water users association
16 pays applicable charges in accordance with
17 section 9(d) of the Act of August 4, 1939
18 (53 Stat. 1195, chapter 418), and other
19 applicable law.

20 (3) TREATMENT.—A contract entered into pur-
21 suant to this subsection—

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

1 (B) shall conform to any other applicable
2 agreement, such as a settlement agreement or
3 a new constructed appurtenant facility agree-
4 ment; and

5 (C) shall not modify any other—

6 (i) water service, repayment, ex-
7 change, or transfer contractual right be-
8 tween the water users association, and the
9 Bureau of Reclamation; or

10 (ii) right, obligation, or relationship of
11 the water users association and an applica-
12 ble landowner in accordance with State
13 law.

14 (d) ACCOUNTING.—

15 (1) ADJUSTMENT.—The amounts paid pursuant
16 to subsection (c) shall be subject to adjustment fol-
17 lowing a final cost allocation by the Secretary.

18 (2) DEFICIENCIES.—

19 (A) IN GENERAL.—If the final cost alloca-
20 tion under paragraph (1) indicates that the
21 costs properly assignable to a water users asso-
22 ciation are greater than the costs paid by the
23 water users association, the water users associa-
24 tion shall be obligated to pay to the Secretary
25 the remaining allocated costs under an addi-

1 tional repayment contract under subparagraph
2 (B).

3 (B) ADDITIONAL REPAYMENT CON-
4 TRACTS.—An additional repayment contract re-
5 quired by subparagraph (A) shall—

6 (i) have a term of—

7 (I) not less than 1 year; and

8 (II) not more than 10 years; and

9 (ii) include such mutually agreeable
10 provisions regarding the rate of repayment
11 of the deficient amount as may be devel-
12 oped by the parties.

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

22 (e) APPLICABILITY OF CERTAIN PROVISIONS.—

23 (1) EFFECT OF EXISTING LAW.—On compliance
24 by a water users association with, and discharge of
25 the obligation of repayment of the construction costs

1 pursuant to, a contract entered into under to sub-
2 section (c)(2)(B), subsections (a) and (b) of section
3 213 of the Reclamation Reform Act of 1982 (43
4 U.S.C. 390mm) shall apply to any affected land.

5 (2) EFFECT OF OTHER OBLIGATIONS.—The ob-
6 ligation of a water users association to repay any
7 construction costs or other capitalized cost described
8 in subparagraph (A)(ii) or (B)(ii) of subsection
9 (c)(2), or subsection (d), shall not, on repayment, af-
10 fect—

11 (A) the status of the water users associa-
12 tion as having repaid all of the construction
13 costs assignable to the water users association;
14 or

15 (B) the applicability of subsection (a) or
16 (b) of section 213 of the Reclamation Reform
17 Act of 1982 (43 U.S.C. 390mm).

18 (f) SURFACE WATER STORAGE ENHANCEMENT PRO-
19 GRAM.—

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

1 (2) DEPOSITS.—Not later than 3 years after
2 the date of enactment of this title, an amount equal
3 to 50 percent of receipts generated from the prepay-
4 ment of contracts under this section in excess of
5 amounts necessary to cover the amount of receipts
6 forgone from scheduled payments under applicable
7 law in effect on that date of enactment during the
8 10-year period beginning on that date of enactment
9 shall be deposited in the Account.

10 (3) USE.—

11 (A) COOPERATIVE AGREEMENTS.—The
12 Secretary may—

13 (i) enter into cooperative agreements
14 with water users associations for the con-
15 struction of surface water storage; and

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

19 (B) TREATMENT.—A surface water stor-
20 age project that is otherwise not federally au-
21 thorized shall not be considered to be a Federal
22 facility as a result of the allocation of any
23 amount from the Account for any portion of the
24 project.

1 (4) REPAYMENT.—Any amount from the Ac-
2 count used for surface water storage construction
3 shall be fully reimbursed to the Account in accord-
4 ance with applicable requirements under the rec-
5 lamation laws, except that all funds reimbursed shall
6 be deposited in the Account.

7 (5) AVAILABILITY OF AMOUNTS.—The amounts
8 deposited in the Account under this subsection
9 shall—

10 (A) be made available for the storage
11 projects identified in section 402, subject to ap-
12 propriation; and

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

16 (6) PURPOSES OF SURFACE WATER STORAGE.—
17 The construction of surface water storage under this
18 section shall be made available for the federally
19 owned and State-led storage projects pursued under
20 this title, provided that funds are limited to the Fed-
21 eral cost-share (up to 25 percent for State-led
22 projects and up to 50 percent for federally owned
23 projects).

24 (g) EFFECT OF SECTION.—Nothing in this section—

1 (1) alters the repayment obligation of any water
2 service or repayment contractor receiving water from
3 a water project, or shifts any costs that would other-
4 wise have been properly assignable to a water users
5 association described in subsection (c) or another
6 contractor, absent this section, including operation
7 and maintenance costs, construction costs, or other
8 capitalized costs incurred after the date of enact-
9 ment of this title;

10 (2) alters any specific requirement for the dis-
11 position of amounts received as repayments by the
12 Secretary under the reclamation laws; or

13 (3) except as expressly provided in this section,
14 alters any obligations under the Reclamation Law,
15 including the continuation of Restoration Fund
16 charges pursuant to section 3407(d) (Public Law
17 102–575), of the water service and repayment con-
18 tractors making prepayments pursuant to this sec-
19 tion.

20 **Subtitle G—Duration and Effect on**
21 **Existing Obligations**

22 **SEC. 595. SAVINGS CLAUSE.**

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

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

4 (2) affects or modifies any obligation under the
5 Central Valley Project Improvement Act (Public
6 Law 102–575; 106 Stat. 4706), except for the pro-
7 cedural provisions relating to public input and sav-
8 ings provisions for the Stanislaus River predator
9 management program expressly established by sec-
10 tions 203 and 502; or

11 (3) overrides, modifies, or amends the applica-
12 bility of the Endangered Species Act of 1973 (16
13 U.S.C. 1531 et seq.) or the application of the smelt
14 and salmonid biological opinions to the operation of
15 the Central Valley Project or the State Water
16 Project.

17 (b) SEVERABILITY.—If any provision of this title, or
18 any application of such provision to any person or cir-
19 cumstance, is held to be inconsistent with any law or the
20 biological opinions, the remainder of this title and the ap-
21 plication of this title to any other person or circumstance
22 shall not be affected.

23 **SEC. 596. TERMINATION.**

24 All of title III (relating to California emergency
25 drought relief and operational flexibility), except for sub-

1 sections (a) through (d) of section 301, and title IV (relat-
2 ing to water rights) shall expire on the date that is the
3 later of—

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

7 (2) September 30, 2017.

