



This meeting is not subject to Brown Act noticing requirements. The agenda is subject to change.

AGENDA
Legislative Advocacy Committee
Of the Monterey Peninsula Water Management District

Monday, January 26, 2015, 2 pm
District Conference Room, 5 Harris Court, Building G, Monterey, CA

**Legislative Advocacy
Committee Members:**
David Potter, Chair
Robert S. Brower, Sr.
Andrew Clarke

Staff Contact
Dave Stoldt,
General Manager

Call to Order

Comments from Public

The public may comment on any item within the District's jurisdiction. Please limit your comments to three minutes in length.

Action Items -- Public comment will be received on all Action Items

1. ~~Adopt Minutes of August 20, 2014 Committee Meeting~~
Deferred until the next scheduled meeting of the Legislative Committee

Discussion Items – Public comment will be received on all Discussion Items

2. [Overview of Governor's Proposed FY 2015-16 Budget](#)
Natural Resources spending related to water will be discussed.
3. [Update on State Water Bond](#)
Discussion will include likely timing, District comment on storm water administrative rules, and Regional versus District-only legislative outreach.
4. Bill Tracking
JEA Associates will provide an update of possible bills to be introduced this session.
5. Update on Cease and Desist Order Negotiations
6. Update of Roster of Senate and Assembly Committees Affecting Water
 - [Roster of Senate and Assembly Committees Related to Water Issues](#)
(submitted by MPWMD staff)
7. Overview of Federal W21 Western Water Bill
 - [Water in the 21st Century Outline](#)
 - [Conservation and Efficiency Bill](#)
8. [Discuss Opportunities from House 2015 Omnibus Spending Bill](#)
9. [Overview of Build America Revisions and Proposed EPA "Water Finance Center"](#)

Other Items

Set Next Meeting Date

Adjournment

After staff reports have been distributed, if additional documents are produced by the District and provided to the Committee regarding any item on the agenda, they will be made available at 5 Harris Court, Building G, Monterey, CA during normal business hours. In addition, such documents may be posted on the District website at mpwmd.dst.ca.us. Documents distributed at the meeting will be made available in the same matter.

Upon request, MPWMD will make a reasonable effort to provide written agenda materials in appropriate alternative formats, or disability-related modification or

accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. MPWMD will also make a reasonable effort to provide translation services upon request. Please send a description of the requested materials and preferred alternative format or auxiliary

aid or service by 5 PM on Thursday, January 29, 2015. Requests should be sent to the Board Secretary, MPWMD, P.O. Box 85, Monterey, CA, 93942. You may also fax your request to the Administrative Services Division at 831-644-9560, or call 831-658-5600.

NATURAL RESOURCES

The Natural Resources Agency consists of 26 departments, boards, commissions, and conservancies responsible for administering programs to conserve, protect, restore, and enhance the natural, historical, and cultural resources of California. The Budget proposes total funding of \$9.4 billion (\$2.6 billion General Fund) for all programs included in the Agency.

WATER ACTION PLAN

ACTIONS FOR RESTORATION, RESILIENCE, AND RELIABILITY

The water challenges facing California's communities, watersheds, and economy require a comprehensive approach to water resources management. The Water Action Plan—released by the Governor in January 2014—is a five-year roadmap towards sustainable water management. The value of the Plan lies in its clear articulation of actions that the Administration is committed to completing.

At the core of the Plan are ten actions and associated sub-actions designed to support three overarching goals: restoration, resilience, and reliability. Reaching these goals requires a commitment of significant resources to both new water management projects and the maintenance of existing infrastructure. It also requires investment in a broad suite of water management strategies, including:

- Providing incentives for improved regional water management, including conservation.

- Recycling and stormwater capture.
- Integrating flood management and habitat restoration efforts.
- Implementing sustainable groundwater management policies.
- Developing new and improving operation of existing surface and groundwater storage.

In general, local water agencies (e.g. drinking water, wastewater, flood control) provide the vast majority of revenues that contribute to water system development, upgrades, and operations. Given this, the state must invest its relatively modest water management funding wisely, directing dollars where they can address critical community needs, leverage other funding sources, and spur transformative water management practices.

The Budget proposes \$1.7 billion in investments to implement the Plan.

2014 WATER BOND — PROPOSITION 1

In November 2014, the voters approved the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1), which provides \$7.5 billion in general obligation bonds for water storage, water quality, flood protection, and watershed protection and restoration projects. Proposition 1 includes funding specifically intended to achieve the three over-arching goals described in the Plan: restoration, resilience, and reliability. The Budget proposes \$532.5 million to begin the first year of a multiyear Proposition 1 expenditure plan (see Figure RES-01).

RESTORATION

Economic growth in California's early years drove large-scale land use changes. Further urban and rural development drove local, regional, and system-wide water management projects unaided by the current understanding of ecological process. Consequently, California's native fisheries and watersheds have been negatively affected for decades. Proposition 1 funds will support projects that restore California's ecosystems for the benefit of fish, wildlife, communities, and water management systems.

RESILIENCE

Ongoing and future changes to the climate will drive rising sea levels, salinity encroachment, altered precipitation patterns, reduced Sierra snowpack, and numerous other changes to California's hydrology. Every aspect of the water management system

Figure RES-01
2015-16 Proposition 1 (Water Bond) Expenditure Plan
(Dollars in Millions)

<i>Bond Investment Category</i>	<i>Department</i>	<i>Program</i>	<i>Amount</i>
Safe Drinking Water	State Water Resources Control Board	Wastewater Treatment Projects	\$66.3
	State Water Resources Control Board	Safe Drinking Water in Small Disadvantaged Communities	\$69.2
Watershed Protection and Restoration	State Conservancies	Watershed Projects	\$83.5
	Wildlife Conservation Board	Enhanced Stream Flow Projects	\$38.9
	Santa Monica and San Gabriel Conservancies	Urban Rivers and Creeks	\$19.1
	Department of Fish and Wildlife	Watershed Restoration Projects (Non-Delta and In-Delta)	\$36.5
Regional Water Reliability	Department of Water Resources	Integrated Regional Water Management Program	\$32.8
	Department of Water Resources	Water Conservation	\$23.2
	State Water Resources Control Board	Stormwater Management	\$0.6
Water Storage	Department of Water Resources	Statewide Water System Operational Improvement	\$3.3
Water Recycling	Department of Water Resources	Water Recycling and Desalination	\$5.5
	State Water Resources Control Board	Water Recycling and Treatment Technology Projects	\$131.7
Groundwater Sustainability	Department of Water Resources	Groundwater Management Planning	\$21.3
	State Water Resources Control Board	Groundwater Contamination	\$0.6
Total			\$532.5

will be affected. Increased severity of Central Valley flood events, for example, requires the state to increase the capacity of its flood system (most notably within the flood bypass facilities) to better protect urban and rural communities. Proposition 1 funds will be used to increase the state's resilience to anticipated and currently unknown impacts of a changing global climate.

RELIABILITY

A significant portion of the state's economy depends on a strong agricultural sector that in turn depends on water supplies from various sources. Other sectors of the economy also depend on precious water supplies. Strengthening the reliability of water supplies, with an emphasis on efficient use and integrated management strategies, is the key to providing affordable and safe drinking water, continuing agricultural supplies, and growing

the state's economy. Proposition 1 funds will be used for projects such as water storage, groundwater sustainability, safe drinking water, and regional water management projects.

FLOOD PROTECTION

More than 7 million California residents and \$580 billion in economic assets statewide are vulnerable to flood risk. The effects of climate change on the state's water runoff patterns will magnify these challenges and risks.

In 2012, the Department of Water Resources (DWR) and the Central Valley Flood Protection Board prepared and adopted the Central Valley Flood Protection Plan, which recommends a system-wide approach that considers the interaction of all flood system components, including reservoirs, bypasses, levees, and the natural environment. The system-wide approach looks beyond the traditional project-by-project flood control approach, and incorporates actions on both flood system improvement and proactive floodplain management. The Plan also recommends prioritizing investments of state resources across system-wide improvements, urban flood protection projects, small community and rural-agricultural projects and flood risk management program categories.

The Disaster Preparedness and Flood Prevention Bond Act (Proposition 1E), enacted by the voters in 2006, authorized \$4.1 billion in general obligation bonds to support flood protection efforts in the Central Valley, the Sacramento-San Joaquin Delta, and other areas of the state subject to flooding. Proposition 1E specifies that these bond funds be available for appropriation until July 1, 2016.

The Budget proposes \$1.1 billion for DWR to support flood protection activities, which will appropriate all remaining Proposition 1E funds. Expenditures of these remaining bond funds will be allocated to program categories that are consistent with the resource allocation recommendations of the Central Valley Flood Protection Plan for prioritizing flood management projects. To facilitate the earliest possible work on the projects, the Administration is seeking the enactment of legislation that appropriates \$1.1 billion of Proposition 1E funds early in the legislative session prior to enactment of the Budget Act.

GROUNDWATER MANAGEMENT

The Sustainable Groundwater Management Act, signed into law in September 2014, establishes a new structure for improved local management of groundwater basins. As stated in the Governor's signing message, "a central feature of these bills is the

recognition that groundwater management in California is best accomplished locally. Local agencies will now have the power to assess the conditions of their local groundwater basins and take the necessary steps to bring those basins in the state of chronic long-term overdraft into balance”.

The State’s primary role is to provide guidance and technical support to local groundwater agencies. To this end, the Budget proposes \$6 million General Fund for DWR to provide additional technical assistance to local agencies on the development of the groundwater sustainability plans, as well as to implement specific requirements of the groundwater legislation such as the adoption of basin boundaries and regulations on best groundwater management practices. In addition, as noted in the 2014 Water Bond section above, the Budget proposes \$21.3 million of Proposition 1 funds for grants for projects that develop and implement local groundwater plans.

OTHER WATER ACTION PLAN PROPOSALS

IN-STREAM FLOWS

Increased water demand in California has led to stream modifications in watersheds throughout the state. Consequently, many streams do not have a flow regime or habitat that supports a healthy aquatic environment. The decline in salmon populations have been attributed to the limited quantity of stream flow available for fish during key life stages. Flow requirements can improve many of the degraded stream systems in California by restoring a more natural flow pattern and increasing aquatic habitat quality. The Budget provides \$2.2 million General Fund and \$1.8 million Water Rights Fund for the State Water Resources Control Board and the Department of Fish and Wildlife to enhance flows in at least five stream systems that support critical habitat for anadromous fish.

DELTA PLAN IMPLEMENTATION

The Delta is the hub of California’s water supplies, with Delta diversions serving two-thirds of California’s people and irrigating 4.5 million acres of farmland. The Delta Plan was adopted in 2013 to guide state and local actions to further the state’s goals for the Delta, including incorporation of the Bay Delta Conservation Plan. The Delta Stewardship Council coordinates the science activities that support Delta management, and, in consultation with other state and non-state entities, has completed the Delta Science Plan. The Budget provides \$6.7 million General Fund and \$2.6 million other funds for the Delta Stewardship Council to implement the Delta Science Plan, incorporate the

Bay Delta Conservation Plan into the Delta Plan, and coordinate federal approval of the Delta Plan.

CRITICAL WATER SHORTAGE MANAGEMENT PROGRAM

California is experiencing its third dry year in a row. In May 2014, the Governor directed state water officials to expedite the review and processing of voluntary transfers of water rights. Paramount to this effort is effective coordination with other state and federal agencies to streamline water transfer processes to address both extreme situations and normal system operations. Appropriate use of water transfers can benefit statewide water management, stabilization of the Delta, ecosystem protection, and operational and regulatory efficiency. The Budget provides \$1.4 million General Fund for DWR to identify water management operation improvements during drought conditions and streamline water transfers.

AFFORDABLE, SAFE DRINKING WATER FOR DISADVANTAGED COMMUNITIES

An estimated 500 public water systems in disadvantaged communities rely on sources of drinking water that fall short of state and federal safe drinking water standards. Many of these systems are located in low-income communities, both urban and rural, that already pay high rates for the substandard tap water they receive. Although funding sources are available to assist communities with needed capital improvements, communities often lack the governance infrastructure, technical expertise and ability to pay for the ongoing operations and maintenance costs to treat the water to safe levels. Overcoming these problems requires innovative approaches. Accordingly, the Administration will work with local governments, communities and dischargers on strategies to bring these systems into compliance, including governance, technical assistance, capital improvements, and ongoing operations and maintenance costs.

EMERGENCY DROUGHT RESPONSE

The State of California has experienced three consecutive years of below-average rainfall, and water levels at the state's largest reservoirs, as well as groundwater aquifers, are also dangerously below average. As a result, drinking water supplies are at risk in some communities, agricultural areas face increased unemployment, dry conditions have created higher risks for wildfires, and important environmental habitats have been degraded.

On January 17, 2014, the Governor proclaimed a state of emergency, directed state agencies to take all necessary actions to respond to drought conditions, and called for a 20-percent reduction in water use.

In February 2014, the Legislature enacted urgency legislation to assist drought-impacted communities and improve the management of local water supplies. The legislation provided \$687.4 million to support drought relief, including emergency financial assistance for housing and food for workers directly impacted by the drought, funding to secure emergency drinking water supplies for drought-impacted communities, and funding for projects to help local communities more efficiently capture and manage water.

The 2014 Budget Act provided an additional \$142 million in one-time resources to continue immediate drought-related efforts, such as enhanced fire protection, assistance to local water agencies with emergency water supply projects, public outreach through the Save Our Water campaign, and enforcement of drought-related water rights and water curtailment actions.

In the event that existing drought conditions continue through next year, the Budget provides \$115 million (\$93.5 million General Fund) on a one-time basis to continue the following critical drought response efforts. The Administration will continue to monitor and evaluate statewide drought conditions through the winter months, and will reevaluate these budget year needs in the May Revision.

- Department of Forestry and Fire Protection (CAL FIRE)—An increase of \$59.4 million General Fund and \$2.4 million other funds to continue firefighter surge capacity, retain seasonal firefighters beyond the budgeted fire season, provide additional defensible space inspectors, and enhance air attack capabilities to suppress wildfires during the 2015 fire season.
- Department of Fish and Wildlife—An increase of \$11.4 million General Fund and \$3.2 million other funds to continue critical state operations activities such as fish rescues, hatchery operations, fish and wildlife monitoring, and responding to problems of human/wildlife conflict from animals seeking food and water.
- Department of Water Resources—An increase of \$11.6 million General Fund to continue to assess current surface and groundwater conditions, expedite water transfers, provide technical guidance to local water agencies, and provide additional public outreach through the Save Our Water campaign.

- Department of Social Services—A carryover of \$7 million General Fund to provide food assistance for communities most impacted by the drought.
- State Water Resources Control Board—An increase of \$6.7 million General Fund and \$15.9 million other funds to continue enforcement of drought-related water rights and water curtailment actions and provide grants for emergency drinking water projects.
- Office of Emergency Services—An increase of \$4.4 million General Fund for the State Operations Center to continue to provide local communities with technical guidance and disaster recovery support related to the drought.

DEPARTMENT OF FORESTRY AND FIRE PROTECTION

CAL FIRE provides resources management and wildland fire protection services covering over 31 million acres. It operates 235 fire stations and, on average, responds to over 5,600 wildfires annually. CAL FIRE also staffs local fire departments through reimbursement agreements with local governments. In six counties, CAL FIRE contracts with county agencies to provide fire protection and prevention services on its behalf. The Budget includes \$1.7 billion and 7,451.6 positions for CAL FIRE.

Significant Adjustment:

- Helicopter Replacement—CAL FIRE will initiate a competitive procurement process to replace its existing fleet of helicopters. CAL FIRE currently operates 12 Vietnam-era military helicopters. These aging helicopters are becoming more costly to maintain, and are not equipped with modern technology that enables night-flying capabilities. Replacing the existing fleet with new helicopters will enhance CAL FIRE's initial attack effectiveness, improving its ability to contain wildfires quickly before they spread.

DEPARTMENT OF PARKS AND RECREATION

The Department operates the state park system to preserve and protect the state's most valued natural, cultural, and historical resources. The park system includes 279 parks, beaches, trails, wildlife areas, open spaces, off-highway vehicle areas, and historic sites. It consists of approximately 1.59 million acres, over 339 miles of coastline, 974 miles of lake, reservoir and river frontage, approximately 15,000 campsites and alternative

camping facilities, and 4,456 miles of non-motorized trails. The Budget includes \$571.3 million (\$115.9 million General Fund) and 3,651 positions for the Department.

ACTIONS TO STRENGTHEN THE STATE PARK SYSTEM

The Administration is acting to strengthen the state park system, improve visitors' experiences, and make the services provided by the state park system more relevant to a broader and more diverse group of people. In June 2013, the Parks Forward Commission began an assessment of the financial, operational, and cultural challenges facing the state park system. The Commission released its draft report with preliminary findings in July 2014. While the final report is expected to be released in January 2015, the Department is already working on a number of initiatives which are consistent with the Parks Forward preliminary recommendations:

- **Establishing a "Transformation Team"**—The Administration has established a transformation team to further develop and lead the Department in executing structural and sustainable reforms over a two-year period. The team includes experts from inside and outside the Department to focus on areas including the state parks budget, maximizing partnerships, improving internal administrative practices, enhancing the marketing program, setting up a structure for more innovative revenue generation opportunities, better identifying programs for broader populations and diverse communities, improving staff development and training, and establishing a path to park leadership for candidates from broader backgrounds.
- **Modernizing Fee Collection and Technology in Park System**—Historically, visitors have been required to use cash to pay for parking or entrance fees at most state parks. To modernize the collection system, the Department installed technology so visitors can use credit and debit cards at many state parks. The Department is currently pilot testing technology that allows visitors to pay for parking fees using smartphones. In addition, the Department is exploring more robust technology that will allow for enhanced information collection and transmittal of fiscal information between the Department's fiscal systems and the campground reservation system. This technology would also allow the Department to provide increased information to visitors.
- **Enhancing Information on Park System**—The Department is providing panoramic images of trails in state parks over the internet. The increased information allows people to view state park trails in advance of a trip and allows those with limited mobility to experience the trails.

- **Increasing Cabins in State Park System**—The Department continues to work with the Parks Forward Commission to locate new cabins within the state park system. Expanding the types of camping opportunities available in the park system should make camping more accessible and appealing to a broader range of people.
- **Improving Financial Accountability**—In January 2014, the Department released its first Park Unit Costing report to the Legislature. The report provided estimated expenditures for each individual park unit. This information will aid in strengthening the Department’s system-wide fiscal management and will be foundational for increased revenue generating opportunities and partnerships with non-governmental organizations. Every year, the Department will provide this level of increased detail of expenditures for the state park system.

Significant Adjustments:

- **Maintain Services at State Parks**—A one-time increase of \$16.8 million State Parks and Recreation Fund (State Parks Fund) to continue existing service levels throughout the state park system. The 2014 Budget Act also provided a one-time increase to maintain the current level of service at state parks. The Department’s significant fund balances in the State Parks Fund have allowed for such one-time increases over the last few years. However, continuing to spend down the Department’s fund balance is not a sustainable funding model for the state park system. The newly established transformation team is charged with identifying improvements for the Department’s long-term fiscal operations. This funding will provide the transformation team the time to develop solutions and evaluate the recommendations of the Parks Forward Commission.
- **Opening Los Angeles State Historic Park**—An increase of \$1.2 million State Parks Fund to operate the new LA Historic Park in downtown Los Angeles. The construction of the park is scheduled to be completed in fall 2015. The Department is partnering with local non-profit groups to develop the cultural and interpretive experiences at the park. This Historic Park will interpret the stories of the park and surrounding community and their significance to the establishment and growth of Los Angeles. The project promotes and preserves the cultural heritage of the area and maximizes event capacity for revenue-generating special events.
- **Opening New Donner Memorial State Park Interpretive Visitor Center**—An increase of \$424,000 State Parks Fund to operate the new Donner visitor center at Donner State Park. The construction of the facility was funded through Proposition 84 and was completed in April 2014. It is expected that visitation will double at

the new center as a result of the new exhibits, expanded interpretive programs, and modern auditorium.

- Revenue Generation Projects—An increase of \$435,785 for operational costs associated with revenue generation projects implemented under the revenue generation program established by Chapter 530, Statutes of 2012 (AB 1478). These successful projects at Hearst Castle, Silver Strand State Beach and Columbia State Park generate projected revenue of \$1.3 million.
- Transformation Team—A two-year funding commitment of \$3 million for a team of experts from both outside and inside the department. The Budget includes an increase of \$936,000 State Parks Fund and assumes the redirection of resources for the balance. Partners outside of state government with interests in improving the state park system may also provide funding.
- Deferred Maintenance—The Budget provides \$125 million General Fund to various state agencies to address critical infrastructure deferred maintenance needs. Of this amount, \$20 million will be allocated to the state park system.

**Proposition 1 Funding Sources
for the
Monterey Peninsula**

Chapter	Title	Amount	Agency	Notes	Grant/Loan
Ch. 6	Protecting Rivers, Lakes, Streams, Coastal Waters, and Watersheds	\$200 M \$285 M	Wildlife Conservation Board Department of Fish and Wildlife	Projects for enhanced streamflows Watershed restoration projects outside the Delta	Grants Grants
Ch. 7	Regional Water Security, Climate, and Drought Preparedness	\$43 M \$100 M \$200 M	Department of Water Resources Department of Water Resources Department of Water Resources	Regional for Central Coast through IRWM Water Conservation and Water Efficiency Multibenefit Stormwater Management	Grants Both Grants
Ch. 9	Water Recycling	\$725 M	Water Resources Control Board	Water recycling and desalination	Both
Ch. 10	Groundwater Sustainability	\$900 M	unclear	Groundwater recharge and augmentation	Both
Ch. 11	Flood Management	\$100 M	Department of Water Resources	Multibenefit public safety and fish/wildlife habitat	unclear

ROSTER OF SENATE AND ASSEMBLY COMMITTEES RELATED TO WATER ISSUES

Senate Natural Resources on Water

Consultants: William Craven (Chief Consultant), Dennis O'Connor, Katharine Moore

Phone: (916) 323-2232

Meets every 2nd and 4th Wednesday of the month at 9:30AM

MEMBERS	COUNTIES	CITY
Fran Pavley (D – 27 th SD) - CHAIR	Los Angeles (p), Ventura (p)	Agoura Hills
Jeff Stone – (R – 28 th SD) VICE-CHAIR	Riverside (p)	Indio
Benjamin Allen (D – 26 th SD)	Los Angeles (p)	Torrance
Jean Fuller (R – 16 th SD)	Kern (p), Tulare (p) and San Bernardino (p)	Bakersfield
Robert Hertzberg (D – 18 th SD)	Los Angeles (p)	Los Angeles
Ben Hueso (D – 40 th SD)	Imperial, San Diego (p)	San Diego
Hannah-Beth Jackson (D – 19 th SD)	Ventura (p), Santa Barbara (p)	Santa Barbara
Bill Monning (D – 17 th SD)	Monterey (p), Santa Clara (p), San Luis Obispo, Santa Cruz (p)	Carmel
Lois Wolk (D – 3 rd SD)	Napa, Solano, Contra Costa (p), Sacramento (p), Sonoma (p), Yolo (p)	Davis

Senate Committee on Energy, Utilities and Communications

Consultants: Jay Dickenson (Chief Consultant) and Nidia Bautista

Phone: (916) 651-4107

Meets every 1st, 3rd and 5th Tuesday of the month at 9:30AM

MEMBERS	COUNTIES	CITY
Ben Hueso (D – 40 th) CHAIR	Imperial, San Diego (p)	San Diego
Jean Fuller (R – 16 th SD) VICE CHAIR	Kern (p), Tulare (p), San Bernardino (p)	Bakersfield
Anthony Cannella (R – 12 th SD)	Madera (p), Merced, Monterey (p), San Benito, Stanislaus (p)	Ceres
Robert Hertzberg (D – 18 th SD)	Los Angeles (p)	Los Angeles
Jerry Hill (D – 13 th SD)	Santa Clara (p) and Santa Clara (p)	San Mateo
Ricardo Lara (D – 33 rd SD)	Los Angeles (p)	Bell Gardens
Connie Leyva (D – 20 th SD)	Los Angeles (p), San Bernardino (p)	Pomona
Mike McGuire (D – 2 nd SD)	Del Norte, Humboldt, Lake, Marin, Mendocino, Trinity and Sonoma (p)	Santa Rosa
Mike Morrell (R – 23 rd SD)	Los Angeles (p), Riverside (p), San Bernardino (p)	Yucaipa
Fran Pavley (D – 27 th SD)	Los Angeles (p), Ventura (p)	Agoura Hills
Lois Wolk (D – 3 rd SD)	Napa, Solano, Contra Costa (p), Sacramento (p), Sonoma (p), Yolo (p)	Davis

Assembly Water, Parks and Wildlife

Consultants: Diane Colborn (Chief Consultant) and Tina Cannon Leahy

Phone: (916) 319-2096

Meets every 2nd and 4th Tuesday of the month at 9:30AM

MEMBER	COUNTIES	CITY
Marc Levine (D – 10 th AD) CHAIR	Marin, Sonoma (p)	San Rafael
Frank Bigelow (R – 5 th AD) VICE CHAIR	Alpine, Amador, Calaveras, Madera, Mariposa, Mono, Tuolumne and part of El Dorado and Placer	O’Neal
Brian Dahle (R – 1 st AD)	Lassen, Modoc, Nevada, Plumas, Shasta, Sierra, Siskiyou and part of Butte and Placer	Bieber
Bill Dodd (D – 4 th AD)	Lake, Napa, part of Colusa, Solano, Sonoma and Yolo	Napa
Beth Gaines (R – 6 th AD)	El Dorado (p), Placer (p), Sacramento (p)	Rocklin
Cristina Garcia (D – 58 th AD)	Los Angeles (p)	Bell Gardens
Jimmy Gomez (D – 51 st AD)	Los Angeles (p)	Los Angeles
Adam Gray (D – 21 st AD)	Merced (p), Stanislaus (p)	Merced
Matthew Harper (R – 74 th AD)	Orange (p)	Costa Mesa
Patty Lopez (D – 39 th AD)	Los Angeles (p)	Arleta
Devon Mathis (R – 26 th AD)	Inyo, Kern (p), Tulare (p)	Visalia
Jose Medina (D – 61 st AD)	Riverside (p)	Riverside
Anthony Rendon (D – 63 rd AD)	Los Angeles (p)	Lakewood
Sebastian Ridley-Thomas (D – 54 th AD)	Los Angeles (p)	Los Angeles
Das Williams (D – 37 th AD)	San Luis Obispo (p), Santa Barbara (p), Ventura (p)	Santa Barbara

Assembly Committee on Utilities and Commerce

Consultants: Sue Kateley (Chief Consultant) and Da Vina Flemming

Phone: (916) 319-2083

Meets every Monday of the month at 3:00PM

MEMBERS	COUNTIES	CITY
Anthony Rendon (D- 63 rd AD) CHAIR	Los Angeles (p)	Lakewood
Jim Patterson (R – 23 rd AD)	Fresno (p), Tulare (p)	Fresno
Katcho Achadjian (R – 35 th AD)	San Luis Obispo (p), Santa Barbara (p)	San Luis Obispo
Susan Bonnilla (D- 14 th)	Contra Costa (p), Solano (p)	Concord
Autumn Burke (D – 62 nd)	Los Angeles (p)	
Brian Dahle (R – 1 st AD)	Lassen, Modoc, Nevada, Plumas, Shasta, Sierra, Siskiyou and part of Butte and Placer	Bieber
Susan Talamantes-Eggman (D – 13 th)	San Joaquin (p)	Stockton
Cristina Garcia (D – 58 th)	Los Angeles (p)	Bell Gardens
David Hadley (R – 66 th AD)	Los Angeles (p)	Rancho Paso Verdes
Roger Hernandez (D – 48 th AD)	Los Angeles (p)	West Covina
Jay Obernolte (R – 33 rd AD)	San Bernardino (p)	Hesperia
Bill Quirk (D – 20 th AD)	Alameda (p)	Hayward
Miguel Santiago (D – 53 rd)	Los Angeles (p)	Los Angeles
Phil Ting (D – 19 th AD)	San Francisco (p), San Mateo (p)	San Francisco
Das Williams (D – 37 th AD)	San Luis Obispo (p), Santa Barbara (p), Ventura (p)	Santa Barbara

AGRICULTURE, RURAL DEVELOPMENT, AND ENVIRONMENT

Water in the 21st Century Outline

Title I: Efficiency and Conservation

- Strengthens EPA's voluntary labeling program, WaterSense, which promotes water conservation in products, buildings, and landscapes through information and rebates. It authorizes \$50 million to administer the program, and \$700 million for the rebate program, through FY2019, and then funds them at FY2019 levels adjusted for inflation thereafter.
- Creates a new grant program within the Environmental Protection Agency for water systems (defined by the Safe Drinking Water Act and Clean Water Act) to: Conserve water, increase water efficiency, or reuse water; Modify or relocate existing water system infrastructure made or projected to be made inoperable by climate change impacts; Preserve or improve water quality, and a number of other objectives.

Title II: Water Recycling, Storage, and Integrated Water Management

- This title leverages federal financing (through loan guarantees and matching grants) for multi-benefit projects on a regional scale, including: Water recycling; Ground water management; Storage and conveyance/water infrastructure.
 - \$500 million over five years for secured loans.
 - \$700 million (until expended) for Integrated Regional Water Management, Reclamation, and Recycling Projects Grants.

Title III: Innovation through Research, Data, and Technology

- Establishes an open water data system at the Department of the Interior.
- Reauthorizes the Water Resources Research Act at \$9 million a year through 2020.
- Reauthorizes the Water Desalination Act at \$6 million a year through 2020.
- Directs the Secretary of the Army to review reservoir operations and assess whether there is a benefit in adjusting operations to take into account improved forecasting data.

Title IV: Drought Preparedness and Resilience

- Establishes non-regulatory Drought Resilience Guidelines for state and local agencies through EPA in coordination with USDA, Commerce and Interior.
- Directs U.S. Fish and Wildlife Service, in consultation with state and federal agencies, to prepare a salmon drought plan to address the impacts of drought on the salmon population.

Summary

Title I: Efficiency and Conservation

- **Section 101: Water efficiency, conservation, and adaptation**
 - **Sec. 101.a: WaterSense Program Authorization.**
 - Authorizes the Environmental Protection Agency's WaterSense program activities and provides funding for the program (increasing from \$5M in FY15; \$10M in FY16; \$15M in FY17; and \$20M in FY18).
 - Requires water efficient product criteria to be regularly updated.
 - **Sec. 101.b: State Water Efficiency and Conservation Incentives Program.**
 - Authorizes funding for state, local, county, and tribal governments, and water utilities, energy utilities and nonprofit organizations to implement financial incentives programs to purchase and install residential, commercial, and institutional water efficient products and services, including WaterSense certified new homes.
 - Water efficient products and services include those for residential, commercial, and institutional buildings or landscaping that are rated for water efficiency and performance by the WaterSense program or a state incentives program.
 - Funds may be used to pay up to 50 percent of the incentives provided by an incentive program.
 - Authorization: \$100M in FY15, escalating to \$200M in FY17, and back down to \$100M in FY19.
 - **Sec. 101.c: Water System Mitigation and Adaptation Grants**
 - Creates a new grant program within the Environmental Protection Agency for water systems (defined by the Safe Drinking Water Act and Clean Water Act) to:
 - Conserve water, increase water efficiency, or reuse water;
 - Modify or relocate existing water system infrastructure made or projected to be made inoperable by climate change impacts;
 - Preserve or improve water quality;
 - Invest in groundwater remediation, recycled water, or desalination systems;
 - Increase watershed preservation and protection to improve source water;
 - Increasing energy efficiency and the use of renewable energy in water treatment and delivery;
 - Support the use of advanced water treatment, supply management, and water demand management that increases water supply or reduces water or energy use;
 - Promote more efficient use of water supplies on agricultural lands;
 - Conduct studies to project how climate change may impact water systems;
 - Rapidly address impacts on water systems in regions most susceptible to abrupt climate change, including the Colorado River Basin and coastal regions.
 - All grant applications must be supported by the best available research or data (as determined by the EPA).
 - Grants are for a maximum of 50% of the project cost, and are competitively awarded.
 - Authorization: Such sums as are necessary to carry out the act.

Title II: Water Recycling, Storage, and Integrated Water Management

- **Subtitle A: Innovative Financing**
 - Modeled after the successful and popular Transportation Infrastructure Finance and Innovation Act (TIFIA) program, this title would offer long-term, low-cost financing for eligible water infrastructure projects directly and indirectly associated with a Bureau of Reclamation (Reclamation) project.

- Uses of such loan funds to include projects that reclaim and reuse/recycle:
 - Municipal, industrial, domestic, and agricultural wastewater.
 - And naturally impaired ground and surface waters
 - Funds, under the Act (\$100 million a year), would be available to finance the planning, design and construction as well as the acquisition of real property or an interest in real property if the acquisition is integral to an otherwise eligible project.
- **Subtitle B: Integrated Regional Water Management, Reclamation, and Recycling Projects**
 - Would allow Reclamation to participate as a technical and financial partner with state and local water management entities to develop
 - Storage and conveyance associated with regional integrated water management.
 - And reuse/recycling projects, one of the few new dependable sources of water in drought-parched Western watersheds.
 - Such integrated water management and reuse projects can provide:
 - More efficient and beneficial use or reuse of water;
 - Increase the availability of usable water supplies for multiple uses;
 - Provide resiliency of water sources from the impacts of climate change;
 - Provide new partnerships across the spectrum of water beneficiaries; and
 - Generate agricultural, urban and industrial water supplies along with providing added environmental benefits.
 - Provides authority for Reclamation to participate in these projects with cost-shared grants of up to \$15 million, and funds would be available to be expended for up to five years—program would be authorized at \$700 million.
 - **Subtitle C: Transfer Title to Certain Reclamation Facilities or Separable Elements of Such Facilities**
 - Would authorize the Secretary of the Interior, under specific conditions, to transfer ownership of a Reclamation project to a non-federal entity. This will allow for the non-federal operating entity to obtain a loan guarantee that would not constitute a “third-party” financed obligation and would be favorably “scored” under congressional budget rules.

Title III: Innovation through Research, Data, and Technology

- **Section 301: Open Water Data System**
 - Directs the Secretary of the Interior, through the U.S. Geological Survey (USGS), to establish an open water data system that improves water data availability, enhances data use, and ensures timely distribution of water data and information. This data system would support water management, research, education, assessment, and monitoring.
 - Requires the Secretary to integrate water data into a national data framework; identify water data and information needs; support water data sharing, research, and educational programs; and encourage cooperation among State, local, and tribal governments, communities, education institutions, and the private sector related to water data and information.
- **Sec. 302: Water Resources Research Act Amendments and Reauthorization**

- Amends the Water Resources Research Act of 1984 to reauthorize grants and requires applied water supply research at the water resources research and technology institutes established under that Act at each state.
- Authorizes \$9 million for each of fiscal years 2015 through 2020.
- **Sec. 303: Water Desalinization Act Reauthorization**
 - Authorizes \$6 million a year through 2020 for the Secretary of the Interior to conduct studies regarding the desalinization of water and water reuse, and for other purposes
- **Sec. 304: Review of Reservoir Operations**
 - Would give the Secretary of the Army authority to review the operation of a reservoir, at the request of its non-Federal sponsor, and determine if a change in operation using improved weather forecasts and run-off forecasting through National Oceanic and Atmospheric Administration would—
 - Reduce risks to human life, public safety and property.
 - Reduce the need for future disaster relief.
 - Improve local water storage capability and reliability.
 - Restore, protect or mitigate impacts of the project on the environment.
 - Or improve fish species habitat.

Title IV: Drought Preparedness and Resilience

- **Sec. 401: National Drought Resilience Guidelines**
 - EPA would lead an inter-agency effort, including Bureau of Reclamation, Department of Agriculture and other federal agencies, to develop National Drought Resilience Guidelines for states, local government and water agencies. This product would provide a framework of non-regulatory recommendations to strengthen drought preparedness planning and investments.
- **Sec. 402: Drought Preparedness for Fisheries**
 - Directs U.S. Fish and Wildlife Service, in consultation with state and federal agencies, to prepare a California salmon drought plan to address the impacts of the drought on the salmon population.
 - Provides an additional \$3 million in funding for U.S. Fish and Wildlife Service to carry out its work to respond to extreme drought conditions, including relocation of the release location and timing of hatchery fish and barging of hatchery release fish.

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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.

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 pro-
3 cess 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

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 CONSTRUCTION OF TREATMENT WORKS.—In carrying out
4 this paragraph, the Administrator shall incorporate all relevant and appropriate requirements of title VI of the Federal Water Pollution
5 Control Act (33 U.S.C. 1381 et seq.) applicable
6 to the construction of treatment works that are
7 carried out under this subsection.
8
9
10

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 implementing this subsection, including information on
15 project applications received and funded annually.
16

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 appropriate 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 (e) 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 (e) 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.



DIVISION D—ENERGY AND WATER DEVELOPMENT AND RELATED AGENCIES
APPROPRIATIONS ACT, 2015
EXPLANATORY STATEMENT

The following statement to the House of Representatives and the Senate is submitted in explanation of the agreed upon Act making appropriations for energy and water development for the fiscal year ending September 30, 2015, and for other purposes.

The language and allocations set forth in House Report 113–486 carry the same emphasis as the language included in this explanatory statement and should be complied with unless specifically addressed to the contrary herein. Report language included by the House which is not contradicted by the explanatory statement is approved. The explanatory statement, while repeating some report language for emphasis, does not intend to negate the language referred to above unless expressly provided herein. In cases in which the House directed the submission of a report, such report is to be submitted to both the Committees on Appropriations of the House of Representatives and the Senate.

Funds for the individual programs and activities within the accounts in this Act are displayed in the detailed table at the end of the explanatory statement for this Act. Funding levels that are not displayed in the detailed table are identified in this explanatory statement.

In fiscal year 2015, for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177), the following information provides the definition of the term “program, project, or activity” for departments and agencies under the jurisdiction of the Energy and Water Development Appropriations Act. The term “program, project, or activity” shall include the most specific level of budget items identified in the Energy and Water Development Appropriations Act, 2015 and the explanatory statement accompanying the Act.

TITLE II—DEPARTMENT OF THE INTERIOR
CENTRAL UTAH PROJECT
CENTRAL UTAH PROJECT COMPLETION ACCOUNT

The agreement includes a total of \$9,874,000 for the Central Utah Project Completion Account, which includes \$7,574,000 for Central Utah Project construction, \$1,000,000 for transfer to the Utah Reclamation Mitigation and Conservation Account for use by the Utah Reclamation Mitigation and Conservation Commission, and \$1,300,000 for necessary expenses of the Secretary of the Interior.

BUREAU OF RECLAMATION

Persistent Western Drought.—Extensive and exceptional drought continues to plague the Western United States. The U.S. Drought Monitor for December 2, 2014, shows that only two of the seventeen Reclamation states (Montana and Wyoming) are virtually drought free. All or significant portions of twelve Reclamation states are suffering from severe to exceptional drought with 55 percent of California suffering from persistent exceptional drought conditions.

Drought conditions are difficult to address at the time the drought is occurring, but there are some things that can be done to stretch available water supplies. The Bureau of Reclamation (Reclamation) and the Department of the Interior are encouraged to use all of the flexibility and tools available to mitigate the impacts of this drought. Reclamation is encouraged to examine opportunities for voluntary water conveyances from any state with excess water inventories to meet water use and mitigate drought conditions in Reclamation states. Additional funds have been provided to Reclamation to respond to the impacts of the drought and to work with water districts and other users to provide increased efficiency and conservation of available water.

The only way to mitigate the effects of future droughts, however, is through a strategy of providing a combination of additional storage, improved conveyance, and increased efficiencies in the uses of water both for agriculture and potable purposes. As the West has consistently been the fastest growing part of the country, it is incumbent on Reclamation, as the leading water purveyor in the West, to lead the way in increasing the water that is available from one year to the next and to research and develop more efficient uses of the water that is available.

WATER AND RELATED RESOURCES
(INCLUDING TRANSFERS OF FUNDS)

The agreement includes \$978,131,000 for Water and Related Resources.

The agreement for Water and Related Resources is shown in the following table:

WATER AND RELATED RESOURCES
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST			FINAL BILL		
	RESOURCES MANAGEMENT	FACILITIES OM&R	TOTAL	RESOURCES MANAGEMENT	FACILITIES OM&R	TOTAL
ARIZONA						
AK CHIN INDIAN WATER RIGHTS SETTLEMENT ACT PROJECT	---	14,093	14,093	---	14,093	14,093
COLORADO RIVER BASIN - CENTRAL ARIZONA PROJECT	7,176	458	7,634	7,176	458	7,634
COLORADO RIVER FRONT WORK AND LEVEE SYSTEM	2,100	---	2,100	2,100	---	2,100
SALT RIVER PROJECT	724	250	974	724	250	974
SAN CARLOS APACHE TRIBE WATER SETTLEMENT ACT PROJECT	200	---	200	200	---	200
SIERRA VISTA SUBWATERSHED FEASIBILITY STUDY	2	---	2	2	---	2
YUMA AREA PROJECTS	1,446	22,541	23,987	1,446	22,541	23,987
CALIFORNIA						
CACHUMA PROJECT	647	674	1,321	647	674	1,321
CENTRAL VALLEY PROJECTS:						
AMERICAN RIVER DIVISION, FOLSOM DAM UNIT/MORMON ISLAND	1,577	9,138	10,715	1,577	9,138	10,715
AUBURN-FOLSOM SOUTH UNIT	35	2,184	2,219	35	2,184	2,219
DELTA DIVISION	5,718	5,511	11,229	5,718	5,511	11,229
EAST SIDE DIVISION	1,290	2,772	4,062	1,290	2,772	4,062
FRIANT DIVISION	2,192	3,401	5,593	2,192	3,401	5,593
SAN JOAQUIN RIVER RESTORATION SETTLEMENT	---	---	---	32,000	---	32,000
MISCELLANEOUS PROJECT PROGRAMS	7,596	454	8,050	7,596	454	8,050
REPLACEMENTS, ADDITIONS, AND EXTRAORDINARY MAINT. PROGRAM	---	16,362	16,362	---	16,362	16,362
SACRAMENTO RIVER DIVISION	2,156	944	3,100	2,156	944	3,100
SAN FELIPE DIVISION	372	75	447	372	75	447
SAN JOAQUIN DIVISION	52	---	52	52	---	52
SHASTA DIVISION	720	8,627	9,347	720	8,627	9,347
TRINITY RIVER DIVISION	12,309	4,359	16,668	12,309	4,359	16,668
WATER AND POWER OPERATIONS	4,389	7,393	11,782	4,389	7,393	11,782
WEST SAN JOAQUIN DIVISION, SAN LUIS UNIT	12,917	6,043	18,960	12,917	6,043	18,960
ORLAND PROJECT	---	930	930	---	930	930
SALTON SEA RESEARCH PROJECT	300	---	300	300	---	300
SOLANO PROJECT	1,329	2,367	3,696	1,329	2,367	3,696
VENTURA RIVER PROJECT	313	33	346	313	33	346
COLORADO						
ANIMAS-LA PLATA PROJECT	892	1,637	2,529	892	1,637	2,529
ARMEL UNIT, P-SMBP	20	449	469	20	449	469
COLLBRAN PROJECT	255	1,693	1,948	255	1,693	1,948

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WATER AND RELATED RESOURCES
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST			FINAL BILL		
	RESOURCES MANAGEMENT	FACILITIES OM&R	TOTAL	RESOURCES MANAGEMENT	FACILITIES OM&R	TOTAL
COLORADO-BIG THOMPSON PROJECT	207	12,950	13,157	207	12,950	13,157
FRUITGROWERS DAM PROJECT	122	124	246	122	124	246
FRYPAN-ARKANSAS PROJECT	274	8,837	9,111	274	8,837	9,111
FRYPAN-ARKANSAS PROJECT - ARKANSAS VALLEY CONDUIT	500	---	500	500	---	500
GRAND VALLEY UNIT, CRBSCP, TITLE II	244	1,713	1,957	244	1,713	1,957
LEADVILLE/ARKANSAS RIVER RECOVERY PROJECT	---	1,987	1,987	---	1,987	1,987
MANCOS PROJECT	119	182	301	119	182	301
NARROWS UNIT, P-SMBP	---	37	37	---	37	37
PARADOX VALLEY UNIT, CRBSCP, TITLE II	108	2,653	2,761	108	2,653	2,761
PINE RIVER PROJECT	202	326	528	202	326	528
SAN LUIS VALLEY PROJECT, CLOSED BASIN	286	3,616	3,902	286	3,616	3,902
SAN LOUIS VALLEY PROJECT, CONEJOS DIVISION	21	38	59	21	38	59
UNCOMPAHGRE PROJECT	804	191	995	804	191	995
UPPER COLORADO RIVER OPERATIONS PROGRAM	270	---	270	270	---	270
IDAHO						
BOISE AREA PROJECTS	3,237	2,213	5,450	3,237	2,213	5,450
COLUMBIA AND SNAKE RIVER SALMON RECOVERY PROJECT	17,000	---	17,000	17,000	---	17,000
LEWISTON ORCHARDS PROJECTS	425	30	455	425	30	455
MINIDOKA AREA PROJECTS	2,451	4,694	7,145	2,451	4,694	7,145
PRESTON BENCH PROJECT	4	8	12	4	8	12
KANSAS						
ALMENA UNIT, P-SMBP	16	492	508	16	492	508
BOSTWICK UNIT, P-SMBP	239	935	1,174	239	935	1,174
CEDAR BLUFF UNIT, P-SMBP	11	638	649	11	638	649
GLEN ELDER UNIT, P-SMBP	25	1,840	1,865	25	1,840	1,865
KANSAS RIVER UNIT, P-SMBP	---	100	100	---	100	100
KIRWIN UNIT, P-SMBP	19	1,369	1,388	19	1,369	1,388
WEBSTER UNIT, P-SMBP	12	2,873	2,885	12	2,873	2,885
WICHITA PROJECT - CHENEY DIVISION	87	458	545	87	458	545
WICHITA PROJECT - EQUUS BEDS DIVISION	50	---	50	50	---	50
MONTANA						
CANYON FERRY UNIT, P-SMBP	246	5,703	5,949	246	5,703	5,949
EAST BENCH UNIT, P-SMBP	202	660	862	202	660	862
FORT PECK RESERVATION / DRY PRAIRIE RURAL WATER SYSTEM	3,249	---	3,249	3,249	---	3,249

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WATER AND RELATED RESOURCES
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST			FINAL BILL		
	RESOURCES MANAGEMENT	FACILITIES OM&R	TOTAL	RESOURCES MANAGEMENT	FACILITIES OM&R	TOTAL
HELENA VALLEY UNIT, P-SMBP	19	163	182	19	163	182
HUNGRY HORSE PROJECT	---	1,014	1,014	---	1,014	1,014
HUNTLEY PROJECT	12	45	57	12	45	57
LOWER MARIAS UNIT, P-SMBP	102	1,622	1,724	102	1,622	1,724
LOWER YELLOWSTONE PROJECT	364	16	380	364	16	380
MILK RIVER PROJECT	548	1,287	1,835	548	1,287	1,835
MISSOURI BASIN O&M, P-SMBP	1,032	269	1,301	1,032	269	1,301
ROCKY BOYS/NORTH CENTRAL MT RURAL WATER SYSTEM	4,059	---	4,059	4,059	---	4,059
SUN RIVER PROJECT	53	256	309	53	256	309
YELLOWTAIL UNIT, P-SMBP	22	7,433	7,455	22	7,433	7,455
NEBRASKA						
AINSWORTH UNIT, P-SMBP	26	138	164	26	138	164
FRENCHMAN-CAMBRIDGE UNIT, P-SMBP	261	2,088	2,349	261	2,088	2,349
MIRAGE FLATS PROJECT	14	116	130	14	116	130
NORTH LOUP UNIT, P-SMBP	52	179	231	52	179	231
NEVADA						
LAHONTAN BASIN PROJECT	5,876	3,925	9,801	5,876	3,925	9,801
LAKE TAHOE REGIONAL DEVELOPMENT PROGRAM	115	---	115	115	---	115
LAKE MEAD /LAS VEGAS WASH PROGRAM	775	---	775	775	---	775
NEW MEXICO						
CARLSBAD PROJECT	2,844	1,295	4,139	2,844	1,295	4,139
EASTERN NEW MEXICO RURAL WATER SUPPLY	47	---	47	47	---	47
MIDDLE RIO GRANDE PROJECT	11,009	11,726	22,735	11,009	11,726	22,735
RIO GRANDE PROJECT	1,224	4,182	5,406	1,224	4,182	5,406
RIO GRANDE PUEBLOS PROJECT	650	---	650	650	---	650
TUCUMCARI PROJECT	23	11	34	23	11	34
NORTH DAKOTA						
DICKINSON UNIT, P-SMBP	404	288	692	404	288	692
GARRISON DIVERSION UNIT, P-SMBP	15,502	6,417	21,919	15,502	6,417	21,919
HEART BUTTE UNIT, P-SMBP	6	1,139	1,145	6	1,139	1,145

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WATER AND RELATED RESOURCES
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST			FINAL BILL		
	RESOURCES MANAGEMENT	FACILITIES OM&R	TOTAL	RESOURCES MANAGEMENT	FACILITIES OM&R	TOTAL
OKLAHOMA						
ARBUCKLE PROJECT	69	189	258	69	189	258
MCGEE CREEK PROJECT	90	796	886	90	796	886
MOUNTAIN PARK PROJECT	25	584	609	25	584	609
NORMAN PROJECT	48	311	359	48	311	359
WASHITA BASIN PROJECT	160	1,058	1,218	160	1,058	1,218
W.C. AUSTIN PROJECT	59	631	690	59	631	690
OREGON						
CROOKED RIVER PROJECT	267	451	718	267	451	718
DESCHUTES PROJECT	292	269	561	292	269	561
EASTERN OREGON PROJECTS	584	232	816	584	232	816
KLAMATH PROJECT	13,390	4,610	18,000	13,390	4,610	18,000
ROGUE RIVER BASIN PROJECT, TALENT DIVISION	1,527	602	2,129	1,527	602	2,129
TUALATIN PROJECT	130	642	772	130	642	772
UMATILLA PROJECT	521	3,161	3,682	521	3,161	3,682
SOUTH DAKOTA						
ANGOSTURA UNIT, P-SMBP	266	790	1,056	266	790	1,056
BELLE FOURCHE UNIT, P-SMBP	255	685	940	255	685	940
KEYHOLE UNIT, P-SMBP	196	558	754	196	558	754
LEWIS AND CLARK RURAL WATER SYSTEM	2,432	---	2,432	2,432	---	2,432
MID-DAKOTA RURAL WATER PROJECT	---	15	15	---	15	15
MINI WICONI PROJECT	---	12,000	12,000	---	12,000	12,000
OAHE UNIT, P-SMBP	39	55	94	39	55	94
RAPID VALLEY PROJECT	---	92	92	---	92	92
RAPID VALLEY UNIT, P-SMBP	---	223	223	---	223	223
SHADEHILL UNIT, P-SMBP	75	511	586	75	511	586
TEXAS						
BALMORHEA PROJECT	25	15	40	25	15	40
CANADIAN RIVER PROJECT	84	85	169	84	85	169
LOWER RIO GRANDE WATER CONSERVATION PROGRAM	50	---	50	50	---	50
NUECES RIVER PROJECT	87	787	874	87	787	874
SAN ANGELO PROJECT	57	537	594	57	537	594

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WATER AND RELATED RESOURCES
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST			FINAL BILL		
	RESOURCES MANAGEMENT	FACILITIES OM&R	TOTAL	RESOURCES MANAGEMENT	FACILITIES OM&R	TOTAL
UTAH						
HYRUM PROJECT	180	173	353	180	173	353
MOON LAKE PROJECT	12	85	97	12	85	97
NEWTON PROJECT	33	94	127	33	94	127
OGDEN RIVER PROJECT	240	262	502	240	262	502
PROVO RIVER PROJECT	1,260	448	1,708	1,260	448	1,708
SANPETE PROJECT	60	11	71	60	11	71
SCOFIELD PROJECT	406	84	490	406	84	490
STRAWBERRY VALLEY PROJECT	822	100	922	822	100	922
WEBER BASIN PROJECT	1,096	1,111	2,207	1,096	1,111	2,207
WEBER RIVER PROJECT	60	86	146	60	86	146
WASHINGTON						
COLUMBIA BASIN PROJECT	3,875	7,196	11,071	3,875	7,196	11,071
WASHINGTON AREA PROJECTS	565	78	643	565	78	643
YAKIMA PROJECT	806	6,836	7,642	806	6,836	7,642
YAKIMA RIVER BASIN WATER ENHANCEMENT PROJECT	11,000	---	11,000	11,000	---	11,000
WYOMING						
BOYSEN UNIT, P-SMBP	231	1,791	2,022	231	1,791	2,022
BUFFALO BILL DAM DAM MODIFICATION, P-SMBP	32	2,812	2,844	32	2,812	2,844
KENDRICK PROJECT	107	3,582	3,689	107	3,582	3,689
NORTH PLATTE PROJECT	205	2,270	2,475	205	2,270	2,475
NORTH PLATTE AREA, P-SMBP	111	4,886	4,997	111	4,886	4,997
OWL CREEK UNIT, P-SMBP	6	95	101	6	95	101
RIVERTON UNIT, P-SMBP	12	632	644	12	632	644
SHOSHONE PROJECT	72	771	843	72	771	843
SUBTOTAL, PROJECTS	184,115	273,956	458,071	216,115	273,956	490,071
REGIONAL PROGRAMS						
ADDITIONAL FUNDING FOR ONGOING WORK						
RURAL WATER	---	---	---	31,000	---	31,000
FISH PASSAGE AND FISH SCREENS	---	---	---	4,000	---	4,000
WATER CONSERVATION AND DELIVERY	---	---	---	8,000	---	8,000
ENVIRONMENTAL RESTORATION AND COMPLIANCE	---	---	---	1,000	---	1,000

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WATER AND RELATED RESOURCES
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST			FINAL BILL		
	RESOURCES MANAGEMENT	FACILITIES OM&R	TOTAL	RESOURCES MANAGEMENT	FACILITIES OM&R	TOTAL
WESTERN DROUGHT RESPONSE	---	---	---	50,000	---	50,000
FACILITIES OPERATION, MAINTENANCE, AND REHABILITATION	---	---	---	---	2,931	2,931
COLORADO RIVER BASIN SALINITY CONTROL PROJECT, TITLE I	---	12,670	12,670	---	12,670	12,670
COLORADO RIVER BASIN SALINITY CONTROL PROJECT, TITLE II	6,360	---	6,360	6,360	---	6,360
COLORADO RIVER STORAGE PROJECT (CRSP), SECTION 5	4,103	5,592	9,695	4,103	5,592	9,695
COLORADO RIVER STORAGE PROJECT (CRSP), SECTION 8	3,088	---	3,088	3,088	---	3,088
COLORADO RIVER WATER QUALITY IMPROVEMENT PROJECT	620	---	620	620	---	620
DAM SAFETY PROGRAM:						
DEPARTMENT OF THE INTERIOR DAM SAFETY PROGRAM	---	1,100	1,100	---	1,100	1,100
INITIATE SAFETY OF DAMS CORRECTIVE ACTION	---	62,000	62,000	---	62,000	62,000
SAFETY EVALUATION OF EXISTING DAMS	---	19,784	19,784	---	19,784	19,784
EMERGENCY PLANNING & DISASTER RESPONSE PROGRAM	---	1,250	1,250	---	1,250	1,250
ENDANGERED SPECIES RECOVERY IMPLEMENTATION PROGRAM	22,677	---	22,677	22,677	---	22,677
ENVIRONMENTAL PROGRAM ADMINISTRATION	1,736	---	1,736	1,736	---	1,736
EXAMINATION OF EXISTING STRUCTURES	---	8,989	8,989	---	8,989	8,989
GENERAL PLANNING ACTIVITIES	2,000	---	2,000	2,000	---	2,000
INDIAN WATER RIGHTS SETTLEMENTS:						
AAMODT LITIGATION SETTLEMENT	---	---	---	3,000	---	3,000
CROW TRIBE RIGHTS	---	---	---	2,000	---	2,000
NAVAJO-GALLUP	---	---	---	81,000	---	81,000
TAOS PUEBLO	---	---	---	4,000	---	4,000
LAND RESOURCES MANAGEMENT PROGRAM	9,657	---	9,657	9,657	---	9,657
LOWER COLORADO RIVER OPERATIONS PROGRAM	28,345	---	28,345	28,345	---	28,345
MISCELLANEOUS FLOOD CONTROL OPERATIONS	---	846	846	---	846	846
NATIVE AMERICAN AFFAIRS PROGRAM	8,088	---	8,088	8,088	---	8,088
NEGOTIATION & ADMINISTRATION OF WATER MARKETING	1,984	---	1,984	1,984	---	1,984
OPERATION & PROGRAM MANAGEMENT	951	1,653	2,604	951	1,653	2,604
POWER PROGRAM SERVICES	2,193	307	2,500	2,193	307	2,500
PUBLIC ACCESS AND SAFETY PROGRAM	657	206	863	657	206	863
RECLAMATION LAW ADMINISTRATION	2,329	---	2,329	2,329	---	2,329
RECREATION & FISH & WILDLIFE PROGRAM ADMINISTRATION	2,409	---	2,409	2,409	---	2,409
RESEARCH AND DEVELOPMENT:						
DESALINATION AND WATER PURIFICATION PROGRAM	1,753	1,150	2,903	1,753	1,150	2,903
SCIENCE AND TECHNOLOGY PROGRAM	9,765	---	9,765	9,765	---	9,765
SITE SECURITY ACTIVITIES	---	26,220	26,220	---	26,220	26,220
UNITED STATES/MEXICO BORDER ISSUES - TECHNICAL SUPPORT	90	---	90	90	---	90
WATERSMART PROGRAM:						
WATERSMART GRANTS	19,000	---	19,000	19,000	---	19,000
WATER CONSERVATION FIELD SERVICES PROGRAM	4,457	---	4,457	4,457	---	4,457
COOPERATIVE WATERSHED MANAGEMENT	250	---	250	250	---	250

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WATER AND RELATED RESOURCES
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST			FINAL BILL		
	RESOURCES MANAGEMENT	FACILITIES OM&R	TOTAL	RESOURCES MANAGEMENT	FACILITIES OM&R	TOTAL
BASIN STUDIES	3,850	---	3,850	3,850	---	3,850
DROUGHT RESPONSE & COMPREHENSIVE DROUGHT PLANS	1,500	---	1,500	---	---	---
RESILIENT INFRASTRUCTURE INVESTMENTS	---	1,500	1,500	---	1,500	1,500
TITLE XVI WATER RECLAMATION & REUSE PROGRAM	21,500	---	21,500	21,500	---	21,500
SUBTOTAL, REGIONAL PROGRAMS	159,362	143,267	302,629	341,862	146,198	488,060
TOTAL, WATER AND RELATED RESOURCES	343,477	417,223	760,700	557,977	420,154	978,131

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Central Valley Project, Friant Division, San Joaquin River Restoration.—The agreement does not include a separate account for this item. Funding is included in the Water and Related Resources account as a separate line item under the Friant Division of the Central Valley Project.

Middle Rio Grande, New Mexico.—The agreement encourages development and implementation of the Water Acquisition Program along the Middle Rio Grande and San Juan Chama Projects and the Physical Habitat Restoration and Management efforts along the San Acacia Reach consistent with fiscal year 2014 activities.

Scoggins Dam, Tualatin Project, Oregon.—As part of its Dam Safety Program, Reclamation is working on a Corrective Action Alternatives Study (CAS) for Scoggins Dam, the main feature of the Tualatin Project. Working with local stakeholders, Reclamation is evaluating how water supply objectives, such as increased storage, may be coordinated with CAS implementation. Phase two of the CAS, including appraisal level designs and cost estimates, currently is scheduled to be completed in fiscal year 2016. With that date in mind, Reclamation should submit legislative language to the appropriate congressional committees as soon as it becomes clear such authorization is necessary and advisable so that dam safety work can be addressed concurrently with additional storage capacity.

Yakima River Basin Water Enhancement Project, Washington.—The Yakima River Basin Integrated Water Resource Management Plan is recognized as an innovative water management plan representing the culmination of years of collaboration among Yakima Basin stakeholders. The Department of the Interior and the Bureau of Reclamation are encouraged to request funding in future budgets to support additional authorized elements of the Plan. Federal funding should be used in combination with stakeholder funding to ensure continued implementation of a balanced plan including water storage and water supply reliability, habitat and watershed conservation, fish passage, and appropriate land acquisition activities to support agriculture, fish, and municipalities within the Yakima River Basin in Central Washington.

Additional Funding for Water and Related Resources Work.—The agreement includes funds in addition to the budget request for Water and Related Resources studies, projects, and activities. Priority in allocating these funds should be given to advance and complete ongoing work; improve water supply reliability; improve water deliveries; enhance national, regional, or local economic development; promote job growth; advance tribal and nontribal water settlement studies and activities; or address critical backlog maintenance and rehabilitation activities. Funding provided under the heading “Western Drought Response” may be allocated to any authorized purposes, but shall be allocated to those activities that will have the most direct, most immediate, and largest impact on extending limited water supplies during current drought conditions. Funding included in the budget request under “Drought Response and Comprehensive Plans” is incorporated into this line item. Reclamation is encouraged to use all available authorities to provide for additional water supplies through conservation, minor changes to the operations of existing projects, drilling emergency wells, or other means authorized under current law. This additional funding may be used alone or in combination with any other funding provided in a program, project, or

activity. For rural water projects, Reclamation shall not use the ability of a non-federal sponsor to contribute funds in excess of the authorized non-federal cost-share as a criterion for prioritizing these funds. Not later than 45 days after enactment of this Act, Reclamation shall provide to the Committees on Appropriations of the House of Representatives and the Senate a report delineating how these funds are to be distributed, in which phase the work is to be accomplished, and an explanation of the criteria and rankings used to justify each allocation.

Indian Water Rights Settlements.—The agreement includes funds for these activities in the Water and Related Resources account, instead of in a separate account as proposed in the budget request. To maintain the visibility of these projects, the agreement includes the four projects under the Regional Programs heading with a subheading called Indian Water Rights Settlements.

Buried Metallic Water Pipe.—Reclamation again is directed to act in a manner consistent with the direction provided in the fiscal year 2012 and 2014 Acts regarding buried metallic water pipe. That direction included, among other things, the requirement for an objective, independently peer-reviewed analysis of pipeline reliability standards. Reclamation is reminded that this study, including all data assembly and analysis must be conducted by an appropriate, independent third-party. Reclamation and its contractors involved in these efforts are expected to protect business-sensitive data that is collected during this process.

Rural Water.—Voluntary funding in excess of legally required cost shares for rural water projects is acceptable, but shall not be used by Reclamation as a criterion for budgeting in future years.

Zebra and Quagga Mussels.—Reclamation has completed, is working on, and intends to initiate additional invasive mussel vulnerability assessments at numerous federal dams in the Pacific Northwest. Reclamation is encouraged to continue these efforts.

CENTRAL VALLEY PROJECT RESTORATION FUND

The agreement provides \$56,995,000 for the Central Valley Project Restoration Fund.

CALIFORNIA BAY-DELTA RESTORATION
(INCLUDING TRANSFERS OF FUNDS)

The agreement provides \$37,000,000 for the California Bay-Delta Restoration Program.

POLICY AND ADMINISTRATION

The agreement provides \$58,500,000 for Policy and Administration.

BUREAU OF RECLAMATION LOAN PROGRAM ACCOUNT
(INCLUDING RESCISSION OF FUNDS)

The agreement includes a rescission of \$500,000 in unobligated balances.

ADMINISTRATIVE PROVISION

The agreement includes a provision limiting the Bureau of Reclamation to purchase not more than five passenger vehicles for replacement only.

GENERAL PROVISIONS—DEPARTMENT OF THE INTERIOR

The agreement includes a provision outlining the circumstances under which the Bureau of Reclamation may reprogram funds.

The agreement includes a provision regarding the San Luis Unit and Kesterson Reservoir in California.

The agreement includes a provision regarding an authorization of appropriations under the Secure Water Act of 2009.

The agreement includes a technical correction regarding the Reclamation States Emergency Drought Relief Act of 1991.

The agreement includes a provision extending authorization of the Calfed Bay-Delta Authorization Act.

The agreement includes a provision regarding pilot projects in the Colorado River Basin.

FACT SHEET: Increasing Investment in U.S. Roads, Ports and Drinking Water Systems through Innovative Financing

Building a 21st-century infrastructure is a critical component of the Administration's efforts to accelerate economic growth, expand opportunity, create jobs and improve the competitiveness of the American economy. As part of this effort, President Obama launched the [Build America Investment Initiative](#) in July 2014, calling on federal agencies to find new ways to increase investment in ports, roads, bridges, broadband networks, drinking water and sewer systems and other projects by facilitating partnerships between federal, state and local governments and private sector investors.

Today, the Obama Administration is announcing new steps that federal agencies are taking to bring private sector capital and expertise to bear on improving our nation's roads, bridges, and broadband networks. First, the Administration is launching a new Water Finance Center at the Environmental Protection Agency and highlighting the progress of the Rural Opportunity Investment Initiative at the Department of Agriculture. These efforts will help local and state governments access federal loan and grant programs to get more projects off the ground. The Administration is also announcing a new set of infrastructure tax proposals that will level the playing field for projects that combine public and private investment so that local and state governments can more easily work with the private sector to advance the public interest.

At an event at the Anacostia River Tunnel Project Site in Washington, DC later today, the Vice President – joined by Environmental Protection Agency Administrator Gina McCarthy and USDA Secretary Tom Vilsack – will stress the importance of these critical investments. Today's event is part of the Vice President's ongoing work to highlight the importance of doing more to invest in our nation's infrastructure to create jobs, help American businesses, and grow our economy.

Additional information about the new Build America initiatives is provided below:

- **Investing in Drinking Water and Wastewater Systems through a new Center at EPA.** To help address more than \$600 billion in needs for drinking water and wastewater management over the next 20 years, today the Administration is launching a new Water Finance Center at EPA. The Center will work closely with municipal and state governments, utilities and private sector partners to use federal grants to attract more private capital into projects and promote models of public private collaboration that can address the real needs of cities and towns to provide safe water, rebuild sewer systems and keep streams and rivers clean.
- **Driving Investment to Rural America via a New USDA Rural Opportunity Investment Initiative.** The Administration is announcing the Rural Opportunity Investment Initiative at the U.S. Department of Agriculture, which will identify opportunities for investment in promising rural water, energy, and broadband projects, reduce barriers to investment and connect projects with investors.
- **Leveling the Playing Field for Public-Private Partnerships.** Today the Administration is leveling the playing field for municipalities seeking public private partnerships by proposing the creation of an

innovative new kind of municipal bond, Qualified Public Infrastructure Bonds (QPIB).

- In addition, the Administration is advancing major highway and port projects through the Transportation Investment Center at the Department of Transportation, working with local and state governments to improve project planning, and attracting investors for U.S. projects from around the world through the SelectUSA Program.

Investing in a 21st-century American infrastructure

Investing in a 21st-century American infrastructure is an important part of the Obama Administration's plan to build on the progress our economy is making by creating jobs and expanding opportunity for all hardworking Americans. Infrastructure like roads, bridges, ports, water purification plants and reservoirs provide critical services to consumers and businesses while protecting public health and the environment.

The construction project in Anacostia is an example of the benefits of investment in water management. Each year, 2 to 3 billion gallons of contaminated sewage water pour into the Anacostia River. The new tunnel will control this run-off, improving public health, protecting the environment, and giving a major boost to economic development on the Anacostia River's banks.

But the current level of infrastructure investment in the U.S. is far too low and too many worthwhile projects go unfunded. The system of water pipes that bring drinking water to homes and businesses, for example, is rapidly aging. An estimated 237,600 water mains break every year. We also lose more than 46 billion gallons of water per day through leaking pipes - enough water to supply the 10 largest American cities for almost two weeks. And the costs for maintenance are only increasing. Over the next fifteen years, utilities will have to spend three times as much on pipe replacement as the current system continues to decline.

The Administration's activities through the Build America Investment Initiative will help interested local and state governments build more of these projects by bringing together the public and private sector to identify challenges and explore creative financing strategies - not only in water but in transportation, energy and broadband.

Private capital is not a substitute for public investment. That's why the President has repeatedly called on Congress to increase public funding for our highways, bridges, and transit system. Last spring, the Administration proposed the GROW AMERICA Act, a 4-year, \$302 billion surface transportation reauthorization proposal. But in the absence of Congress acting on this commonsense proposal, the President will continue to do whatever he can through his own authority to promote American economic growth where there is need or opportunity. And right now, there is a real opportunity to put private capital to work in revitalizing U.S. infrastructure.

That's why today the Administration is announcing efforts across government including new executive actions and a new tax proposal to encourage investment across infrastructure sectors and in regions around the country.

- **Investing in Drinking Water and Wastewater Infrastructure through a new Center at EPA**

The U.S. needs at least \$600 billion in investments in water infrastructure over the next 20 years to keep our taps flowing and our rivers and lakes clean. Today, the Administration is launching a new interagency center at the Environmental Protection Agency to increase innovative financing support for water systems across the country. The Water Finance Center will:

- Stimulate private investment and make federal dollars go further: Around the country, towns, cities and states are exploring how to bring innovative financial tools such as public private partnerships to the water sector to get more projects off the ground. The new Center will help interested local and state governments to bring private sector investment and expertise into water system construction and management. Among other roles, the center will bring together investors and project sponsors; highlight promising deals; provide peer-to-peer learning and workshops; and develop case studies and toolkits. The Center will work with states to maximize the benefits of more than \$3 billion in annual federal water investments.
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- Help attract investment to small communities. Many rural communities are served by small water utilities that lack the resources to explore financing alternatives, engage the private sector and attract investment. The new Water Center will work with on-the-ground partners to provide financial training and technical assistance to small communities and rural water systems.

➤ **Driving Investment to Rural America via a new USDA Rural Opportunity Investment Initiative**

Investments in rural water, energy, broadband infrastructure can create jobs and accelerate economic growth. To help rural projects attract more investment, the Administration is announcing the Rural Opportunity Investment (ROI) Initiative at USDA. In close collaboration with both public and private partners, the ROI Initiative will:

- Connect projects to investors: The ROI Initiative will facilitate and catalyze rural investment opportunities for the public and private sectors. The Initiative will look to generate and facilitate rural investment through USDA field staff across the country and strengthen relationships with the private sector. Public-private collaborations launched by USDA earlier this year – like the \$10 billion CoBank rural infrastructure fund between CoBank and Capital Peak Asset Management and a \$150 million Rural Business Investment Company – are the type of innovative financing mechanisms that the Initiative will continue to incubate in an effort to develop and finance infrastructure projects.
- Improve access to USDA credit programs: The Initiative will also focus on opportunities to leverage private sector financing against the over \$30 billion in existing USDA programs and resources to provide funding to vital rural infrastructure projects; including water and wastewater systems, energy efficiency improvements, broadband networks, and other rural infrastructure needs.

➤ **Leveling the Playing Field for Public Private Partnerships**

The Administration is proposing the creation of an innovative new municipal bond, Qualified Public Infrastructure Bond (QPIB). Today, public private partnerships that combine public ownership with private sector management and operations expertise cannot take advantage of the benefits of municipal bonds. QPIBs will extend the benefits of municipal bonds to public private partnerships, like partnerships that involve long-term leasing and management contracts, lowering the cost of borrowing and attracting new capital.

- A similar existing program, Private Activity Bond (PABs), has already been used to support financing of over \$10 billion of roads, tunnels, and bridges. QPIBs will expand the scope of PABs to include financing for airports, ports, mass transit, solid waste disposal, sewer, and water, as well as for more surface transportation projects. Unlike PABs, the QPIB bond program will have no expiration date, no

issuance caps, and interest on these bonds will not be subject to the alternative minimum tax. These modifications will increase QPIB's impact as a permanent lower cost financing tool to increase private participation in building our nation's public infrastructure. QPIBs would not be available for privately-owned facilities or privatizations of public facilities.

More details on QPIBs will be available in the upcoming Budget.

➤ **Growing Investment in Transportation Infrastructure through the DOT Transportation Investment Center**

In July, the President announced the launch of a new center at the Department of Transportation to catalyze private investments in our transportation system. Since the launch of the Center, DOT has taken important steps forward, including:

- Facilitating access to hundreds of millions of dollars in credit assistance for vital transportation projects: In Fiscal Year 2014, DOT loaned a record \$7.5 billion to 13 projects through the TIFIA program, leveraging more than \$25 billion in infrastructure investments. Since the launch of the Center, DOT has accelerated high-impact projects like Portsmouth Bypass, a 16-mile, 4-lane highway in Scioto County, Ohio.
- Expediting Project Financing and Delivery: To help get highway, port, bridge, tunnel and transit projects moving faster, the Center is providing hands-on technical assistance and facilitating efficient project delivery to projects, including adding additional projects to the Administration's successful permitting dashboard. The Center is also providing targeted technical assistance to support project planning for projects like the Essex County-Port Newark Container Terminal (PNCT) P3 Project - a recent TIGER grant recipient.
- New Tools: The Center will be releasing new products, including supplemental provisions for toll concession model contracts and a new guide on incorporating Federal-aid funding into P3s. These products build on tools released over the past several months. In addition, DOT is developing model contracts that show how transportation projects can advance "high-road" labor practices that create good, middle-class jobs and benefit current and aspiring workers alike. These will be an example for other federal agencies as they work to support public private partnerships moving forward.

➤ **Breaking Ground on more Roads, Bridges and other Infrastructure Projects**

Today, the President is signing a Presidential Memorandum to improve the early phases of infrastructure project planning and design by aligning federal funding for planning and predevelopment at the Departments of Commerce, Transportation, Homeland Security, Housing and Urban Development and Agriculture. These agencies and others will be working closely with local and state governments and other stakeholders over the coming months to ensure that the federal government is doing all it can to support critical predevelopment activities. Private foundations are also doing their part to support innovation in planning and predevelopment activities, with The John D. and Catherine T. MacArthur Foundation, Ford Foundation, and The Rockefeller Foundation announcing support for new projects around the country.

➤ **Promoting Investment in U.S. Highways and Ports**

For the first time, the Administration is hosting a global event with a clear US infrastructure track at the March 2015 SelectUSA Investment Summit. This Summit will bring together over 2500 leading investors and executives from around the world and connect them with US business opportunities.

- A high profile session focused on infrastructure to highlight the growth and diversity of the US P3 market and present day opportunities in the USA for global companies
- A roundtable to promote the development of relationships between global investors and American partners to jointly explore US infrastructure investments.

These actions and announcements are the first steps that the Administration is taking as part of the Build America Investment Initiative's two-year action plan, as outlined in a set of recommendations to the President.

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