

114TH CONGRESS
1ST SESSION

S. _____

To advance integrated water management and development through innovation, resiliency, conservation, and efficiency in the 21st century, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mrs. BOXER introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To advance integrated water management and development through innovation, resiliency, conservation, and efficiency in the 21st century, and for other purposes.

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

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

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Water in the 21st Century Act” or “W21”.

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

Sec. 1. Short title; table of contents.
Sec. 2. Definition of Administrator.

TITLE I—CONSERVATION AND EFFICIENCY

2

Sec. 101. Water efficiency, conservation, and adaptation.

TITLE II—RECYCLING, STORAGE, AND INTEGRATED WATER
MANAGEMENT

Sec. 201. Definitions.

Subtitle A—Innovative Financing

Sec. 211. Purposes.

Sec. 212. Authority to provide assistance.

Sec. 213. Applications.

Sec. 214. Eligibility for assistance.

Sec. 215. Determination of eligibility and project selection.

Sec. 216. Secured loans.

Sec. 217. Program administration.

Sec. 218. State and local permits.

Sec. 219. Regulations.

Sec. 220. Funding.

Sec. 221. Report to Congress.

Subtitle B—Integrated Regional Water Management, Reclamation, and
Recycling Projects

Sec. 231. Water storage projects.

Sec. 232. Authorization of appropriations.

Subtitle C—Title Transfers

Sec. 241. Authorization to transfer title.

TITLE III—INNOVATION THROUGH RESEARCH, DATA, AND
TECHNOLOGY

Sec. 301. Open water data system.

Sec. 302. Water Resources Research Act amendments.

Sec. 303. Reauthorization of Water Desalination Act of 1996.

Sec. 304. Review of reservoir operations.

TITLE IV—DROUGHT PREPAREDNESS AND RESILIENCE

Sec. 401. National drought resilience guidelines.

Sec. 402. Drought preparedness for fisheries.

1 SEC. 2. DEFINITION OF ADMINISTRATOR.

2 In this Act, the term “Administrator” means the Ad-
3 ministrator of the Environmental Protection Agency.

1 **TITLE I—CONSERVATION AND**
2 **EFFICIENCY**

3 **SEC. 101. WATER EFFICIENCY, CONSERVATION, AND ADAP-**
4 **TATION.**

5 (a) **WATERSENSE.—**

6 (1) **IN GENERAL.**—There is established within
7 the Environmental Protection Agency a WaterSense
8 program to identify and promote water efficient
9 products, buildings, landscapes, facilities, processes,
10 and services so as—

11 (A) to reduce water use;

12 (B) to reduce the strain on water, waste-
13 water, and stormwater infrastructure;

14 (C) to conserve energy used to pump, heat,
15 transport, and treat water; and

16 (D) to preserve water resources for future
17 generations, through voluntary labeling of, or
18 other forms of communications about, products,
19 buildings, landscapes, facilities, processes, and
20 services that meet the highest water efficiency
21 and performance criteria.

22 (2) **DUTIES.**—The Administrator shall—

23 (A) establish—

24 (i) a WaterSense label to be used for
25 certain items; and

1 (ii) the procedure by which an item
2 may be certified to display the WaterSense
3 label;

4 (B) promote WaterSense-labeled products,
5 buildings, landscapes, facilities, processes, and
6 services in the marketplace as the preferred
7 technologies and services for—

8 (i) reducing water use; and

9 (ii) ensuring product and service per-
10 formance;

11 (C) work to enhance public awareness of
12 the WaterSense label through public outreach,
13 education, and other means;

14 (D) preserve the integrity of the
15 WaterSense label by—

16 (i) establishing and maintaining per-
17 formance criteria so that products, build-
18 ings, landscapes, facilities, processes, and
19 services labeled with the WaterSense label
20 perform as well or better than less water-
21 efficient counterparts;

22 (ii) overseeing WaterSense certifi-
23 cations made by third parties;

24 (iii) conducting reviews of the use of
25 the WaterSense label in the marketplace

1 and taking corrective action in any case in
2 which misuse of the label is identified; and

3 (iv) carrying out such other measures
4 as the Administrator determines to be ap-
5 propriate;

6 (E) regularly review and, if appropriate,
7 update WaterSense criteria for categories of
8 products, buildings, landscapes, facilities, proc-
9 esses, and services, at least once every 6 years;

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

19 (G) solicit comments from interested par-
20 ties and the public prior to establishing or re-
21 vising a WaterSense category, specification, in-
22 stallation criterion, or other criterion;

23 (H) provide reasonable notice to interested
24 parties and the public of any changes (including
25 effective dates), on the adoption of a new or re-

1 vised category, specification, installation cri-
2 terion, or other criterion, along with—

3 (i) an explanation of the changes; and

4 (ii) as appropriate, responses to com-
5 ments submitted by interested parties and
6 the public;

7 (I) provide appropriate lead time (as deter-
8 mined by the Administrator) prior to the appli-
9 cable effective date for a new or significant revi-
10 sion to a category, specification, installation cri-
11 terion, or other criterion, taking into account
12 the timing requirements of the manufacturing,
13 marketing, training, and distribution process
14 for the specific product, building and landscape,
15 or service category addressed;

16 (J) identify and, if appropriate, implement
17 other voluntary approaches in commercial, insti-
18 tutional, residential, industrial, and municipal
19 sectors to encourage recycling and reuse tech-
20 nologies to improve water efficiency or lower
21 water use; and

22 (K) if appropriate, authorize the
23 WaterSense label for use on products that are
24 labeled by the Energy Star program imple-

1 mented by the Administrator and the Secretary
2 of Energy.

3 (3) AUTHORIZATION OF APPROPRIATIONS.—

4 There are authorized to be appropriated to carry out
5 this section—

6 (A) \$5,000,000 for fiscal year 2015;

7 (B) \$10,000,000 for fiscal year 2016;

8 (C) \$15,000,000 for fiscal year 2017;

9 (D) \$20,000,000 for fiscal year 2018; and

10 (E) for each subsequent fiscal year, the ap-
11 plicable amount for the preceding fiscal year, as
12 adjusted to reflect changes for the 12-month
13 period ending the preceding November 30 in
14 the Consumer Price Index for All Urban Con-
15 sumers published by the Bureau of Labor Sta-
16 tistics of the Department of Labor.

17 (b) STATE WATER EFFICIENCY AND CONSERVATION
18 INCENTIVES PROGRAM.—

19 (1) DEFINITIONS.—In this subsection:

20 (A) ELIGIBLE ENTITY.—The term “eligible
21 entity” means a State government, local or
22 county government, tribal government, waste-
23 water or sewerage utility, municipal water au-
24 thority, energy utility, water utility, or non-

1 profit organization that meets the requirements
2 of paragraph (2).

3 (B) INCENTIVE PROGRAM.—The term “in-
4 centive program” means a program for admin-
5 istering financial incentives for consumer pur-
6 chase and installation of water-efficient prod-
7 ucts, buildings (including new water-efficient
8 homes), landscapes, processes, or services de-
9 scribed in paragraph (2)(A).

10 (C) WATER-EFFICIENT PRODUCT, BUILD-
11 ING, LANDSCAPE, PROCESS, OR SERVICE.—

12 (i) IN GENERAL.—The term “water-
13 efficient product, building, landscape, proc-
14 ess, or service” means a product, building,
15 landscape, process, or service for a resi-
16 dence or a commercial or institutional
17 building, or the landscape of a residence or
18 commercial or institutional building, that
19 is rated for water efficiency and perform-
20 ance—

21 (I) by the WaterSense program;

22 or

23 (II) if a WaterSense specification
24 does not exist, by the Energy Star

1 program or an incentive program ap-
2 proved by the Administrator.

3 (ii) INCLUSIONS.—The term “water-
4 efficient product, building, landscape, proc-
5 ess, or service” includes—

6 (I) faucets;

7 (II) irrigation technologies and
8 services;

9 (III) point-of-use water treat-
10 ment devices;

11 (IV) reuse and recycling tech-
12 nologies;

13 (V) toilets;

14 (VI) clothes washers;

15 (VII) dishwashers;

16 (VIII) showerheads;

17 (IX) xeriscaping and other land-
18 scape conversions that replace irri-
19 gated turf;

20 (X) new water efficient homes
21 certified under the WaterSense pro-
22 gram;

23 (XI) green stormwater installa-
24 tions such as permeable pavement,

1 rain gardens, rain barrels, and green
2 roofs;

3 (XII) composting solutions com-
4 plementary to water use and water
5 quality; and

6 (XIII) other water-efficient prod-
7 ucts, services, processes, or behavioral
8 water efficiency solutions that address
9 the objectives of the WaterSense pro-
10 gram.

11 (D) WATERSENSE PROGRAM.—The term
12 “WaterSense program” means the program es-
13 tablished by subsection (a).

14 (2) ELIGIBLE ENTITIES.—An entity shall be eli-
15 gible to receive an allocation under paragraph (3) if
16 the entity—

17 (A) establishes (or has established) an in-
18 centive program to provide financial incentives
19 to residential, commercial, and institutional
20 consumers for the purchase of water-efficient
21 products, buildings, landscapes, processes, or
22 services;

23 (B) submits an application for the alloca-
24 tion at such time, in such form, and containing

1 such information as the Administrator may re-
2 quire; and

3 (C) provides assurances satisfactory to the
4 Administrator that the entity will use the allo-
5 cation to supplement, but not supplant, non-
6 Federal funds made available to carry out the
7 incentive program.

8 (3) AMOUNT OF ALLOCATIONS.—For each fiscal
9 year, the Administrator shall determine the amount
10 to allocate to each eligible entity to carry out para-
11 graph (4), taking into consideration—

12 (A) the population served by the eligible
13 entity during the most recent calendar year for
14 which data are available;

15 (B) the targeted population of the incen-
16 tive program of the eligible entity, such as gen-
17 eral households, low-income households, or first-
18 time homeowners, and the probable effective-
19 ness of the incentive program for that popu-
20 lation;

21 (C) for existing programs, the effectiveness
22 of the program in encouraging the adoption of
23 water-efficient products, buildings, landscapes,
24 facilities, processes, and services;

1 (D) any allocation to the eligible entity for
2 a preceding fiscal year that remains unused;
3 and

4 (E) the per capita water demand of the
5 population served by the eligible entity during
6 the most recent calendar year for which data
7 are available and the availability or reliability of
8 water supplies to the eligible entity.

9 (4) USE OF ALLOCATED FUNDS.—Funds allo-
10 cated to an eligible entity under paragraph (3) may
11 be used to pay up to 50 percent of the cost of estab-
12 lishing and carrying out an incentive program.

13 (5) ISSUANCE OF INCENTIVES.—

14 (A) IN GENERAL.—Financial incentives
15 may be provided to residential, commercial, and
16 institutional consumers that meet the require-
17 ments of the applicable incentive program.

18 (B) MANNER OF ISSUANCE.—An eligible
19 entity may—

20 (i) issue all financial incentives di-
21 rectly to residential, commercial, and insti-
22 tutional consumers; or

23 (ii) with approval of the Adminis-
24 trator, delegate all or part of financial in-
25 centive administration to other organiza-

1 tions, including local governments, munic-
2 ipal water authorities, water utilities, and
3 nonprofit organizations.

4 (C) AMOUNT.—The amount of a financial
5 incentive shall be determined by the eligible en-
6 tity, taking into consideration—

7 (i) the amount of any Federal or
8 State tax incentive available for the pur-
9 chase of the water-efficient product or
10 service;

11 (ii) the amount necessary to change
12 consumer behavior to purchase water-effi-
13 cient products and services; and

14 (iii) the consumer expenditures for on-
15 site preparation, assembly, and original in-
16 stallation of the product.

17 (6) AUTHORIZATION OF APPROPRIATIONS.—
18 There are authorized to be appropriated to the Ad-
19 ministrator to carry out this subsection—

20 (A) \$100,000,000 for fiscal year 2015;

21 (B) \$150,000,000 for fiscal year 2016;

22 (C) \$200,000,000 for fiscal year 2017;

23 (D) \$150,000,000 for fiscal year 2018;

24 (E) \$100,000,000 for fiscal year 2019; and

1 (F) for each subsequent fiscal year, the ap-
2 plicable amount for the preceding fiscal year, as
3 adjusted to reflect changes for the 12-month
4 period ending the preceding November 30 in
5 the Consumer Price Index for All Urban Con-
6 sumers published by the Bureau of Labor Sta-
7 tistics of the Department of Labor.

8 (c) WATER SYSTEM MITIGATION AND ADAPTATION
9 GRANTS.—

10 (1) DEFINITIONS.—In this subsection:

11 (A) OWNER OR OPERATOR.—

12 (i) IN GENERAL.—The term “owner
13 or operator” means a person (including a
14 regional, State, local, municipal, or private
15 entity) that owns or operates a water sys-
16 tem.

17 (ii) INCLUSION.—The term “owner or
18 operator” includes a non-Federal entity
19 that has operational responsibilities for a
20 federally owned water system.

21 (B) WATER SYSTEM.—The term “water
22 system” means—

23 (i) a community water system (as de-
24 fined in section 1401 of the Safe Drinking
25 Water Act (42 U.S.C. 300f));

1 (ii) a publicly owned treatment works
2 (as defined in section 212 of the Federal
3 Water Pollution Control Act (33 U.S.C.
4 1292)), including a municipal separate
5 storm sewer system;

6 (iii) a decentralized wastewater treat-
7 ment system for domestic sewage;

8 (iv) a groundwater storage and re-
9 plenishment system; or

10 (v) a system for transport and deliv-
11 ery of water for irrigation or conservation.

12 (2) GRANTS.—Beginning in fiscal year 2015,
13 the Administrator shall make grants to owners or
14 operators of water systems to address any ongoing
15 or forecasted (based on the best available research
16 and data) climate-related impact on the water qual-
17 ity or quantity of a region of the United States, for
18 the purposes of mitigating or adapting to the im-
19 pacts of climate change.

20 (3) ELIGIBLE USES.—In carrying out this sub-
21 section, the Administrator shall make grants to as-
22 sist in the planning, design, construction, implemen-
23 tation, or maintenance of any program or project to
24 increase the resilience of a water system to climate
25 change by—

16

1 (A) conserving water or enhancing water
2 use efficiency, including through the use of
3 water metering to measure the effectiveness of
4 a water efficiency program;

5 (B) modifying or relocating existing water
6 system infrastructure made or projected to be
7 made inoperable by climate change impacts;

8 (C) preserving or improving water quality,
9 including through measures to manage, reduce,
10 treat, or reuse municipal stormwater, waste-
11 water, or drinking water;

12 (D) investigating, designing, or con-
13 structing groundwater remediation, recycled
14 water, or desalination facilities or systems;

15 (E) enhancing water management by in-
16 creasing watershed preservation and protection,
17 such as through the use of natural or engi-
18 neered green infrastructure in the management,
19 conveyance, or treatment of water, wastewater,
20 or stormwater;

21 (F) enhancing energy efficiency or the use
22 and generation of renewable energy in the man-
23 agement, conveyance, or treatment of water,
24 wastewater, or stormwater;

1 (G) supporting the adoption and use of ad-
2 vanced water treatment, water supply manage-
3 ment (such as reservoir reoperation), or water
4 demand management technologies, projects, or
5 processes (such as water reuse and recycling or
6 adaptive conservation pricing) that maintain or
7 increase water supply or improve water quality;

8 (H) modifying or replacing existing sys-
9 tems or constructing new systems for existing
10 communities or land currently in agricultural
11 production to improve water availability, stor-
12 age, or conveyance in a manner that—

13 (i) promotes more efficient use of
14 available water supplies; and

15 (ii) does not further exacerbate
16 stresses on ecosystems;

17 (I) supporting practices and projects, such
18 as improved irrigation systems, water banking
19 and other forms of water transactions, ground-
20 water recharge, stormwater capture, and reuse
21 or recycling of drainage water, to improve water
22 quality or promote more efficient water use, in-
23 cluding on land currently in agricultural pro-
24 duction;

1 (J) conducting and completing studies or
2 assessments to project how climate change may
3 impact the future operations and sustainability
4 of water systems;

5 (K) developing and implementing mitiga-
6 tion measures to rapidly address impacts on
7 water systems most susceptible to abrupt cli-
8 mate change, including those in the Colorado
9 River Basin and coastal regions at risk from
10 rising sea levels; or

11 (L) funding of transactions costs and cred-
12 it enhancement for pay-for-performance-based
13 public-private initiatives intended to advance
14 the eligible uses of the program or project.

15 (4) APPLICATION.—To be eligible to receive a
16 grant from the Administrator under paragraph (2),
17 the owner or operator of a water system shall submit
18 to the Administrator an application that—

19 (A) includes a proposal of the program,
20 strategy, or infrastructure improvement to be
21 planned, designed, constructed, implemented, or
22 maintained by the water system;

23 (B) cites the best available research or
24 data that demonstrates—

1 (i) the risk to the water resources or
2 infrastructure of the water system as a re-
3 sult of ongoing or forecasted changes to
4 the hydrological system brought about by
5 factors arising from climate change, in-
6 cluding rising sea levels and changes in
7 precipitation levels; and

8 (ii) how the proposed program, strat-
9 egy, or infrastructure improvement would
10 perform under the anticipated climate con-
11 ditions;

12 (C) explains how the proposed program,
13 strategy, or infrastructure improvement is ex-
14 pected to enhance the resiliency of the water
15 system, including source water protection for
16 community water systems, to these risks or re-
17 duce the direct or indirect greenhouse gas emis-
18 sions of the water system; and

19 (D) demonstrates that the program, strat-
20 egy, or infrastructure improvement is—

21 (i) consistent with any approved State
22 and tribal climate adaptation plan; and

23 (ii) not inconsistent with any ap-
24 proved natural resources plan.

25 (5) COMPETITIVE PROCESS.—

1 (A) IN GENERAL.—Each calendar year, the
2 Administrator shall conduct a competitive proc-
3 ess to select and fund applications under this
4 subsection.

5 (B) PRIORITY REQUIREMENTS AND
6 WEIGHTING.—In carrying out the process, the
7 Administrator shall—

8 (i) prioritize funding of applications
9 that are submitted by the owners or opera-
10 tors of water systems that are, based on
11 the best available research and data, at the
12 greatest and most immediate risk of facing
13 significant climate-related negative impacts
14 on water quality or quantity;

15 (ii) in selecting among the priority ap-
16 plications determined under clause (i), en-
17 sure that the final list of applications fund-
18 ed for each year includes a substantial
19 number that, to the maximum extent prac-
20 ticable, includes each eligible use described
21 in paragraph (3);

22 (iii) solicit applications from water
23 systems that are—

24 (I) located in all regions of the
25 United States; and

21

- 1 (II) facing varying risks as a re-
2 sult of climate change; and
3 (iv) provide for solicitation and con-
4 sideration of public input in the develop-
5 ment of criteria used in evaluating applica-
6 tions.

7 (6) COST SHARING.—

8 (A) FEDERAL SHARE.—The Federal share
9 of the cost of any program, strategy, or infra-
10 structure improvement that is the subject of a
11 grant awarded by the Administrator to a water
12 system under paragraph (2) shall not exceed 50
13 percent of the cost of the program, strategy,
14 and infrastructure improvement.

15 (B) CALCULATION OF NON-FEDERAL
16 SHARE.—In calculating the non-Federal share
17 of the cost of a program, strategy, or infra-
18 structure improvement proposed by a water sys-
19 tem through an application submitted by the
20 water system under paragraph (4), the Admin-
21 istrator shall—

- 22 (i) include the value of any in-kind
23 services that are integral to the completion
24 of the program, strategy, or infrastructure

1 improvement, as determined by the Admin-
2 istrator; and

3 (ii) not include any other amount that
4 the water system receives from a Federal
5 agency.

6 (7) LABOR STANDARDS.—

7 (A) IN GENERAL.—All laborers and me-
8 chanics employed on infrastructure improve-
9 ments funded directly by or assisted in whole or
10 in part by this subsection shall be paid wages
11 at rates not less than those prevailing for the
12 same type of work on similar construction in
13 the immediate locality, as determined by the
14 Secretary of Labor in accordance with sub-
15 chapter IV of chapter 31 of part A of subtitle
16 II of title 40, United States Code.

17 (B) AUTHORITY AND FUNCTIONS.—With
18 respect to the labor standards in this para-
19 graph, the Secretary of Labor shall have the
20 authority and functions set forth in Reorganiza-
21 tion Plan Numbered 14 of 1950 (64 Stat.
22 1267; 5 U.S.C. App.) and section 3145 of title
23 40, United States Code.

24 (8) LOCAL HIRING.—

1 (A) IN GENERAL.—The recipient of assist-
2 ance may advertise and award a contract for
3 construction containing requirements for the
4 employment of individuals residing in or adja-
5 cent to any of the areas in which the work is
6 to be performed under the contract, if—

7 (i) all or part of the construction work
8 performed under the contract occurs in an
9 area that has—

10 (I) a per capita income of 80 per-
11 cent or less of the national average
12 per capita income; or

13 (II) an unemployment rate that
14 is, for the most recent 24-month pe-
15 riod for which data are available, at
16 least 1 percent greater than the na-
17 tional average unemployment rate;

18 (ii) the estimated cost of the project
19 of which the contract is a part is greater
20 than \$1,000,000; and

21 (iii) the recipient does not hire indi-
22 viduals who do not have the necessary
23 skills to perform work in the applicable
24 craft or trade, except for individuals who
25 are subject to an apprenticeship program

1 or other training program meeting, as de-
2 termined by the Secretary.

3 (B) ADVERTISEMENT.—In advertising and
4 awarding a contract under this subsection, the
5 Secretary or recipient of assistance shall ensure
6 that the requirements contained in the adver-
7 tisement would not—

8 (i) compromise the quality of the
9 project;

10 (ii) unreasonably delay the completion
11 of the project; or

12 (iii) unreasonably increase the cost of
13 the project.

14 (9) EFFICIENT, INTEGRATED PROCUREMENT
15 FOR PROGRAMS JOINTLY FUNDED WITH THE DE-
16 PARTMENT OF HOUSING AND URBAN DEVELOP-
17 MENT.—

18 (A) DEFINITION OF ELIGIBLE PROJECT.—

19 In this paragraph, the term “eligible project”
20 means a project for which the amount of fund-
21 ing provided by the Department of Housing and
22 Urban Development is 10 percent or more of
23 the amount of funding provided under this sub-
24 section.

1 (B) PREFERENCES.—Notwithstanding the
2 competitive bidding requirements of this section
3 (including regulations), in the case of an eligible
4 project funded jointly with funding provided by
5 the Department of Housing and Urban Devel-
6 opment that is covered by section 3 of the
7 Housing and Urban Development Act of 1968
8 (82 Stat. 846; 12 U.S.C. 1701u), a contracting
9 agency may apply the preferences required for
10 the funding by the Department of Housing and
11 Urban Development under section 3 of that Act
12 (including regulations) with respect to the fund-
13 ing, to the elements of the project funded in
14 any part under this subsection.

15 (C) PERMISSIBLE RESTRICTIONS.—A State
16 or local law governing contracting practices that
17 prohibits the awarding of contracts to busi-
18 nesses that have solicited or made contributions
19 to political candidates, political parties, and
20 holders of public office shall not be considered
21 a violation of this section.

22 (10) REGULATIONS.—

23 (A) IN GENERAL.—Not later than 1 year
24 after the date of enactment of this Act, the Ad-

1 administrator shall promulgate final regulations to
2 carry out this subsection.

3 (B) SPECIAL RULE FOR THE CONSTRU-
4 TION OF TREATMENT WORKS.—In carrying out
5 this paragraph, the Administrator shall incor-
6 porate all relevant and appropriate require-
7 ments of title VI of the Federal Water Pollution
8 Control Act (33 U.S.C. 1381 et seq.) applicable
9 to the construction of treatment works that are
10 carried out under this subsection.

11 (11) REPORT TO CONGRESS.—Not later than 3
12 years after the date of enactment of this Act, and
13 every 3 years thereafter, the Administrator shall
14 submit to Congress a report on progress in imple-
15 menting this subsection, including information on
16 project applications received and funded annually.

17 (12) AUTHORIZATION OF APPROPRIATIONS.—
18 There are authorized to be appropriated to carry out
19 this subsection such sums as are necessary.

20 **TITLE II—RECYCLING, STORAGE,**
21 **AND INTEGRATED WATER**
22 **MANAGEMENT**

23 **SEC. 201. DEFINITIONS.**

24 In this title:

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 Federal, State, or local governmental
8 entity, 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 Federal reclamation law.

15 (2) FEDERAL CREDIT INSTRUMENT.—The term
16 “Federal credit instrument” means a secured loan,
17 loan guarantee, or other credit enhancement author-
18 ized to be made available under this title with re-
19 spect to a project.

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

24 (4) LENDER.—

1 (A) IN GENERAL.—The term “lender”
2 means any non-Federal qualified institutional
3 buyer (as defined in section 230.144A(a) of
4 title 17, Code of Federal Regulations (or a suc-
5 cessor regulation) (commonly known as “Rule
6 144A(a) of the Securities and Exchange Com-
7 mission” and issued under the Securities Act of
8 1933 (15 U.S.C. 77a et seq.))).

9 (B) INCLUSIONS.—The term “lender” in-
10 cludes—

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

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

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

24 (6) OBLIGOR.—The term “obligor” means an
25 eligible entity that is primarily liable for payment of

1 the principal of, or interest on, a Federal credit in-
2 strument.

3 (7) PROJECT OBLIGATION.—

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

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

11 (8) RATING AGENCY.—The term “rating agen-
12 cy” means a credit rating agency registered with the
13 Securities and Exchange Commission as a nationally
14 recognized statistical rating organization (as defined
15 in section 3(a) of the Securities Exchange Act of
16 1934 (15 U.S.C. 78c(a)).

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

- 19 (A) Arizona;
- 20 (B) California;
- 21 (C) Colorado;
- 22 (D) Idaho;
- 23 (E) Kansas;
- 24 (F) Montana;
- 25 (G) Nebraska;

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

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

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

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

1 the Federal Credit Reform Act of 1990 (2 U.S.C.
2 661 et seq.).

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

8 **Subtitle A—Innovative Financing**

9 **SEC. 211. 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.

1 **SEC. 212. AUTHORITY TO PROVIDE ASSISTANCE.**

2 (a) IN GENERAL.—The Secretary may provide finan-
3 cial assistance under this subtitle to carry out projects
4 within—

5 (1) any Reclamation State;

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

9 (3) the States of Alaska and Hawaii.

10 (b) SELECTION.—In selecting projects to receive fi-
11 nancial assistance under subsection (a), the Secretary
12 shall ensure diversity with respect to—

13 (1) project types; and

14 (2) geographical locations.

15 **SEC. 213. APPLICATIONS.**

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

20 **SEC. 214. ELIGIBILITY FOR ASSISTANCE.**

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

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

1 face waters, which the Secretary, acting through the
2 Commissioner of Reclamation, is authorized to un-
3 dertake.

4 (2) Any water infrastructure project not specifi-
5 cally authorized by law that—

6 (A) the Secretary determines, through the
7 completion of an appraisal investigation and
8 feasibility study, would contribute to a safe,
9 adequate water supply for domestic, agricul-
10 tural, environmental, or municipal and indus-
11 trial use; and

12 (B) is otherwise eligible for assistance
13 under this title.

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

17 (4) A project for enhanced energy efficiency in
18 the operation of a water system.

19 (5) A project for accelerated repair and replace-
20 ment of an aging water distribution facility.

21 (6) A brackish or sea water desalination
22 project.

23 (7) Acquisition of real property or an interest
24 in real property for water storage, reclaimed or recy-
25 cled water, or wastewater, if the acquisition is inte-

1 gral to a project described in paragraphs (1)
2 through (6).

3 (8) A combination of projects, each of which is
4 eligible under paragraphs (1) through (7), for which
5 an eligible entity submits a single application.

6 (b) ACTIVITIES ELIGIBLE FOR ASSISTANCE.—For
7 purposes of this subtitle, an eligible activity with respect
8 to an eligible project under subsection (a) includes the cost
9 of—

10 (1) development-phase activities, including plan-
11 ning, feasibility analysis, revenue forecasting, envi-
12 ronmental review, permitting, transaction costs, pre-
13 liminary engineering and design work, and other
14 preconstruction activities;

15 (2) construction, reconstruction, rehabilitation,
16 and replacement activities;

17 (3) the acquisition of real property (including
18 water rights, land relating to the project, and im-
19 provements to land), environmental mitigation, con-
20 struction contingencies, and acquisition of equip-
21 ment;

22 (4) capitalized interest necessary to meet mar-
23 ket requirements, reasonably required reserve funds,
24 capital issuance expenses, and other carrying costs
25 during construction;

1 (5) refinancing interim construction funding,
2 long-term project obligations, or a secured loan, loan
3 guarantee, or other credit enhancement made under
4 this subtitle;

5 (6) reimbursement or success payments to any
6 public or private entity that achieves predetermined
7 outcomes on a pay-for-performance or pay-for-suc-
8 cess basis; and

9 (7) grants, loans, or credit enhancement for
10 community development financial institutions, green
11 banks, and other financial intermediaries providing
12 ongoing finance for projects that meet the purposes
13 of this subtitle.

14 **SEC. 215. DETERMINATION OF ELIGIBILITY AND PROJECT**
15 **SELECTION.**

16 (a) **ELIGIBILITY REQUIREMENTS.**—To be eligible to
17 receive financial assistance under this subtitle, a project
18 shall meet the following criteria, as determined by the Sec-
19 retary:

20 (1) **CREDITWORTHINESS.**—

21 (A) **IN GENERAL.**—Subject to subpara-
22 graph (B), the project shall be creditworthy, as
23 determined by the Secretary, who shall ensure
24 that any financing for the project has appro-

1 pripate security features, such as a rate cov-
2 enant, to ensure repayment.

3 (B) PRELIMINARY RATING OPINION LET-
4 TER.—The Secretary shall require each appli-
5 cant to provide a preliminary rating opinion let-
6 ter from at least 1 rating agency indicating that
7 the senior obligations of the project (which may
8 be the Federal credit instrument) have the po-
9 tential to achieve an investment-grade rating.

10 (2) ELIGIBLE PROJECT COSTS.—The eligible
11 project costs of a project and other projects in a wa-
12 tershed shall be reasonably anticipated to be not less
13 than \$10,000,000.

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

18 (4) PUBLIC SPONSORSHIP OF PRIVATE ENTI-
19 TIES.—In the case of a project carried out by an en-
20 tity that is not a State or local government or an
21 agency or instrumentality of a State or local govern-
22 ment, the project shall be publicly sponsored.

23 (b) SELECTION CRITERIA.—

24 (1) ESTABLISHMENT.—The Secretary shall es-
25 tablish criteria for the selection of projects that meet

1 the eligibility requirements of subsection (a), in ac-
2 cordance with paragraph (2).

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

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

7 (B) The extent to which assistance under
8 this section would foster innovative public-pri-
9 vate partnerships and attract private debt or
10 equity investment.

11 (C) The likelihood that assistance under
12 this section would enable the project to proceed
13 at an earlier date than the project would other-
14 wise be able to proceed.

15 (D) The extent to which the project uses
16 new or innovative approaches.

17 (E) The extent to which projects track evi-
18 dence about the effectiveness of the 1 or more
19 projects financed and the availability of the evi-
20 dence and project information to the public to
21 facilitate replication.

22 (F) The amount of budget authority re-
23 quired to fund the Federal credit instrument
24 made available under this subtitle.

1 (G) The extent to which the project helps
2 maintain or protect the environment.

3 (H) The extent to which the project sup-
4 ports the local economy and provides local jobs.

5 (c) RECEIPT OF OTHER FEDERAL FUNDING.—Re-
6 ceipt of a Federal grant or contract or other Federal fund-
7 ing to support an eligible project shall not preclude the
8 project from being eligible for assistance under this sub-
9 title.

10 (d) FEDERAL REQUIREMENTS.—

11 (1) EFFECT OF SECTION.—Nothing in this sec-
12 tion supersedes the applicability of other require-
13 ments of Federal law (including regulations).

14 (2) NEPA.—A Federal action carried out re-
15 garding a loan or loan guarantee provided under this
16 subtitle shall not be considered to be a Federal ac-
17 tion for purposes of the National Environmental
18 Policy Act of 1969 (42 U.S.C. 4321 et seq.).

19 **SEC. 216. SECURED LOANS.**

20 (a) AGREEMENTS.—

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

1 (A) to finance eligible project costs of any
2 project selected under section 206;

3 (B) to refinance interim construction fi-
4 nancing of eligible project costs of any project
5 selected under section 206; or

6 (C) to refinance long-term project obliga-
7 tions or Federal credit instruments, if that refi-
8 nancing provides additional funding capacity for
9 the completion, enhancement, or expansion of
10 any project that—

11 (i) is selected under section 206; or

12 (ii) otherwise meets the requirements
13 of section 206.

14 (2) LIMITATION ON REFINANCING OF INTERIM
15 CONSTRUCTION FINANCING.—A secured loan under
16 paragraph (1) shall not be used to refinance interim
17 construction financing under paragraph (1)(B) later
18 than 1 year after the date of substantial completion
19 of the applicable project.

20 (3) RISK ASSESSMENT.—Before entering into
21 an agreement under this subsection for a secured
22 loan, the Secretary, in consultation with the Director
23 of the Office of Management and Budget and each
24 rating agency providing a preliminary rating opinion
25 letter under section 206(a)(1)(B), shall determine an

1 appropriate capital reserve subsidy amount for the
2 secured loan, taking into account each such prelimi-
3 nary rating opinion letter.

4 (4) INVESTMENT-GRADE RATING REQUIRE-
5 MENT.—The execution of a secured loan under this
6 section shall be contingent on receipt by the senior
7 obligations of the project of an investment-grade rat-
8 ing.

9 (b) TERMS AND LIMITATIONS.—

10 (1) IN GENERAL.—A secured loan provided for
11 a project under this section shall be subject to such
12 terms and conditions, and contain such covenants,
13 representations, warranties, and requirements (in-
14 cluding requirements for audits), as the Secretary
15 determines to be appropriate.

16 (2) MAXIMUM AMOUNT.—The amount of a se-
17 cured loan under this section shall not exceed the
18 lesser of—

19 (A) an amount equal to 100 percent of the
20 reasonably anticipated eligible project costs; and

21 (B) if the secured loan does not receive an
22 investment-grade rating, the amount of the sen-
23 ior project obligations of the project.

24 (3) PAYMENT.—A secured loan under this sec-
25 tion—

1 (A) shall be payable, in whole or in part,
2 from State or local taxes, user fees, or other
3 dedicated revenue sources that also secure the
4 senior project obligations of the relevant
5 project;

6 (B) shall include a rate covenant, coverage
7 requirement, or similar security feature sup-
8 porting the project obligations; and

9 (C) may have a lien on revenues described
10 in subparagraph (A), subject to any lien secur-
11 ing project obligations.

12 (4) INTEREST RATE.—The interest rate on a
13 secured loan under this section shall be not more
14 than the yield on United States Treasury securities
15 of a similar maturity to the maturity of the secured
16 loan on the date of execution of the loan agreement,
17 as determined by the Secretary.

18 (5) MATURITY DATE.—The final maturity date
19 of a secured loan under this section shall be not
20 later than 35 years after the date of substantial
21 completion of the relevant project.

22 (6) NONSUBORDINATION.—A secured loan
23 under this section shall not be subordinated to the
24 claims of any holder of project obligations in the

1 event of bankruptcy, insolvency, or liquidation of the
2 obligor of the project.

3 (7) FEES.—The Secretary may establish fees at
4 a level sufficient to cover all or a portion of the costs
5 to the Federal Government of making a secured loan
6 under this section.

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

11 (c) REPAYMENT.—

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

16 (2) COMMENCEMENT.—Scheduled loan repay-
17 ment of principal or interest on a secured loan under
18 this section shall commence not later than 5 years
19 after the date of substantial completion of the
20 project.

21 (3) DEFERRED PAYMENTS.—

22 (A) AUTHORIZATION.—If, at any time
23 after the date of substantial completion of a
24 project for which a secured loan is provided
25 under this section, the project is unable to gen-

1 erate sufficient revenues to pay the scheduled
2 loan repayments of principal and interest on the
3 secured loan, the Secretary may allow the obli-
4 gor, subject to subparagraph (C), to add unpaid
5 principal and interest to the outstanding bal-
6 ance of the secured loan.

7 (B) INTEREST.—Any payment deferred
8 under subparagraph (A) shall—

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

12 (ii) be scheduled to be amortized over
13 the remaining term of the secured loan.

14 (C) CRITERIA.—

15 (i) IN GENERAL.—Any payment defer-
16 ral under subparagraph (A) shall be con-
17 tingent on the project meeting such cri-
18 teria as the Secretary may establish.

19 (ii) REPAYMENT STANDARDS.—The
20 criteria established under clause (i) shall
21 include standards for reasonable assurance
22 of repayment.

23 (4) PREPAYMENT.—

24 (A) USE OF EXCESS REVENUES.—Any ex-
25 cess revenues that remain after satisfying

1 scheduled debt service requirements on the
2 project obligations and secured loan and all de-
3 posit requirements under the terms of any trust
4 agreement, bond resolution, or similar agree-
5 ment securing project obligations may be ap-
6 plied annually to prepay a secured loan under
7 this section without penalty.

8 (B) USE OF PROCEEDS OF REFI-
9 NANCING.—A secured loan under this section
10 may be prepaid at any time without penalty
11 from the proceeds of refinancing from non-Fed-
12 eral funding sources.

13 (d) SALE OF SECURED LOANS.—

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

22 (2) CONSENT OF OBLIGOR.—In making a sale
23 or reoffering under paragraph (1), the Secretary
24 may not change the original terms and conditions of

1 the secured loan without the written consent of the
2 obligor.

3 (e) LOAN GUARANTEES.—

4 (1) IN GENERAL.—The Secretary may provide a
5 loan guarantee to a lender in lieu of making a se-
6 cured loan under this section, if the Secretary deter-
7 mines that the budgetary cost of the loan guarantee
8 is substantially the same as that of a secured loan.

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

16 **SEC. 217. PROGRAM ADMINISTRATION.**

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

20 (b) FEES.—The Secretary may collect and spend
21 fees, contingent on authority being provided in appropria-
22 tions Acts, at a level that is sufficient to cover—

23 (1) the costs of services of expert firms retained
24 pursuant to subsection (d); and

1 (2) all or a portion of the costs to the Federal
2 Government of servicing the Federal credit instru-
3 ments provided under this subtitle.

4 (c) SERVICER.—

5 (1) IN GENERAL.—The Secretary may appoint
6 a financial entity to assist the Secretary in servicing
7 the Federal credit instruments provided under this
8 subtitle.

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

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

14 (d) ASSISTANCE FROM EXPERTS.—The Secretary
15 may retain the services, including counsel, of any organi-
16 zation or entity with expertise in the field of municipal
17 and project finance to assist in the underwriting and serv-
18 icing of Federal credit instruments provided under this
19 subtitle.

20 (e) LOAN COORDINATION; INTERAGENCY COOPERA-
21 TION.—The Secretary—

22 (1) shall coordinate implementation of loan
23 guarantees under this section with the Administrator
24 to avoid duplication and enhance the effectiveness of
25 implementation of the State revolving funds estab-

1 lished under the Federal Water Pollution Control
2 Act (33 U.S.C. 1251 et seq.) and the Safe Drinking
3 Water Act (42 U.S.C. 300f et seq.);

4 (2) shall consult with the Secretary of Agri-
5 culture before promulgating criteria with respect to
6 financial appraisal functions and loan guarantee ad-
7 ministration for activities carried out under this sub-
8 title; and

9 (3) may enter into a memorandum of agree-
10 ment providing for Department of Agriculture finan-
11 cial appraisal functions and loan guarantee adminis-
12 tration for activities carried out under this subtitle.

13 **SEC. 218. STATE AND LOCAL PERMITS.**

14 The provision of financial assistance for a project
15 under this subtitle shall not—

16 (1) relieve any recipient of the assistance of any
17 obligation to obtain any required State or local per-
18 mit or approval with respect to the project;

19 (2) limit the right of any unit of State or local
20 government to approve or regulate any rate of re-
21 turn on private equity invested in the project; or

22 (3) otherwise supersede any State or local law
23 (including any regulation) applicable to the construc-
24 tion or operation of the project.

1 **SEC. 219. REGULATIONS.**

2 The Secretary may promulgate such regulations as
3 the Secretary determines to be appropriate to carry out
4 this subtitle.

5 **SEC. 220. FUNDING.**

6 (a) IN GENERAL.—There is authorized to be appro-
7 priated to the Secretary to carry out this subtitle
8 \$100,000,000 for each of fiscal years 2015 through 2019,
9 to remain available until expended.

10 (b) ADMINISTRATIVE COSTS.—Of the funds made
11 available to carry out this subtitle, the Secretary may use
12 for the administration of this subtitle not more than
13 \$2,200,000 for each of fiscal years 2015 through 2019.

14 **SEC. 221. REPORT TO CONGRESS.**

15 Not later than 2 years after the date of enactment
16 of this Act, and every 2 years thereafter, the Secretary
17 shall submit to the Committee on Energy and Natural Re-
18 sources of the Senate and the Committee on Natural Re-
19 sources of the House of Representatives a report summa-
20 rizing the financial performance and on-the-ground out-
21 comes of the projects that are receiving, or have received,
22 assistance under this subtitle, including an assessment of
23 whether the objectives of this subtitle are being met.

1 **Subtitle B—Integrated Regional**
2 **Water Management, Reclama-**
3 **tion, and Recycling Projects**

4 **SEC. 231. WATER STORAGE PROJECTS.**

5 (a) AGREEMENTS.—The Secretary may enter into a
6 cost-shared financial assistance agreement with any non-
7 Federal entity in a Reclamation State or the State of Ha-
8 waii to carry out the planning, design, and construction
9 of any permanent water storage and conveyance facility
10 used solely to regulate and maximize the water supply
11 arising from a project that is eligible for assistance under
12 this title or any other provision of law—

13 (1) to recycle wastewater, impaired surface
14 water, and ground water; or

15 (2) to use integrated and coordinated water
16 management on a watershed or regional scale.

17 (b) FINANCIAL ASSISTANCE.—In providing financial
18 assistance under this section, the Secretary shall give pri-
19 ority to storage and conveyance components that—

20 (1) ensure the efficient and beneficial use of
21 water or reuse of the recycled water;

22 (2) make maximum use of natural systems;

23 (3) consistent with Secretarial Order No. 3297,
24 dated February 22, 2010, support sustainable water
25 management practices and the water sustainability

1 objectives of 1 or more offices of the Department of
2 the Interior or any other Federal agency;

3 (4)(A) increase the availability of usable water
4 supplies in a watershed or region to benefit people,
5 the economy, and the environment; and

6 (B) include adaptive measures needed to ad-
7 dress climate change and future demands;

8 (5) where practicable—

9 (A) provide flood control or recreation ben-
10 efits; and

11 (B) include the development of incremental
12 hydroelectric power generation;

13 (6) include partnerships that go beyond political
14 and institutional jurisdictions to support the effi-
15 cient use of the limited water resources of the
16 United States and the applicable region;

17 (7) generate environmental benefits, such as
18 benefits to fisheries, wildlife and habitat, and water
19 quality and water-dependent ecological systems, as
20 well as water supply benefits to agricultural and
21 urban water users; and

22 (8) the financing of which leverages private and
23 other non-Federal resources.

24 (c) FEDERAL SHARE.—The Federal share of the cost
25 of a project carried out under subsection (a) shall be—

1 (1) equal to the lesser of—

2 (A) 50 percent of total cost of the project;

3 and

4 (B) \$15,000,000, adjusted for inflation;

5 and

6 (2) nonreimbursable.

7 (d) NON-FEDERAL SHARE.—The non-Federal share
8 of the cost of a project carried out under subsection (a)
9 may include in-kind contributions to the planning, design,
10 and construction of a project.

11 (e) TITLE AND COSTS.—A non-Federal entity enter-
12 ing into a financial assistance agreement under this sec-
13 tion shall—

14 (1) hold title to all facilities constructed under
15 this section; and

16 (2) be solely responsible for the costs of oper-
17 ating and maintaining those facilities.

18 **SEC. 232. AUTHORIZATION OF APPROPRIATIONS.**

19 There is authorized to be appropriated \$700,000,000
20 to carry out this subtitle.

21 **Subtitle C—Title Transfers**

22 **SEC. 241. AUTHORIZATION TO TRANSFER TITLE.**

23 The Secretary may transfer to any non-Federal oper-
24 ating entity title to any Reclamation project or facility,

1 or any separable element of such a project or facility, that
2 is authorized before the date of enactment of this Act, if—

3 (1) all previous Federal construction contract
4 obligations or other related repayment contracts or
5 agreements associated with the project have been
6 paid out by a non-Federal project beneficiary;

7 (2)(A) a project facility or separable element of
8 such a facility is in need of rehabilitation or im-
9 provement, as determined by the Secretary; and

10 (B) the non-Federal operating entity is other-
11 wise eligible for a loan guarantee under this title;

12 (3) the title transfer meets all applicable Fed-
13 eral laws and regulations, as determined by the Sec-
14 retary; and

15 (4)(A) the Secretary notifies each congressional
16 committee of jurisdiction of the transfer by not later
17 than 60 days before the date of the transfer; and

18 (B) no objection to the transfer is raised by any
19 such committee.

20 **TITLE III—INNOVATION**
21 **THROUGH RESEARCH, DATA,**
22 **AND TECHNOLOGY**

23 **SEC. 301. OPEN WATER DATA SYSTEM.**

24 (a) DEFINITIONS.—In this section:

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

3 (A) a public or private elementary or sec-
4 ondary school;

5 (B) an institution of vocational, profes-
6 sional, or higher education (including a junior
7 college or teachers’ college); and

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

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

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

17 (4) STATE.—The term “State” means—

18 (A) a State;

19 (B) the District of Columbia;

20 (C) the Commonwealth of Puerto Rico;

21 and

22 (D) any other territory or possession of the
23 United States.

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

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

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

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

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

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

22 (d) ACTIVITIES.—In carrying out this section, the
23 Secretary shall—

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

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

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

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

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

23 (e) AUTHORIZATION OF APPROPRIATIONS.—There
24 are authorized to be appropriated to carry out this section
25 such sums as are necessary.

1 **SEC. 302. WATER RESOURCES RESEARCH ACT AMEND-**
2 **MENTS.**

3 (a) CONGRESSIONAL FINDINGS AND DECLARA-
4 TIONS.—Section 102 of the Water Resources Research
5 Act of 1984 (42 U.S.C. 10301) is amended—

6 (1) by redesignating paragraphs (7) through
7 (9) as paragraphs (8) through (10), respectively;

8 (2) in paragraph (8) (as so redesignated), by
9 striking “and” at the end; and

10 (3) by inserting after paragraph (6) the fol-
11 lowing:

12 “(7) additional research is required to increase
13 the effectiveness and efficiency of new and existing
14 treatment works through alternative approaches, in-
15 cluding—

16 “(A) nonstructural alternatives;

17 “(B) decentralized approaches;

18 “(C) water use efficiency and conservation;

19 and

20 “(D) actions to reduce energy consumption
21 or extract energy from wastewater;”.

22 (b) WATER RESOURCES RESEARCH AND TECH-
23 NOLOGY INSTITUTES.—Section 104 of the Water Re-
24 sources Research Act of 1984 (42 U.S.C. 10303) is
25 amended—

26 (1) in subsection (b)(1)—

1 Testbed program of the National Oceanic and Atmos-
2 pheric Administration.

3 (b) DESCRIPTION OF BENEFITS.—In conducting the
4 review under subsection (a), the Secretary of the Army
5 shall determine if a change in operations, including the
6 use of improved weather forecasts and run-off forecasting
7 methods, will improve 1 or more of the core functions of
8 the Corps of Engineers, including—

9 (1) reducing risks to human life, public safety,
10 and property;

11 (2) reducing the need for future disaster relief;

12 (3) improving local water storage capability and
13 reliability in coordination with the non-Federal spon-
14 sor and other water users;

15 (4) restoring, protecting, or mitigating the im-
16 pacts of a water resources development project on
17 the environment; and

18 (5) improving fish species habitat or population
19 within the boundaries and downstream of a water
20 resources project.

21 (c) RESULTS REPORTED.—Not later than 90 days
22 after completion of a review under this section, the Sec-
23 retary shall submit a report to Congress regarding the re-
24 sults of the review.

1 2007 through 2011” and inserting “\$1,500,000 for
2 each of fiscal years 2015 through 2020”.

3 **SEC. 303. REAUTHORIZATION OF WATER DESALINATION**
4 **ACT OF 1996.**

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

7 (1) in the first sentence of subsection (a)—

8 (A) by striking “\$5,000,000” and inserting
9 “\$8,000,000”; and

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

12 (2) in subsection (b), by striking “for each of
13 fiscal years 2012 through 2013” and inserting “for
14 each of fiscal years 2015 through 2020”.

15 **SEC. 304. REVIEW OF RESERVOIR OPERATIONS.**

16 (a) IN GENERAL.—Not later than 1 year after receiv-
17 ing a request of a non-Federal sponsor of a reservoir, the
18 Secretary of the Army, in consultation with the Adminis-
19 trator of the National Oceanic and Atmospheric Adminis-
20 tration, shall review the operation of the reservoir, includ-
21 ing the water control manual and rule curves, using im-
22 proved weather forecasts and run-off forecasting methods,
23 including the Advanced Hydrologic Prediction System of
24 the National Weather Service and the Hydrometeorology

1 “(1) IN GENERAL.—The Secretary shall con-
2 duct a careful and detailed evaluation of each insti-
3 tute at least once every 3 years to determine—

4 “(A) the quality and relevance of the water
5 resources research of the institute;

6 “(B) the effectiveness of the institute at
7 producing measured results and applied water
8 supply research; and

9 “(C) whether the effectiveness of the insti-
10 tute as an institution for planning, conducting,
11 and arranging for research warrants continued
12 support under this section.

13 “(2) PROHIBITION ON FURTHER SUPPORT.—If,
14 as a result of an evaluation under paragraph (1), the
15 Secretary determines that an institute does not qual-
16 ify for further support under this section, no further
17 grants to the institute may be provided until the
18 qualifications of the institute are reestablished to the
19 satisfaction of the Secretary.”;

20 (4) in subsection (f)(1), by striking
21 “\$12,000,000 for each of fiscal years 2007 through
22 2011” and inserting “\$7,500,000 for each of fiscal
23 years 2015 through 2020”; and

24 (5) in subsection (g)(1), in the first sentence,
25 by striking “\$6,000,000 for each of fiscal years

1 (A) in subparagraph (B)(ii), by striking
2 “water-related phenomena” and inserting
3 “water resources”; and

4 (B) in subparagraph (D), by striking the
5 period at the end and inserting “; and”;

6 (2) in subsection (c)—

7 (A) by striking “From the” and inserting
8 “(1) IN GENERAL.—From the”; and

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

10 “(2) REPORT.—Not later than December 31 of
11 each fiscal year, the Secretary shall submit to the
12 Committee on Environment and Public Works of the
13 Senate, the Committee on the Budget of the Senate,
14 the Committee on Transportation and Infrastructure
15 of the House of Representatives, and the Committee
16 on the Budget of the House of Representatives a re-
17 port regarding the compliance of each funding re-
18 cipient with this subsection for the immediately pre-
19 ceding fiscal year.”;

20 (3) by striking subsection (e) and inserting the
21 following:

22 “(e) EVALUATION OF WATER RESOURCES RESEARCH
23 PROGRAM.—

1 (d) MANUAL UPDATE.—As soon as practicable, but
2 not later than 3 years after the date on which a report
3 under subsection (c) is submitted to Congress, pursuant
4 to the procedures required under existing authorities, if
5 the Secretary of the Army determines based on that report
6 that using improved weather and run-off forecasting meth-
7 ods improves 1 or more core functions of the Corps of
8 Engineers at a reservoir, the Secretary of the Army
9 shall—

10 (1) incorporate those methods in the operation
11 of the reservoir; and

12 (2) update the water control manual.

13 **TITLE IV—DROUGHT PREPARED-**
14 **NESS AND RESILIENCE**

15 **SEC. 401. NATIONAL DROUGHT RESILIENCE GUIDELINES.**

16 (a) IN GENERAL.—The Administrator, in conjunction
17 with the Secretary of the Interior, the Secretary of Agri-
18 culture, the Director of the National Oceanic and Atmos-
19 pheric Administration, and other appropriate Federal
20 agency heads along with State and local governments,
21 shall develop nonregulatory national drought resilience
22 guidelines relating to drought preparedness planning and
23 investments for communities, water utilities, and other
24 water users and providers.

1 (b) CONSULTATION.—In developing the national
2 drought resilience guidelines, the Administrator and other
3 Federal agency heads referred to in subsection (a) shall
4 consult with—

- 5 (1) State and local governments;
- 6 (2) water utilities;
- 7 (3) scientists;
- 8 (4) institutions of higher education;
- 9 (5) relevant private entities; and
- 10 (6) other stakeholders.

11 (c) CONTENTS.—The national drought resilience
12 guidelines developed under this section shall, to the max-
13 imum extent practicable, provide recommendations for a
14 period of 10 years that—

15 (1) address a broad range of potential actions,
16 including—

17 (A) analysis of the impacts of climate
18 change and drought on the future effectiveness
19 of water management tools;

20 (B) the identification of drought-related
21 water management challenges in a broad range
22 of fields, including—

- 23 (i) public health and safety;
- 24 (ii) municipal and industrial water
25 supply;

1 (iii) agricultural water supply;

2 (iv) water quality;

3 (v) ecosystem health; and

4 (vi) water supply planning;

5 (C) water management tools to reduce
6 drought-related impacts, including—

7 (i) water use efficiency through gal-
8 lons per capita reduction goals, appliance
9 efficiency standards, water pricing incen-
10 tives, and other measures;

11 (ii) water recycling;

12 (iii) groundwater clean-up and stor-
13 age;

14 (iv) new technologies, such as behav-
15 ioral water efficiency; and

16 (v) stormwater capture and reuse;

17 (D) water-related energy and greenhouse
18 gas reduction strategies; and

19 (E) public education and engagement; and

20 (2) include recommendations relating to the
21 processes that Federal, State, and local governments
22 and water utilities should consider when developing
23 drought resilience preparedness and plans, includ-
24 ing—

25 (A) the establishment of planning goals;

- 1 (B) the evaluation of institutional capacity;
- 2 (C) the assessment of drought-related risks
- 3 and vulnerabilities, including the integration of
- 4 climate-related impacts;
- 5 (D) the establishment of a development
- 6 process, including an evaluation of the cost-ef-
- 7 fectiveness of potential strategies;
- 8 (E) the inclusion of private entities, tech-
- 9 nical advisors, and other stakeholders in the de-
- 10 velopment process;
- 11 (F) implementation and financing issues;
- 12 and
- 13 (G) evaluation of the plan, including any
- 14 updates to the plan.

15 **SEC. 402. DROUGHT PREPAREDNESS FOR FISHERIES.**

16 (a) DEFINITIONS.—In this section:

17 (1) INDIAN TRIBE.—The term “Indian tribe”
18 has the meaning given the term in section 4 of the
19 Indian Self-Determination and Education Assistance
20 Act (25 U.S.C. 450b).

21 (2) QUALIFIED TRIBAL GOVERNMENT.—The
22 term “qualified tribal government” means a govern-
23 mental body of an Indian tribe that the Secretary of
24 the Interior determines—

1 (A) is involved in salmon management and
2 recovery activities under the Endangered Spe-
3 cies Act of 1973 (16 U.S.C. 1531 et seq.); and

4 (B) has the management and organiza-
5 tional capability to maximize the benefits of as-
6 sistance provided under this section.

7 (b) SALMON DROUGHT PLAN.—

8 (1) IN GENERAL.—Not later than January 1,
9 2016, the Director of the United States Fish and
10 Wildlife Service shall, in consultation with the Direc-
11 tor of the National Marine Fisheries Service, the
12 Commissioner of Reclamation, the Chief of Engi-
13 neers, and the head of the California Department of
14 Fish and Wildlife, prepare a salmon drought plan
15 for the State of California.

16 (2) CONTENTS.—The plan developed under
17 paragraph (1) shall—

18 (A) contribute—

19 (i) to the recovery of populations list-
20 ed as threatened or endangered under the
21 Endangered Species Act of 1973 (16
22 U.S.C. 1531 et seq.); and

23 (ii) to the goals of the Central Valley
24 Project Improvement Act (title XXXIV of
25 Public Law 102–575; 106 Stat. 4706); and

1 (B) include options to protect salmon pop-
2 ulations originating in the State of California,
3 with a particular focus on actions that can be
4 taken to aid salmon populations in the State of
5 California during the driest 12 years, such as—

6 (i) relocating the release location and
7 timing of hatchery fish to avoid predation
8 and temperature impacts;

9 (ii) barging fish to improve survival
10 and reduce straying;

11 (iii) coordinating with water users, the
12 Commissioner of Reclamation, and the
13 head of the California Department of
14 Water Resources regarding voluntary
15 water transfers to determine if water re-
16 leased upstream to meet the needs of
17 downstream or South-of-Delta water users
18 can be managed in a way that provides ad-
19 ditional benefits for salmon;

20 (iv) hatchery management modifica-
21 tions, such as expanding hatchery produc-
22 tion during the driest years of fish listed
23 as endangered or threatened under the En-
24 dangered Species Act of 1973 (16 U.S.C.
25 1531 et seq.), if appropriate; and

1 (v) increasing rescue operations of up-
2 stream migrating fish.

3 (c) FUNDING.—

4 (1) IN GENERAL.—Out of any funds in the
5 Treasury not otherwise appropriated, the Secretary
6 of the Treasury shall transfer to the Director of the
7 United States Fish and Wildlife Service to carry out
8 this section \$3,000,000, to remain available until ex-
9 pended, for urgent fish, stream, and hatchery activi-
10 ties relating to extreme drought conditions, including
11 work carried out in conjunction with the Director of
12 the National Marine Fisheries Service, the Commis-
13 sioner of Reclamation, the Chief of Engineers, the
14 head of the California Department of Fish and
15 Wildlife, or a qualified tribal government.

16 (2) RECEIPT AND ACCEPTANCE.—The Director
17 of the United States Fish and Wildlife Service shall
18 be entitled to receive, shall accept, and shall use to
19 carry out this section the funds transferred under
20 paragraph (1), without further appropriation.