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(Original Signature of Member)

114TH CONGRESS  
1ST SESSION

# H. R.

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To provide drought assistance and improved water supply reliability to the State of California, other western States, and the Nation.

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## IN THE HOUSE OF REPRESENTATIVES

Mr. HUFFMAN introduced the following bill; which was referred to the Committee on \_\_\_\_\_

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# A BILL

To provide drought assistance and improved water supply reliability to the State of California, other western States, and the Nation.

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; FINDINGS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Drought Recovery and Resilience Act of 2015”.

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

Sec. 1. Short title; table of contents; findings.

TITLE I—EMERGENCY DROUGHT RESPONSE APPROPRIATIONS  
FROM RECLAMATION FUND

- Sec. 101. Appropriations to be derived from Reclamation Fund.
- Sec. 102. Supplemental appropriations for drought relief.
- Sec. 103. Supplemental appropriations for the Environmental Protection Agency.
- Sec. 104. Supplemental appropriations for the Water Infrastructure Finance and Innovation Act program.

TITLE II—NEW WATER INFRASTRUCTURE PROGRAM  
AUTHORIZATIONS

Subtitle A—New Water Recycling and Reclamation Program Through EPA

- Sec. 201. Short title; findings; purposes.
- Sec. 202. National Water Recycling and Reclamation Program.

Subtitle B—Reclamation Infrastructure Finance and Innovation Act (RIFIA)

- Sec. 210. Short title; purposes; definitions.

CHAPTER 1—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.

CHAPTER 2—INTEGRATED REGIONAL WATER MANAGEMENT, RECLAMATION,  
AND RECYCLING PROJECTS

- Sec. 231. Water storage projects.
- Sec. 232. Authorization of appropriations.

CHAPTER 3—RECLAMATION TITLE TRANSFER PROGRAM

- Sec. 241. Short title; definitions.
- Sec. 242. Authorization of title transfer program.
- Sec. 243. Compliance with environmental and historic preservation laws.
- Sec. 244. Eligibility criteria.
- Sec. 245. Liability.
- Sec. 246. Benefits.
- Sec. 247. Compliance with other laws.
- Sec. 248. Authorization of appropriations.
- Sec. 249. Termination of authority.

Subtitle C—Innovative Stormwater Capture Program

- Sec. 251. Short title.
- Sec. 252. Purposes and Findings.

- Sec. 253. Definitions.
- Sec. 254. Centers of Excellence for innovative stormwater control infrastructure.
- Sec. 255. Innovative stormwater control infrastructure project grants.
- Sec. 256. Environmental Protection Agency innovative stormwater control infrastructure promotion.
- Sec. 257. Report to Congress.
- Sec. 258. Authorization of appropriations.

TITLE III—IMPROVED INFRASTRUCTURE AND WATER  
MANAGEMENT

Subtitle A—Restoring America’s Watersheds and Increasing Water Yields

- Sec. 301. Short title.
- Sec. 302. Findings.
- Sec. 303. Water Source Protection Program.
- Sec. 304. Watershed Condition Framework.
- Sec. 305. Forest Service Legacy Roads and Trails Remediation Program.
- Sec. 306. Reauthorization of the Collaborative Forest Landscape Restoration Fund.

Subtitle B—Reservoir Operation Improvement

- Sec. 311. Short title.
- Sec. 312. Projects, plans, and reports.

Subtitle C—Reclamation Projects for Renewable Energy to Reduce  
Evaporation Loss

- Sec. 320. Findings and purpose.
- Sec. 321. Definitions.
- Sec. 322. Evaluation and report.
- Sec. 323. Development of solar and wind energy on covered land.
- Sec. 324. Royalties.
- Sec. 325. Disposition of royalty revenue.

Subtitle D—Improved Reclamation Crop Data

- Sec. 331. Definitions.
- Sec. 332. Determination of planting of water-intense permanent crops.
- Sec. 333. Report related to water-intense permanent crops.

Subtitle E—Improved Oversight of State Injection Wells

- Sec. 341. Amendment to the Safe Drinking Water Act.

Subtitle F—Combating Water Theft for Illegal Marijuana Cultivation

- Sec. 351. Policy directive on illegal water diversion for marijuana cultivation.
- Sec. 352. Environmental reporting requirements for Domestic Cannabis Eradication program.
- Sec. 353. Trespass marijuana location registry.
- Sec. 354. Funding for remediation of trespass marijuana sites.
- Sec. 355. Voluntary guidelines.
- Sec. 356. Research program.

Subtitle G—SECURE Water Amendments

- Sec. 361. Authorized activities; eligibility; authorization of appropriations.
- Sec. 362. Authorization of appropriations for national water availability and use assessment program.

Subtitle H—Refundable Tax Credit for Water-harvesting Systems

- Sec. 371. Refundable tax credit for water-harvesting systems.

Subtitle I—Funding for Construction for Additional Project Benefits

- Sec. 381. Funding for construction for additional project benefits.

TITLE IV—PLANNING FOR THE FUTURE

Subtitle A—X-Prize for Desalination Breakthroughs

- Sec. 401. Short title.
- Sec. 402. Water technology award program.

Subtitle B—Drought Planning Assistance Through NRCS and Reclamation

- Sec. 411. Drought Planning Assistance through NRCS and Reclamation.

Subtitle C—Drought Preparedness for Fisheries

- Sec. 421. Drought Preparedness for Fisheries.

Subtitle D—National Emergency Planning Response

- Sec. 431. National Emergency Planning Response.

Subtitle E—Military Preparedness for Desalination

- Sec. 441. Report on desalinization technology.

1 (c) FINDINGS.—Congress finds the following:

2 (1) That, as expressed in the Water Supply Act  
3 of 1958, Congress has recognized the primary re-  
4 sponsibilities of the States and local interests in de-  
5 veloping water supplies for domestic, municipal, in-  
6 dustrial, and other purposes, and that the Federal  
7 Government should participate and cooperate in  
8 these projects.

9 (2) That there is a long and robust legal prece-  
10 dent of Federal deference to State primacy in water  
11 law and the legal system that States establish for re-

1 solving disputes over water use, with the Supreme  
2 Court finding in *Kansas v. Colorado* that “Congress  
3 cannot enforce either rule upon any state” in mat-  
4 ters of the right regulation of water rights.

5 (3) That, as established in the Proclamation of  
6 a State of Emergency issued by the Governor of the  
7 State of California on January 17, 2014, California  
8 is experiencing record dry conditions, all regions of  
9 the State are impacted by the drought, and these ex-  
10 tremely dry conditions have persisted since 2012 and  
11 are likely to persist beyond this year and more regu-  
12 larly into the future.

13 (4) That the State of California is not alone in  
14 the prospects for long-term drought, and that the  
15 entire American West and Southwest are facing  
16 forecasts of prolonged droughts that will leave States  
17 facing major water shortages and catastrophic  
18 wildfires.

19 (5) That the prolonged period of drought in the  
20 American West has also occurred with higher tem-  
21 peratures throughout the State of California, reduc-  
22 ing snowpack and leading to what climate scientists  
23 conclude may be the most severe drought in over  
24 1,200 years.

1           (6) That the Colorado River has been under  
2 drought conditions since 2000, and that the chances  
3 of a “megadrought” striking the Southwest and cen-  
4 tral Great Plains are on the rise according to fore-  
5 casts from climate scientists.

6           (7) That the United States should utilize all ex-  
7 isting authorities and resources made available by  
8 the Agricultural Act of 2014, that over \$500 million  
9 in assistance has already been dedicated to assisting  
10 agricultural users and rural communities in Cali-  
11 fornia and other drought-impacted areas, and that  
12 the United States Department of Agriculture should  
13 continue to prioritize such assistance to bring relief  
14 to drought-impacted areas.

15           (8) That this drought emergency requires an  
16 immediate and credible response that respects State,  
17 local, and tribal law, and that the policies that re-  
18 spond to the drought should not pit State against  
19 State, region against region, or stakeholders against  
20 one another.

21           (9) That Federal agencies should continue to  
22 operate the Bureau of Reclamation’s Central Valley  
23 Project in California in compliance with all Federal  
24 and State laws, including biological opinions, while  
25 working with the State to maximize operational

1 flexibility in order to deliver as much water as rea-  
2 sonably possible to drought-impacted areas and min-  
3 imize the harm suffered by fish and wildlife as a re-  
4 sult of the drought.

5 (10) That Congress recognizes the range of sep-  
6 arate, distinct Federal agencies with authorities and  
7 resources that play a role in water supply, including  
8 treatment and remediation of groundwater, surface  
9 water storage, water recycling and reuse, and other  
10 clean water infrastructure, and that to avoid dupli-  
11 cation and ensure the efficiency and effectiveness of  
12 these various Federal roles, there is a need for im-  
13 proved coordination, streamlining, and collaboration,  
14 both among Federal agencies and with drought-im-  
15 pacted States and localities.

16 (11) That it is the policy of the United States  
17 to respect California's coequal goals, established by  
18 the Delta Reform Act of 2009, of providing a more  
19 reliable water supply for California and protecting,  
20 restoring, and enhancing the Delta ecosystem, and  
21 that these coequal goals shall be achieved in a man-  
22 ner that protects and enhances the unique cultural,  
23 recreational, natural resource, and agricultural val-  
24 ues of the Delta as an evolving place.

1           (12) That the State of California, in CA Water  
2           Code Section 85021, has established a policy to re-  
3           duce reliance on the Delta in meeting California's  
4           future water supply needs through a statewide strat-  
5           egy of investing in improved regional supplies, con-  
6           servation, and water use efficiency, that California  
7           law directs each region that depends on water from  
8           the Delta watershed to improve its regional self-reli-  
9           ance for water through investment in water use effi-  
10          ciency, water recycling, advanced water technologies,  
11          local and regional water supply projects, and im-  
12          proved regional coordination of local and regional  
13          water supply efforts, and that it is the intent of  
14          Congress to ensure that Federal programs, policies,  
15          and investments respect and compliment, and do not  
16          undermine or conflict with, California's policy of re-  
17          ducing reliance on Delta diversions.

18          (13) That the Reclamation Fund was estab-  
19          lished in 1902 with the expressed purpose of pro-  
20          viding for the construction and maintenance of  
21          water infrastructure for the economic development of  
22          the western States and territories, with revenues de-  
23          posited into the fund out of public land sales within  
24          these western States and territories.

1           (14) That since 1902, the Reclamation Fund  
2           has been supplemented with additional revenues  
3           from Federal water resources development and min-  
4           eral and natural resource leases on Federal lands,  
5           such that the surplus within the Reclamation Fund  
6           now exceeds \$10 billion.

7           (15) That the Reclamation Fund represents a  
8           transfer of a portion of receipts from Federal lands  
9           and Federal natural resources in the West back to  
10          the West for water development, and that in this  
11          time of drought the Reclamation Fund's surplus  
12          should be used to assist the West in meeting its  
13          water needs for public health and safety, for expand-  
14          ing water recycling, reuse, and reclamation, for  
15          meeting the emergency needs of communities im-  
16          pacted by the drought, and for developing long term  
17          solutions to meet the impacts of climate change on  
18          this already arid region of the country.

19 **TITLE I—EMERGENCY DROUGHT**  
20 **RESPONSE APPROPRIATIONS**  
21 **FROM RECLAMATION FUND**

22 **SEC. 101. APPROPRIATIONS TO BE DERIVED FROM REC-**  
23 **LAMATION FUND.**

24          Amounts made available under this title shall be de-  
25          rived from the reclamation fund established by section 1

1 of the Act of June 17, 1902 (42 U.S.C. 391; popularly  
2 known as the “Reclamation Act”), and shall remain avail-  
3 able until expended.

4 **SEC. 102. SUPPLEMENTAL APPROPRIATIONS FOR**  
5 **DROUGHT RELIEF.**

6 (a) IN GENERAL.—Subject to subsection (b), the fol-  
7 lowing sums are appropriated, out of any money in the  
8 Treasury not otherwise appropriated, for fiscal year 2015:

9 (1) WATER AND RELATED RESOURCES.—For  
10 an additional amount for “Department of the Inte-  
11 rior—Bureau of Reclamation—Water and Related  
12 Resources”, \$300,000,000, of which not less than  
13 \$100,000,000 shall be for water reclamation and  
14 reuse projects authorized under title XVI of Public  
15 Law 102–575; of which not less than \$100,000,000  
16 shall be for WaterSMART for assistance under the  
17 Reclamation States Emergency Drought Relief Act  
18 of 1991 (43 U.S.C. 2201 et seq.); and of which not  
19 less than \$50,000,000 shall be for water acquisition,  
20 water conveyance, and facilities construction under  
21 the Refuge Water Supply Program: *Provided*, That  
22 funds provided under this heading may be used for  
23 recycled water projects without regard to whether  
24 such projects are otherwise authorized under law:  
25 *Provided further*, That sufficient funds are spent on

1 the completion of CALFED feasibility studies de-  
2 scribed in section 103(d)(1)(A) of Public Law 108-  
3 361 (118 Stat. 1684) that have the financing and  
4 feasibility to be under construction within 10 years,  
5 and that for the purposes of this Act the Federal  
6 cost share of such feasibility studies shall be no less  
7 than 75% and that the cost share waiver for such  
8 feasibility studies shall extend to December 31,  
9 2017.

10 (2) HAZARDOUS SUBSTANCE SUPERFUND.—For  
11 an additional amount for “Environmental Protection  
12 Agency—Hazardous Substance Superfund”,  
13 \$300,000,000 for the cleanup of polluted ground-  
14 water supplies.

15 (3) RURAL WATER AND WASTE DISPOSAL PRO-  
16 GRAM ACCOUNT.—For an additional amount for  
17 “Department of Agriculture—Rural Utilities Serv-  
18 ice—Rural Water and Waste Disposal Program Ac-  
19 count”, \$5,000,000 for the cost of direct and guar-  
20 anteed loans and grants for the rural water, waste-  
21 water, and waste disposal programs authorized by  
22 sections 306 and 310B or described in section  
23 381E(d)(2) of the Consolidated Farm and Rural De-  
24 velopment Act.

1           (4) DRUG ENFORCEMENT ADMINISTRATION.—  
2           For an additional amount for “Department of Jus-  
3           tice—Drug           Enforcement           Administration”,  
4           \$3,000,000 for the Domestic Cannabis Eradication  
5           and Suppression Program to assist State or local  
6           law enforcement agencies in the suppression of can-  
7           nabis operations that are conducted on public lands  
8           or that intentionally trespass on the property of an-  
9           other that also divert, redirect, obstruct, drain, or  
10          impound water supply.

11          (5) ARMY CORPS OF ENGINEERS.—For an addi-  
12          tional amount for the Army Corps of Engineers,  
13          \$40,000,000 to carry out section 5039 of the Water  
14          Resources and Development Act of 2007 (33 U.S.C.  
15          2201 et seq.).

16          (6) LAND AND WATER CONSERVATION FUND.—  
17          For an additional amount for “Land and Water  
18          Conservation Fund”, \$100,000,000 for the imple-  
19          mentation of projects under the Land and Water  
20          Conservation Fund Act of 1965 in drought-affected  
21          States that reduce fire risk, improve water quality or  
22          downstream water quantity, or expand ground water  
23          recharge capacity.

24          (7) LOW-INCOME MIGRANT AND SEASONAL  
25          FARMWORKERS.—For an additional amount for the

1 Department of Agriculture, \$25,000,000 for emer-  
2 gency grants to assist low-income migrant and sea-  
3 sonal farmworkers under section 2281 of the Food,  
4 Agriculture, Conservation, and Trade Act of 1990  
5 (42 U.S.C. 5177a) to address impacts of drought  
6 upon declaration of a natural disaster under section  
7 321(a) of the Consolidated Farm and Rural Devel-  
8 opment Act (7 U.S.C. 1961(a)) or for the same pur-  
9 poses in counties that are contiguous to a designated  
10 natural disaster area.

11 (b) DROUGHT PRIORITIZATION.—Each amount ap-  
12 propriated under subsection (a) shall be used in States  
13 impacted by drought, with an emphasis on projects that  
14 will provide additional water supplies most expeditiously  
15 to areas at risk of having an inadequate supply of water  
16 for public health and safety purposes or to improve resil-  
17 iency to drought, or projects that provide relief to drought-  
18 affected communities facing unemployment and economic  
19 dislocation.

20 (c) EMERGENCY DESIGNATION.—Each amount ap-  
21 propriated under subsection (a) is designated by the Con-  
22 gress as being for an emergency requirement pursuant to  
23 section 251(b)(2)(A)(i) of the Balanced Budget and  
24 Emergency Deficit Control Act of 1985.

25 (d) GAO STUDY.—

1           (1) IN GENERAL.—The Comptroller General  
2 shall conduct a comprehensive study on Federal in-  
3 vestments in clean water and wastewater infrastruc-  
4 ture, addressing duplicative and fragmented pro-  
5 grams. The report shall include—

6                   (A) a description of how Federal agencies,  
7 including the Army Corps of Engineers, the En-  
8 vironmental Protection Agency, the Bureau of  
9 Reclamation, the Rural Utilities Service, and  
10 other relevant agencies, coordinate their efforts  
11 to address nationally, regionally, or locally iden-  
12 tified needs or priorities in an efficient and ef-  
13 fective manner; and

14                   (B) an evaluation of the adequacy of Fed-  
15 eral coordination in meeting the needs of tribal  
16 lands.

17           (2) REPORT TO CONGRESS.— Not later than 1  
18 year after the date of the enactment of this Act, the  
19 Comptroller General shall submit to Congress a re-  
20 port containing the results of the study required  
21 under paragraph (1) and any recommendations  
22 based on such study.

1 **SEC. 103. SUPPLEMENTAL APPROPRIATIONS FOR THE EN-**  
2 **VIRONMENTAL PROTECTION AGENCY.**

3 The following sums are appropriated, out of any  
4 money in the Treasury not otherwise appropriated, for fis-  
5 cal year 2015:

6 ENVIRONMENTAL PROTECTION AGENCY

7 STATE AND TRIBAL ASSISTANCE GRANTS

8 For an additional amount for “State and Tribal As-  
9 sistance Grants”, \$500,000,000, of which \$400,000,000  
10 shall be for making capitalization grants for the State  
11 water pollution control revolving funds under title VI of  
12 the Federal Water Pollution Control Act; and of which  
13 \$100,000,000 shall be for making capitalization grants for  
14 the State drinking water treatment revolving loan funds  
15 under section 1452 of the Safe Drinking Water Act: *Pro-*  
16 *vided*, That notwithstanding the time period specified in  
17 section 603(d) (1)(A) of the Federal Water Pollution Con-  
18 trol Act and section 1452(f)(1)(B)(i) of the Safe Drinking  
19 Water Act, loans made by such funds shall be authorized  
20 for 40-year terms: *Provided further*, That notwithstanding  
21 the formula or allotments set forth in section 604 of the  
22 Federal Water Pollution Control Act and section  
23 1452(a)(1)(D) of the Safe Drinking Water Act, loans  
24 made by such funds shall be distributed based on an as-  
25 sessment of the immediate need in States impacted by  
26 drought, with an emphasis on projects that will provide

1 additional water supplies most expeditiously to areas that  
2 are at risk of having an inadequate supply of water for  
3 public health and safety purposes or to improve resiliency  
4 to drought, including projects to increase efficiency and  
5 conservation by end users: *Provided further*, That to the  
6 maximum extent practicable, highest priority to the loans  
7 made with such funds shall be given to projects that have  
8 been approved by, and have previously received funding  
9 from, State and local water agencies: *Provided further*,  
10 That such amount is designated by the Congress as being  
11 for an emergency requirement pursuant to section  
12 251(b)(2)(A)(i) of the Balanced Budget and Emergency  
13 Deficit Control Act of 1985.

14 **SEC. 104. SUPPLEMENTAL APPROPRIATIONS FOR THE**  
15 **WATER INFRASTRUCTURE FINANCE AND IN-**  
16 **NOVATION ACT PROGRAM.**

17 The following sums are appropriated, out of any  
18 money in the Treasury not otherwise appropriated, for fis-  
19 cal year 2015:

20 ENVIRONMENTAL PROTECTION AGENCY  
21 STATE AND TRIBAL ASSISTANCE GRANTS

22 For an additional amount for “State and Tribal As-  
23 sistance Grants”, \$20,000,000 to carry out the Water In-  
24 frastructure Finance and Innovation Act of 2014: *Pro-*  
25 *vided*, That loans made by such funds shall be distributed

1 based on an assessment of the immediate need in States  
2 impacted by drought, with an emphasis on projects that  
3 will provide additional water supplies most expeditiously  
4 to areas that are at risk of having an inadequate supply  
5 of water for public health and safety purposes or to im-  
6 prove resiliency to drought, including projects to increase  
7 efficiency and conservation by end users: *Provided further,*  
8 That the limitations imposed by sections 5028(a)(5) and  
9 5029(b)(2)(A) of the Water Resources Reform and Devel-  
10 opment Act of 2014 shall not apply with respect to a  
11 project receiving such funds in any State with a drought  
12 declaration: *Provided further,* That notwithstanding sec-  
13 tion 5029(b)(4) of the Water Resources Reform and De-  
14 velopment Act of 2014, the interest rate for a secured loan  
15 under this section shall be not more than the yield on  
16 United States Treasury securities of a similar maturity  
17 to the maturity of the secured loan on the date of execu-  
18 tion of the loan agreement: *Provided further,* That not-  
19 withstanding section 5028(a)(2)(A) of the Water Re-  
20 sources Reform and Development Act of 2014, the eligible  
21 project costs of a project shall be reasonably anticipated  
22 to be not less than \$10,000,000: *Provided further,* That  
23 such amount is designated by the Congress as being for  
24 an emergency requirement pursuant to section

1 251(b)(2)(A)(i) of the Balanced Budget and Emergency  
2 Deficit Control Act of 1985.

3 **TITLE II—NEW WATER INFRA-**  
4 **STRUCTURE PROGRAM AU-**  
5 **THORIZATIONS**

6 **Subtitle A—New Water Recycling**  
7 **and Reclamation Program**  
8 **Through EPA**

9 **SEC. 201. SHORT TITLE; FINDINGS; PURPOSES.**

10 (a) **SHORT TITLE.**—This subtitle may be cited as the  
11 “National Water Recycling and Reclamation Act of  
12 2015”.

13 (b) **FINDINGS.**—Congress finds that—

14 (1) water supply, wastewater, sanitation, and  
15 sewage agencies across the Nation are developing  
16 and investing in water reuse and recycling projects;

17 (2) almost 900,000 acre-feet of annual water  
18 supply are in development through these projects  
19 and could be expeditiously constructed with in-  
20 creased Federal investment; and

21 (3) in California alone, there are water reuse  
22 and recycling projects that could add over 500,000  
23 acre-feet of annual water supply.

1 (c) PURPOSES.—It is the purpose of this subtitle to  
2 expand investments in water reuse and recycling projects  
3 nationwide.

4 **SEC. 202. NATIONAL WATER RECYCLING AND RECLAMA-**  
5 **TION PROGRAM.**

6 (a) ESTABLISHMENT.—The Administrator of the En-  
7 vironmental Protection Agency shall establish and carry  
8 out a National Water Recycling and Reclamation Program  
9 to provide grants to eligible entities for water recycling  
10 and reclamation projects.

11 (b) DEFINITIONS.—In this section, the following defi-  
12 nitions apply:

13 (1) ELIGIBLE COSTS.—The term “eligible  
14 costs” means amounts substantially all of which are  
15 paid by, or for the account of, an eligible entity in  
16 connection with a project, including the cost of—

17 (A) development phase activities, including  
18 planning, feasibility analysis, revenue fore-  
19 casting, environmental review, permitting, pre-  
20 liminary engineering and design work, and  
21 other preconstruction activities;

22 (B) construction, reconstruction, rehabili-  
23 tation, replacement, and acquisition of real  
24 property (including land related to the project  
25 and improvements to land), environment miti-

1           gation, construction contingencies, and acquisi-  
2           tion of equipment;

3           (C) capitalized interest necessary to meet  
4           market requirements, reasonably required re-  
5           serve funds, capital issuance expenses, and  
6           other carrying costs during construction; and

7           (D) reimbursement for costs described in  
8           subparagraphs (A) through (C) incurred prior  
9           to the date of enactment of this Act.

10          (2) ELIGIBLE ENTITY.—The term “eligible enti-  
11          ty” means a corporation, partnership, joint venture,  
12          trust, public or investor-owned utility, private entity,  
13          government entity, agency, or instrumentality, tribal  
14          government, or any other reclamation and reuse en-  
15          tity, as determined by the Administrator.

16          (3) PROGRAM.—The term “program” means  
17          the National Water Recycling and Reclamation Pro-  
18          gram established under this section.

19          (c) ELIGIBILITY.—

20               (1) PROJECT COSTS.—To be eligible for assist-  
21               ance under the program, a water recycling and rec-  
22               lamation project shall have total eligible costs that  
23               are reasonably anticipated to exceed \$1,000,000.

24               (2) PROJECT SPONSOR.—To be eligible for as-  
25               sistance under the program, a water recycling and

1 reclamation project shall have a project sponsor  
2 that—

3 (A) is an eligible entity;

4 (B) submits to the Administrator an appli-  
5 cation for the project; and

6 (C) demonstrates a source for non-Federal  
7 revenues that is sufficient to satisfy the non-  
8 Federal share of the cost of the project.

9 (d) COMPETITIVE GRANT SELECTION.—

10 (1) IN GENERAL.—The Administrator shall—

11 (A) establish criteria for selecting among  
12 projects that meet the eligibility criteria speci-  
13 fied in subsection (c);

14 (B) conduct a national solicitation for ap-  
15 plications; and

16 (C) award grants on a competitive basis.

17 (2) SELECTION CRITERIA.—The selection cri-  
18 teria shall include the following:

19 (A) The extent to which the project ad-  
20 dresses near- and long-term water demand and  
21 supply, protects the environment, or otherwise  
22 enhances the overall water reclamation and  
23 reuse system.

24 (B) The extent to which the project en-  
25 hances the return on the Federal investment

1 through the production of new, highly renew-  
2 able water supplies.

3 (C) The likelihood that financial assistance  
4 under the program will enable the project to  
5 proceed at an earlier date than the project  
6 would otherwise be able to proceed.

7 (D) The extent to which the project uses  
8 measures that enhance the efficiency of the  
9 project.

10 (3) DEADLINES.—The Administrator shall—

11 (A) publish the selection criteria under  
12 paragraph (1) in the Federal Register not later  
13 than 90 days after the date of enactment of  
14 this Act;

15 (B) require that applications seeking finan-  
16 cial assistance under the program be submitted  
17 not later than 180 days after the date of publi-  
18 cation of the selection criteria under subpara-  
19 graph (A); and

20 (C) provide notice of approved project ap-  
21 plications under the program not later than 1  
22 year after the date of enactment of this Act.

23 (e) FEDERAL SHARE.—The Federal share of the cost  
24 of a project receiving financial assistance under the pro-  
25 gram may not exceed 80 percent.

1 (f) AUTHORIZATION OF APPROPRIATIONS.—

2 (1) IN GENERAL.—There is authorized to be  
3 appropriated to carry out this section \$500,000,000  
4 for each of fiscal years 2016 through 2020. Such  
5 sums shall remain available until expended.

6 (2) ADMINISTRATIVE EXPENSES.—From funds  
7 made available to carry out this section for a fiscal  
8 year, the Administrator may use not to exceed 2  
9 percent of the funds for the costs of administering  
10 this section.

11 (g) REPORTS TO CONGRESS.—Not later than October  
12 1, 2016, and every 2 years thereafter, the Administrator  
13 shall submit to Congress a report summarizing the finan-  
14 cial performance of projects that are receiving, or have re-  
15 ceived, assistance under the program.

16 (h) REGULATIONS.—The Administrator may issue  
17 such regulations as the Administrator determines appro-  
18 priate to carry out this section.

19 (i) FAILURE TO MEET DEADLINE.—If the Adminis-  
20 trator does not meet a deadline under subsection (d)(3),  
21 the Administrator shall transfer all funds made available  
22 for the program so as to make such funds available for  
23 the purpose of making capitalization grants for water re-  
24 cycling and reclamation projects under the State water  
25 pollution revolving loan fund program under title VI of

1 the Federal Water Pollution Control Act (33 U.S.C. 1381  
2 et seq.) and the State drinking water treatment revolving  
3 loan fund program under section 1452 of the Safe Drink-  
4 ing Water Act (42 U.S.C. 300j-12).

5 **Subtitle B—Reclamation Infra-**  
6 **structure Finance and Innova-**  
7 **tion Act (RIFIA)**

8 **SEC. 210. SHORT TITLE; PURPOSES; DEFINITIONS.**

9 (a) SHORT TITLE.—This subtitle may be cited as the  
10 “Reclamation Infrastructure Finance and Innovation Act”  
11 or “RIFIA”.

12 (b) PURPOSES.—The purposes of this subtitle are—

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

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

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

24 (4) to leverage private investment in water re-  
25 sources infrastructure, with the goal of every \$100

1 million in secured loans being leveraged for \$1 bil-  
2 lion in water in water infrastructure financing.

3 (c) DEFINITIONS.—In this subtitle:

4 (1) ELIGIBLE ENTITY.—The term “eligible enti-  
5 ty” means—

6 (A) a corporation;

7 (B) a partnership;

8 (C) a joint venture;

9 (D) a trust;

10 (E) a State or local governmental entity,  
11 agency, or instrumentality; and

12 (F) a conservancy district, irrigation dis-  
13 trict, canal company, mutual water company,  
14 water users’ association, Indian tribe, agency  
15 created by interstate compact, or any other en-  
16 tity that has the capacity to contract with the  
17 United States under Federal reclamation law.

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

23 (3) INVESTMENT-GRADE RATING.—The term  
24 “investment-grade rating” means a rating of BBB

1 minus, Baa3, bbb minus, BBB (low), or higher as  
2 assigned by a rating agency to project obligations.

3 (4) LENDER.—

4 (A) IN GENERAL.—The term “lender”  
5 means any non-Federal qualified institutional  
6 buyer (as defined in section 230.144A(a) of  
7 title 17, Code of Federal Regulations (or a suc-  
8 cessor regulation) (commonly known as “Rule  
9 144A(a) of the Securities and Exchange Com-  
10 mission” and issued under the Securities Act of  
11 1933 (15 U.S.C. 77a et seq.))).

12 (B) INCLUSIONS.—The term “lender” in-  
13 cludes—

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

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

22 (5) LOAN GUARANTEE.—The term “loan guar-  
23 antee” means any guarantee or other pledge by the  
24 Secretary to pay all or part of the principal of, and

1 interest on, a loan or other debt obligation issued by  
2 an obligor and funded by a lender.

3 (6) OBLIGOR.—The term “obligor” means an  
4 eligible entity that is primarily liable for payment of  
5 the principal of, or interest on, a Federal credit in-  
6 strument.

7 (7) PROJECT OBLIGATION.—

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

12 (B) EXCLUSION.—The term “project obli-  
13 gation” does not include a Federal credit in-  
14 strument.

15 (8) RATING AGENCY.—The term “rating agen-  
16 cy” means a credit rating agency registered with the  
17 Securities and Exchange Commission as a nationally  
18 recognized statistical rating organization (as defined  
19 in section 3(a) of the Securities Exchange Act of  
20 1934 (15 U.S.C. 78c(a)).

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

23 (A) Arizona;

24 (B) California;

25 (C) Colorado;

- 1 (D) Idaho;  
2 (E) Kansas;  
3 (F) Montana;  
4 (G) Nebraska;  
5 (H) Nevada;  
6 (I) New Mexico;  
7 (J) North Dakota;  
8 (K) Oklahoma;  
9 (L) Oregon;  
10 (M) South Dakota;  
11 (N) Texas;  
12 (O) Utah;  
13 (P) Washington; and  
14 (Q) Wyoming.

15 (10) SECRETARY.—The term “Secretary”  
16 means the Secretary of the Interior.

17 (11) SECURED LOAN.—The term “secured  
18 loan” means a direct loan or other debt obligation  
19 issued by an obligor and funded by the Secretary in  
20 connection with the financing of a project under  
21 chapter 1.

22 (12) SUBSIDY AMOUNT.—The term “subsidy  
23 amount” means the amount of budget authority suf-  
24 ficient to cover the estimated long-term cost to the  
25 Federal Government of a Federal credit instrument,

1 as calculated on a net present value basis, excluding  
2 administrative costs and any incidental effects on  
3 Governmental receipts or outlays in accordance with  
4 the Federal Credit Reform Act of 1990 (2 U.S.C.  
5 661 et seq.).

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

## 11 **CHAPTER 1—INNOVATIVE FINANCING**

### 12 **SEC. 211. PURPOSES.**

13 The purposes of this chapter are—

14 (1) to promote increased development of critical  
15 water resources infrastructure by establishing addi-  
16 tional opportunities for financing water resources  
17 projects;

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

22 (3) to complement existing Federal funding  
23 sources and address budgetary constraints on Bu-  
24 reau of Reclamation programs; and

1           (4) to leverage private investment in water re-  
2           sources infrastructure.

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

4           (a) IN GENERAL.—The Secretary may provide finan-  
5           cial assistance to an eligible entity under this chapter to  
6           carry out projects within—

7           (1) any Reclamation State;

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

11          (3) the States of Alaska and Hawaii.

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

15          (1) project types; and

16          (2) geographical locations.

17 **SEC. 213. APPLICATIONS.**

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

22 **SEC. 214. ELIGIBILITY FOR ASSISTANCE.**

23          (a) ELIGIBLE PROJECTS.—The following projects  
24          may be carried out using assistance made available under  
25          this chapter:

1           (1) A project for the reclamation and reuse of  
2           municipal, industrial, domestic, and agricultural  
3           wastewater, and naturally impaired ground, which  
4           the Secretary, acting through the Commissioner of  
5           Reclamation, is authorized to undertake.

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

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

14                   (B) is otherwise eligible for assistance  
15                   under this chapter.

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

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

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

23           (6) A brackish or sea water desalination  
24           project.

1           (7) Acquisition of real property or an interest  
2           in real property for water storage, reclaimed or recycled  
3           water, or wastewater, if the acquisition is integral  
4           to a project described in paragraphs (1)  
5           through (6).

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

9           (b) ACTIVITIES ELIGIBLE FOR ASSISTANCE.—For  
10          purposes of this chapter, an eligible activity with respect  
11          to an eligible project under subsection (a) includes the cost  
12          of—

13               (1) development-phase activities, including planning,  
14               feasibility analysis, revenue forecasting, environmental  
15               review, permitting, transaction costs, preliminary  
16               engineering and design work, and other  
17               preconstruction activities;

18               (2) construction, reconstruction, rehabilitation,  
19               and replacement activities;

20               (3) the acquisition of real property (including  
21               water rights, land relating to the project, and  
22               improvements to land), environmental mitigation, construction  
23               contingencies, and acquisition of equipment;  
24

1           (4) capitalized interest necessary to meet mar-  
2           ket requirements, reasonably required reserve funds,  
3           capital issuance expenses, and other carrying costs  
4           during construction;

5           (5) refinancing interim construction funding,  
6           long-term project obligations, or a secured loan, loan  
7           guarantee, or other credit enhancement made under  
8           this chapter;

9           (6) reimbursement or success payments to any  
10          public or private entity that achieves predetermined  
11          outcomes on a pay-for-performance or pay-for-suc-  
12          cess basis; and

13          (7) grants, loans, or credit enhancement for  
14          community development financial institutions, green  
15          banks, and other financial intermediaries providing  
16          ongoing finance for projects that meet the purposes  
17          of this chapter.

18 **SEC. 215. DETERMINATION OF ELIGIBILITY AND PROJECT**  
19 **SELECTION.**

20          (a) **ELIGIBILITY REQUIREMENTS.**—To be eligible to  
21 receive financial assistance under this chapter, a project  
22 shall meet the following criteria, as determined by the Sec-  
23 retary:

24           (1) **CREDITWORTHINESS.**—

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

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

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

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

22          (4) PUBLIC SPONSORSHIP OF PRIVATE ENTI-  
23 TIES.—In the case of a project carried out by an en-  
24 tity that is not a State or local government or an

1 agency or instrumentality of a State or local govern-  
2 ment, the project shall be publicly sponsored.

3 (b) SELECTION CRITERIA.—

4 (1) ESTABLISHMENT.—The Secretary shall es-  
5 tablish criteria for the selection of projects that meet  
6 the eligibility requirements of subsection (a), in ac-  
7 cordance with paragraph (2).

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

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

12 (B) The extent to which assistance under  
13 this section would foster innovative public-pri-  
14 vate partnerships and attract private debt or  
15 equity investment.

16 (C) The likelihood that assistance under  
17 this section would enable the project to proceed  
18 at an earlier date than the project would other-  
19 wise be able to proceed.

20 (D) The extent to which the project uses  
21 new or innovative approaches.

22 (E) The extent to which projects track evi-  
23 dence about the effectiveness of the 1 or more  
24 projects financed and the availability of the evi-

1           dence and project information to the public to  
2           facilitate replication.

3           (F) The amount of budget authority re-  
4           quired to fund the Federal credit instrument  
5           made available under this chapter.

6           (G) The extent to which the project helps  
7           maintain or protect the environment.

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

10          (3) PRIORITY.—The Secretary shall prioritize  
11          projects that promote wastewater recycling, agricul-  
12          tural or urban water conservation and efficiency,  
13          stormwater capture, or other innovative projects that  
14          reduce reliance on surface and groundwater supplies.

15          (c) RECEIPT OF OTHER FEDERAL FUNDING.—Re-  
16          ceipt of a Federal grant or contract or other Federal fund-  
17          ing to support an eligible project shall not preclude the  
18          project from being eligible for assistance under this chap-  
19          ter.

20          (d) FEDERAL REQUIREMENTS.—Nothing in this sec-  
21          tion supersedes the applicability of other requirements of  
22          Federal law (including regulations).

23          **SEC. 216. SECURED LOANS.**

24          (a) AGREEMENTS.—

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

5           (A) to finance eligible project costs of any  
6 project selected under section 215;

7           (B) to refinance interim construction fi-  
8 nancing of eligible project costs of any project  
9 selected under section 215; or

10          (C) to refinance long-term project obliga-  
11 tions or Federal credit instruments, if that re-  
12 financing provides additional funding capacity for  
13 the completion, enhancement, or expansion of  
14 any project that—

15           (i) is selected under section 215; or

16           (ii) otherwise meets the requirements  
17 of section 215.

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

24          (3) RISK ASSESSMENT.—Before entering into  
25 an agreement under this subsection for a secured

1 loan, the Secretary, in consultation with the Director  
2 of the Office of Management and Budget and each  
3 rating agency providing a preliminary rating opinion  
4 letter under section 215(a)(1)(B), shall determine an  
5 appropriate capital reserve subsidy amount for the  
6 secured loan, taking into account each such prelimi-  
7 nary rating opinion letter.

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

13 (b) TERMS AND LIMITATIONS.—

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

20 (2) MAXIMUM AMOUNT.—The amount of a se-  
21 cured loan under this section shall not exceed the  
22 lesser of—

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

1 (B) if the secured loan does not receive an  
2 investment-grade rating, the amount of the sen-  
3 ior project obligations of the project.

4 (3) PAYMENT.—A secured loan under this sec-  
5 tion—

6 (A) shall be payable, in whole or in part,  
7 from State or local taxes, user fees, or other  
8 dedicated revenue sources that also secure the  
9 senior project obligations of the relevant  
10 project;

11 (B) shall include a rate covenant, coverage  
12 requirement, or similar security feature sup-  
13 porting the project obligations; and

14 (C) may have a lien on revenues described  
15 in subparagraph (A), subject to any lien secur-  
16 ing project obligations.

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

23 (5) MATURITY DATE.—The final maturity date  
24 of a secured loan under this section shall be not

1 later than 35 years after the expected date of sub-  
2 stantial completion of the relevant project.

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

8 (7) FEES.—The Secretary may establish fees  
9 under section 217(b) at a level sufficient to cover all  
10 or a portion of the costs to the Federal Government  
11 of making a secured loan under this section.

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

16 (c) REPAYMENT.—

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

21 (2) COMMENCEMENT.—Scheduled loan repay-  
22 ment of principal or interest on a secured loan under  
23 this section shall commence not later than 5 years  
24 after the date of substantial completion of the  
25 project.

1           (3) DEFERRED PAYMENTS.—

2           (A) AUTHORIZATION.—If, at any time  
3 after the date of substantial completion of a  
4 project for which a secured loan is provided  
5 under this section, the project is unable to gen-  
6 erate sufficient revenues to pay the scheduled  
7 loan repayments of principal and interest on the  
8 secured loan, the Secretary may allow the obli-  
9 gor, subject to subparagraph (C), to add unpaid  
10 principal and interest to the outstanding bal-  
11 ance of the secured loan.

12           (B) INTEREST.—Any payment deferred  
13 under subparagraph (A) shall—

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

17           (ii) be scheduled to be amortized over  
18 the remaining term of the secured loan.

19           (C) CRITERIA.—

20           (i) IN GENERAL.—Any payment defer-  
21 ral under subparagraph (A) shall be con-  
22 tingent on the project meeting such cri-  
23 teria as the Secretary may establish.

24           (ii) REPAYMENT STANDARDS.—The  
25 criteria established under clause (i) shall

1 include standards for reasonable assurance  
2 of repayment.

3 (4) PREPAYMENT.—

4 (A) USE OF EXCESS REVENUES.—Any ex-  
5 cess revenues that remain after satisfying  
6 scheduled debt service requirements on the  
7 project obligations and secured loan and all de-  
8 posit requirements under the terms of any trust  
9 agreement, bond resolution, or similar agree-  
10 ment securing project obligations may be ap-  
11 plied annually to prepay a secured loan under  
12 this section without penalty.

13 (B) USE OF PROCEEDS OF REFI-  
14 NANCING.—A secured loan under this section  
15 may be prepaid at any time without penalty  
16 from the proceeds of refinancing from non-Fed-  
17 eral funding sources.

18 (d) SALE OF SECURED LOANS.—

19 (1) IN GENERAL.—Subject to paragraph (2), as  
20 soon as practicable after the date of substantial  
21 completion of a project and after providing a notice  
22 to the obligor, the Secretary may sell to another en-  
23 tity or reoffer into the capital markets a secured  
24 loan for a project under this section, if the Secretary

1 determines that the sale or reoffering can be made  
2 on favorable terms.

3 (2) CONSENT OF OBLIGOR.—In making a sale  
4 or reoffering under paragraph (1), the Secretary  
5 may not change the original terms and conditions of  
6 the secured loan without the written consent of the  
7 obligor.

8 (e) LOAN GUARANTEES.—

9 (1) IN GENERAL.—The Secretary may provide a  
10 loan guarantee to a lender in lieu of making a se-  
11 cured loan under this section, if the Secretary deter-  
12 mines that the budgetary cost of the loan guarantee  
13 is substantially the same as that of a secured loan.

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

21 **SEC. 217. PROGRAM ADMINISTRATION.**

22 (a) REQUIREMENT.—The Secretary shall establish a  
23 uniform system to service the Federal credit instruments  
24 made available under this chapter.

25 (b) CAPITAL RESERVE FUND.—

1           (1) IN GENERAL.—There is hereby established  
2           in the Treasury of the United States the Reclama-  
3           tion Loan Finance Capital Reserve Fund, which  
4           shall be available for deposit of capital reserve fees  
5           provided for under this subsection. Amounts depos-  
6           ited shall be credited as offsetting collections.

7           (2) CAPITAL RESERVE FEES.—To the extent re-  
8           quired by appropriations Acts, the Secretary may as-  
9           sess, collect, and spend capital reserve fees at a level  
10          that is sufficient to cover—

11                 (A) the costs of services of expert firms re-  
12                 tained pursuant to subsection (d); and

13                 (B) all or a portion of the costs to the  
14                 Federal Government of servicing the Federal  
15                 credit instruments provided under this chapter,  
16                 including all or a portion of the outlays associ-  
17                 ated with the provision of the Federal credit in-  
18                 struments under this chapter.

19           (3) DETERMINATION OF FEE AMOUNTS.—The  
20           capital reserve fees shall be established at amounts  
21           that will result in the collection, during each fiscal  
22           year, of an amount that can be reasonably expected  
23           to equal the outlays associated with the provision of  
24           the Federal credit instruments under this chapter.

25           (c) SERVICER.—

1           (1) IN GENERAL.—The Secretary may appoint  
2           a financial entity to assist the Secretary in servicing  
3           the Federal credit instruments provided under this  
4           chapter.

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

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

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

16          (e) LOAN COORDINATION; INTERAGENCY COOPERA-  
17          TION.—The Secretary—

18                 (1) shall coordinate implementation of loan  
19                 guarantees under this section with the Administrator  
20                 to avoid duplication and enhance the effectiveness of  
21                 implementation of the State revolving funds estab-  
22                 lished under the Federal Water Pollution Control  
23                 Act (33 U.S.C. 1251 et seq.) and the Safe Drinking  
24                 Water Act (42 U.S.C. 300f et seq.);

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

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

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

11           The provision of financial assistance for a project  
12 under this chapter shall not—

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

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

19           (3) otherwise supersede any State or local law  
20           (including any regulation) applicable to the construc-  
21           tion or operation of the project.

22 **SEC. 219. REGULATIONS.**

23           The Secretary may promulgate such regulations as  
24 the Secretary determines to be appropriate to carry out  
25 this chapter.

1 **SEC. 220. FUNDING.**

2 (a) IN GENERAL.—There is authorized to be appro-  
3 priated to the Secretary to carry out this chapter  
4 \$100,000,000 for each of fiscal years 2015 through 2019,  
5 to remain available until expended.

6 (b) ADMINISTRATIVE COSTS.—Of the funds made  
7 available to carry out this chapter, the Secretary may use  
8 for the administration of this chapter not more than  
9 \$2,200,000 for each of fiscal years 2015 through 2019.

10 **SEC. 221. REPORT TO CONGRESS.**

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

20 **CHAPTER 2—INTEGRATED REGIONAL**  
21 **WATER MANAGEMENT, RECLAMATION,**  
22 **AND RECYCLING PROJECTS**

23 **SEC. 231. WATER STORAGE PROJECTS.**

24 (a) AGREEMENTS.—The Secretary may enter into a  
25 cost-shared financial assistance agreement with any non-  
26 Federal entity in a Reclamation State or the State of Ha-

1 waii to carry out the planning, design, and construction  
2 of any permanent water storage and conveyance facility  
3 used solely to regulate and maximize the water supply  
4 arising from a project that is eligible for assistance under  
5 this chapter or any other provision of law, including recy-  
6 cled water projects not congressionally authorized—

7 (1) to recycle wastewater or ground water; or

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

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

13 (1) ensure the efficient and beneficial use of  
14 water or reuse of the recycled water;

15 (2) make maximum use of natural systems;

16 (3) consistent with Secretarial Order No. 3297,  
17 dated February 22, 2010, support sustainable water  
18 management practices and the water sustainability  
19 objectives of 1 or more offices of the Department of  
20 the Interior or any other Federal agency;

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

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

1 (5) where practicable—

2 (A) provide flood control or recreation ben-  
3 efits; and

4 (B) include the development of incremental  
5 hydroelectric power generation;

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

10 (7) generate environmental benefits, such as  
11 benefits to fisheries, wildlife and habitat, and water  
12 quality and water-dependent ecological systems, as  
13 well as water supply benefits to agricultural and  
14 urban water users; and

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

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

19 (1) equal to the lesser of—

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

21 and

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

23 and

24 (2) nonreimbursable.

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

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

8 (1) hold title to all facilities constructed under  
9 this section; and

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

12 (f) APPROVAL.—The Secretary may enter into a fi-  
13 nancial assistance agreement under this section, if—

14 (1) the Secretary notifies Congress of the pro-  
15 posed agreement at least 90 days before the date on  
16 which the Secretary enters into the agreement; and

17 (2) Congress does not pass a joint resolution  
18 disapproving the agreement before such date.

19 **SEC. 232. AUTHORIZATION OF APPROPRIATIONS.**

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

1           **CHAPTER 3—RECLAMATION TITLE**  
2                           **TRANSFER PROGRAM**

3 **SECTION 241. SHORT TITLE; DEFINITIONS.**

4           (a) **SHORT TITLE.**—This chapter may be cited as the  
5 “Reclamation Title Transfer Act of 2015”.

6           (b) **DEFINITIONS.**—In this chapter:

7                   (1) **CONVEYED PROPERTY.**—The term “con-  
8                   veyed property” means an eligible facility that has  
9                   been conveyed to a qualifying entity under section  
10                   242(b)(1).

11                   (2) **ELIGIBLE FACILITY.**—

12                           (A) **IN GENERAL.**—The term “eligible fa-  
13                           cility” means a reclamation project or facility,  
14                           or a portion of a reclamation project or facility,  
15                           for which the United States holds title and that  
16                           meets the criteria for potential transfer estab-  
17                           lished under section 244(a).

18                           (B) **INCLUSIONS.**—The term “eligible facil-  
19                           ity” includes dams and appurtenant works, in-  
20                           frastructure, recreational facilities, buildings,  
21                           distribution and drainage works, and associated  
22                           land or interests in land or water.

23                           (3) **QUALIFYING ENTITY.**—The term “quali-  
24                           fying entity” means a State, unit of local govern-  
25                           ment, Indian tribe, municipal corporation, quasi-mu-

1        nicipal corporation, or other entity (such as a water  
2        district) that, as determined by the Secretary, has  
3        the capacity to continue to manage the conveyed  
4        property for the same purposes that the conveyed  
5        property has been managed for under the reclama-  
6        tion laws.

7            (4) SECRETARY.—The term “Secretary” means  
8        the Secretary of the Interior, acting through the  
9        Commissioner of the Bureau of Reclamation.

10 **SEC. 242. AUTHORIZATION OF TITLE TRANSFER PROGRAM.**

11        (a) ESTABLISHMENT OF TITLE TRANSFER PRO-  
12        GRAM.—The Secretary may establish a program that—

13            (1) identifies and analyzes the potential for  
14        public benefits from the transfer out of Federal own-  
15        ership of eligible facilities, including analyses of the  
16        financial, operational, and environmental character-  
17        istics of the eligible facilities proposed for transfer;  
18        and

19            (2) facilitates the transfer to qualifying entities  
20        of the title to eligible facilities to promote more effi-  
21        cient management of water and water-related facili-  
22        ties.

23        (b) AUTHORIZATION TO TRANSFER TITLE TO ELIGI-  
24        BLE FACILITIES.—

1           (1) IN GENERAL.—The Secretary may convey  
2           to a qualifying entity all right, title, and interest of  
3           the United States in and to any eligible facility, sub-  
4           ject to paragraphs (2) through (6), if—

5                   (A) the Secretary notifies Congress in writ-  
6                   ing of the proposed conveyance at least 90 days  
7                   before the date on which the Secretary makes  
8                   the conveyance; and

9                   (B) Congress does not pass a joint resolu-  
10                  tion disapproving the conveyance before such  
11                  date.

12           (2) RIGHT OF FIRST REFUSAL.—If the entity  
13           that operates an eligible facility at the time that the  
14           Secretary attempts to facilitate the transfer of title  
15           under subsection (a)(2) is a qualifying entity, that  
16           entity shall have the right of first refusal to receive  
17           the conveyance under paragraph (1).

18           (3) RESERVATION OF EASEMENT.—The Sec-  
19           retary may reserve an easement over a conveyed  
20           property if the Secretary determines that the ease-  
21           ment is necessary for the management of any inter-  
22           ests retained by the Federal Government under this  
23           chapter.

24           (4) MINERAL INTERESTS.—

1           (A) RETENTION.—The Secretary shall re-  
2           tain any mineral interests associated with a  
3           conveyed property.

4           (B) MANAGEMENT.—The mineral interests  
5           retained under subparagraph (A) shall be man-  
6           aged—

7                   (i) consistent with Federal law; and

8                   (ii) in a manner that would not inter-  
9                   fere with the purposes for which the rec-  
10                  lamation project was authorized.

11          (5) INTERESTS IN WATER.—No interests in  
12          water shall be conveyed under this chapter unless  
13          the conveyance is provided for in writing in an  
14          agreement between the Secretary and the qualifying  
15          entity.

16          (6) ADDITIONAL CRITERIA.—Title transfers  
17          under this section shall be carried out consistent  
18          with—

19                   (A) this chapter; and

20                   (B) any additional criteria or procedures  
21                   that the Secretary determines to be in the pub-  
22                   lic interest.

23          (c) RESTRICTIONS ON USE.—As a condition of ob-  
24          taining title to an eligible facility, the qualifying entity  
25          shall agree to use the eligible facility for substantially the

1 same purposes the eligible facility is being used for during  
2 the period in which the eligible facility was under reclama-  
3 tion ownership.

4 **SEC. 243. COMPLIANCE WITH ENVIRONMENTAL AND HIS-**  
5 **TORIC PRESERVATION LAWS.**

6 (a) IN GENERAL.—Before conveying eligible facilities  
7 under this chapter, the Secretary shall complete all actions  
8 required under all applicable laws, including—

9 (1) the National Environmental Policy Act of  
10 1969 (42 U.S.C. 4321 et seq.);

11 (2) the Endangered Species Act of 1973 (16  
12 U.S.C. 1531 et seq.); and

13 (3) the National Historic Preservation Act (16  
14 U.S.C. 470 et seq.).

15 (b) LIMITATION ON CONVEYANCES.—The Secretary  
16 may not convey an eligible facility under this chapter if  
17 the Secretary determines, as part of a review conducted  
18 under the National Environmental Policy Act of 1969 and  
19 with public input, that making the conveyance will lessen  
20 any of the protections afforded under the laws referred  
21 to in subsection (a) or is inconsistent with other applicable  
22 requirements to preserve and protect environmental, cul-  
23 tural, and historic assets.

1 **SEC. 244. ELIGIBILITY CRITERIA.**

2 (a) ESTABLISHMENT.—The Secretary shall establish  
3 criteria for determining whether facilities are eligible for  
4 conveyance under this chapter.

5 (b) MINIMUM REQUIREMENTS.—

6 (1) AGREEMENT OF QUALIFYING ENTITY.—The  
7 criteria established under subsection (a) shall in-  
8 clude a requirement that a qualifying entity agree—

9 (A) to accept title to the eligible facility;

10 (B) to accept all liability for the eligible fa-  
11 cility, except as otherwise provided in section  
12 245;

13 (C) to use the eligible facility for substan-  
14 tially the same purposes the eligible facility is  
15 being used for at the time the Secretary evalu-  
16 ates the potential transfer; and

17 (D) to provide, as consideration for the as-  
18 sets to be conveyed, compensation to the United  
19 States in an amount that is the equivalent of  
20 the net present value of any repayment obliga-  
21 tion to the United States or other income  
22 stream the United States derives from the eligi-  
23 ble facility to be transferred as of the date of  
24 the transfer, including any costs previously  
25 deemed beyond the irrigator's ability to pay and

1 reassigned to project power customers for re-  
2 payment.

3 (2) DETERMINATIONS OF SECRETARY.—

4 (A) IN GENERAL.—The criteria established  
5 under subsection (a) shall include a require-  
6 ment that the Secretary, in consultation with  
7 the Governor of any State in which the project  
8 is located, determine that the proposed trans-  
9 fer—

10 (i) would not have an unmitigated sig-  
11 nificant effect on the environment;

12 (ii) is uncomplicated, based on, as de-  
13 termined by the Secretary—

14 (I) there being no significant op-  
15 position to the proposed transfer;

16 (II) the eligible facility not being  
17 hydrologically, operationally, or finan-  
18 cially integrated with other Federal or  
19 non-Federal water projects;

20 (III) the eligible facility not gen-  
21 erating electric power sold to, or eligi-  
22 ble to be sold to, power customers  
23 (other than the project itself); and

24 (IV) the parties to the transfer  
25 being able to reach agreement on

1 legal, institutional, and financial ar-  
2 rangements relating to the convey-  
3 ance;

4 (iii) is consistent with the responsi-  
5 bility of the Secretary—

6 (I) to protect land and water re-  
7 sources held in trust for federally rec-  
8 ognized Indian tribes; and

9 (II) to ensure compliance with  
10 any applicable international treaties  
11 and interstate compacts; and

12 (iv) is in the financial interest of the  
13 United States.

14 (B) PUBLICATION.—The Secretary shall  
15 make publically available information on how  
16 the Secretary made the determinations under  
17 subparagraph (A).

18 (3) STATUS OF RECLAMATION LAND.—The cri-  
19 teria established under subsection (a) shall require  
20 that any land to be conveyed out of Federal owner-  
21 ship under this Act is—

22 (A) land acquired by the Secretary; or

23 (B) land withdrawn by the Secretary, only

24 if—

1 (i) the Secretary determines in writing  
2 that the withdrawn land is encumbered by  
3 reclamation project facilities to the extent  
4 that the withdrawn land is unsuitable for  
5 return to the public domain; and

6 (ii) the qualifying entity agrees to pay  
7 fair market value for the withdrawn land  
8 to be conveyed.

9 **SEC. 245. LIABILITY.**

10 (a) IN GENERAL.—Except as provided in subsection  
11 (b), effective beginning on the date of conveyance of any  
12 eligible facility under this chapter, the United States shall  
13 not be liable under any law for damages of any kind arising  
14 out of any act, omission, or occurrence based on the  
15 prior ownership or operation of the conveyed property.

16 (b) LIMITATION.—Notwithstanding subsection (a),  
17 the United States shall retain the responsibilities and au-  
18 thorities of the United States for a conveyed property  
19 based on the prior ownership or operation of the conveyed  
20 property by the United States under Federal environ-  
21 mental laws, including the Comprehensive Environmental  
22 Response, Compensation, and Liability Act of 1980 (42  
23 U.S.C. 9601 et seq.).

1 **SEC. 246. BENEFITS.**

2 After a conveyance of an eligible facility under this  
3 chapter—

4 (1) the conveyed property shall no longer be  
5 considered to be a part of a reclamation project; and

6 (2) the entity to which the conveyed property is  
7 conveyed shall not be eligible to receive any benefits  
8 with respect to the conveyed property (including  
9 project power), except for benefits that would be  
10 available to a similarly situated entity with respect  
11 to property that is not part of a reclamation project.

12 **SEC. 247. COMPLIANCE WITH OTHER LAWS.**

13 (a) IN GENERAL.—After a conveyance of title under  
14 this chapter, the qualifying entity to which the property  
15 is conveyed shall comply with all applicable Federal, State,  
16 and local laws (including regulations) in the operation of  
17 the conveyed property.

18 (b) EFFECT.—

19 (1) IN GENERAL.—Nothing in this chapter shall  
20 affect or interfere with—

21 (A) the laws of any State relating to the  
22 control, appropriation, use, or distribution of  
23 water used in irrigation or for any other pur-  
24 pose;

25 (B) any vested right acquired under State  
26 law; or

1 (C) any interstate compact, decree, or ne-  
2 gotiated water rights agreement.

3 (2) CONFORMITY WITH STATE LAW.—In car-  
4 rying out this chapter, the Secretary shall proceed in  
5 conformity with the State laws and rights acquired  
6 under State law described in paragraph (1).

7 **SEC. 248. AUTHORIZATION OF APPROPRIATIONS.**

8 (a) IN GENERAL.—There are authorized to be appro-  
9 priated to carry out this chapter such sums as are nec-  
10 essary.

11 (b) USE OF AMOUNTS.—Amounts made available  
12 under subsection (a) may be used—

13 (1) to carry out the investigations to carry out  
14 this chapter; and

15 (2) to pay any other costs associated with con-  
16 veyances under this chapter, including an appro-  
17 priate Federal share of the costs of compliance with  
18 the National Environmental Policy Act of 1969 (42  
19 U.S.C. 4321 et seq.) and other applicable law.

20 (c) NOT TREATED AS PROJECT COSTS.—Expendi-  
21 tures made by the Secretary under this chapter—

22 (1) shall not be a project cost assignable to a  
23 reclamation project; and

24 (2) shall be nonreimbursable.

1 **SEC. 249. TERMINATION OF AUTHORITY.**

2 The authority of the Secretary to carry out convey-  
3 ances under this chapter shall terminate 15 years after  
4 the date of enactment of this Act.

5 **Subtitle C—Innovative Stormwater**  
6 **Capture Program**

7 **SEC. 251. SHORT TITLE.**

8 This subtitle may be cited as the “Innovative  
9 Stormwater Infrastructure Act of 2015”.

10 **SEC. 252. PURPOSES AND FINDINGS.**

11 Congress finds that—

12 (1) many water resources in the United States  
13 are declining, particularly in urban and agricultural  
14 areas;

15 (2) the decline of water resources is the result  
16 of—

17 (A) an increase in population, water con-  
18 sumption, and impermeable surfaces; and

19 (B) the negative effects of urbanization,  
20 commercial and industrial activities, and in-  
21 creasing and persistent droughts;

22 (3) an October 2008 study by the National Re-  
23 search Council found that some of the benefits of in-  
24 novative stormwater control infrastructure include—

25 (A) increased water supplies;

26 (B) the creation of jobs;

1 (C) cost savings; and

2 (D) a reduction of stormwater runoff, sur-  
3 face water discharge, stormwater pollution, and  
4 stormwater flows to protect and restore natural  
5 hydrology, meeting local conditions to the max-  
6 imum extent feasible; and

7 (4) capturing stormwater runoff in urban and  
8 suburban areas of the State of California can in-  
9 crease water supplies by over 600,000 acre-feet an-  
10 nually, and that similar benefits are achievable in  
11 the urban and suburban areas of other States.

12 **SEC. 253. DEFINITIONS.**

13 In this subtitle:

14 (1) ADMINISTRATOR.—The term “Adminis-  
15 trator” means the Administrator of the Environ-  
16 mental Protection Agency.

17 (2) CENTER.—The term “center” means a cen-  
18 ter of excellence for innovative stormwater control  
19 infrastructure established under section 4(a).

20 (3) ELIGIBLE ENTITY.—The term “eligible enti-  
21 ty” means—

22 (A) a State, tribal, or local government; or

23 (B) a local, regional, or other entity that  
24 manages stormwater, drinking water resources,  
25 or waste water resources.

1 (4) ELIGIBLE INSTITUTION.—

2 (A) IN GENERAL.—The term “eligible in-  
3 stitution” means an institution of higher edu-  
4 cation (as defined in section 101 of the Higher  
5 Education Act of 1965 (20 U.S.C. 1001)), or a  
6 research institution, that has demonstrated ex-  
7 cellence in innovative stormwater control infra-  
8 structure by—

9 (i) conducting research on innovative  
10 stormwater control infrastructure to deter-  
11 mine the means by which innovative infra-  
12 structure reduces stormwater runoff, en-  
13 hances and protects drinking water  
14 sources, and improves water quality;

15 (ii) developing and disseminating in-  
16 formation regarding the means by which  
17 an organization can use innovative  
18 stormwater control infrastructure;

19 (iii) providing technical assistance to  
20 an organization for an innovative  
21 stormwater control infrastructure project;

22 (iv) developing best practices stand-  
23 ards for innovative stormwater control in-  
24 frastructure;

1 (v) providing job training relating to  
2 innovative stormwater control infrastruc-  
3 ture;

4 (vi) developing course curricula for—  
5 (I) elementary schools (as defined  
6 in section 9101 of the Elementary and  
7 Secondary Education Act of 1965 (20  
8 U.S.C. 7801));

9 (II) secondary schools (as defined  
10 in that section);

11 (III) institutions of higher edu-  
12 cation (as defined in section 101 of  
13 the Higher Education Act of 1965 (20  
14 U.S.C. 1001)); or

15 (IV) vocational schools;

16 (vii) training students regarding inno-  
17 vative stormwater control infrastructure; or

18 (viii) providing information to the  
19 Federal Government or State, tribal, and  
20 local governments regarding the implemen-  
21 tation of innovative stormwater control in-  
22 frastructure.

23 (B) ASSOCIATED DEFINITION.—For pur-  
24 poses of subparagraph (A), the term “research  
25 institution” means an entity that is—

1 (i) described in section 501(c)(3) of  
2 the Internal Revenue Code of 1986;

3 (ii) exempt from tax under section  
4 501(a) of the Internal Revenue Code of  
5 1986; and

6 (iii) organized and operated for re-  
7 search purposes.

8 (5) INDIAN TRIBE.—The term “Indian tribe”  
9 has the meaning given the term in section 518(h) of  
10 the Federal Water Pollution Control Act (33 U.S.C.  
11 1377(h)).

12 (6) STATE.—The term “State” means—

13 (A) each of the several States of the  
14 United States;

15 (B) the District of Columbia;

16 (C) the Commonwealth of Puerto Rico;

17 (D) Guam;

18 (E) American Samoa;

19 (F) the Commonwealth of the Northern  
20 Mariana Islands;

21 (G) the Federated States of Micronesia;

22 (H) the Republic of the Marshall Islands;

23 (I) the Republic of Palau; and

24 (J) the United States Virgin Islands.

1           (7) INNOVATIVE STORMWATER CONTROL INFRA-  
2           STRUCTURE.—

3           (A) IN GENERAL.—The term “innovative  
4           stormwater control infrastructure” means any  
5           green infrastructure stormwater management  
6           technique that—

7                   (i) uses natural systems or engineered  
8                   systems that mimic natural processes to  
9                   infiltrate, evapotranspire, or capture  
10                  stormwater; and

11                  (ii) preserves, enhances, or mimics  
12                  natural hydrology to protect or restore  
13                  water quality.

14           (B) INCLUSIONS.—The term “innovative  
15           stormwater control infrastructure” includes—

16                   (i) methods that promote absorption,  
17                   uptake, percolation, evapotranspiration,  
18                   and filtration by soil and plant life; and

19                   (ii) the preservation or restoration  
20                  of—

21                           (I) natural topography, including  
22                           hills, plains, ravines, and shorelines;

23                           (II) interconnected networks of  
24                           natural land that protect essential ec-

1                   ological functions critical for water  
2                   quality;

3                   (III) ecological function, includ-  
4                   ing forests, grasslands, and deserts;

5                   (IV) bodies of water, including  
6                   lakes, flood plains, headwaters, and  
7                   wetlands; and

8                   (V) native soil characteristics of  
9                   composition,        structure,        and  
10                  transmissivity.

11 **SEC. 254. CENTERS OF EXCELLENCE FOR INNOVATIVE**  
12 **STORMWATER CONTROL INFRASTRUCTURE.**

13       (a) ESTABLISHMENT OF CENTERS.—

14               (1) IN GENERAL.—The Administrator shall pro-  
15               vide grants, on a competitive basis, to eligible insti-  
16               tutions to establish and maintain not less than 3,  
17               and not more than 5, centers of excellence for inno-  
18               vative stormwater control infrastructure, to be lo-  
19               cated in various regions throughout the United  
20               States.

21               (2) GENERAL OPERATION.—Each center  
22               shall—

23                   (A) conduct research on innovative  
24                   stormwater control infrastructure that is rel-  
25                   evant to the geographical region in which the

1 center is located, including stormwater and  
2 sewer overflow reduction, other approaches to  
3 water resource enhancement, and other environ-  
4 mental, economic, and social benefits;

5 (B) develop manuals and establish industry  
6 standards on best management practices relat-  
7 ing to State, tribal, local, and commercial inno-  
8 vative stormwater control infrastructure for use  
9 by State, tribal, and local governments and the  
10 private sector;

11 (C) develop and administer testing and  
12 evaluation protocols to measure and verify the  
13 performance of stormwater infrastructure prod-  
14 ucts and practices;

15 (D) provide information regarding research  
16 conducted under subparagraph (A), manuals  
17 developed under subparagraph (B), and testing  
18 and evaluation performed under subparagraph  
19 (C) to the national electronic clearinghouse cen-  
20 ter for publication on the Internet website es-  
21 tablished under subsection (c) to provide to the  
22 Federal Government and State, tribal, and local  
23 governments and the private sector information  
24 regarding innovative stormwater control infra-  
25 structure;

1           (E) provide technical assistance to State,  
2           tribal, and local governments to assist with the  
3           construction, operation, and maintenance of in-  
4           novative stormwater control infrastructure  
5           projects;

6           (F) collaborate with institutions of higher  
7           education and private and public organizations  
8           in the geographical region in which the center  
9           is located on innovative stormwater control in-  
10          frastructure research and technical assistance  
11          projects;

12          (G) assist institutions of higher education,  
13          secondary schools, and vocational schools to de-  
14          velop innovative stormwater control infrastruc-  
15          ture curricula;

16          (H) provide training regarding innovative  
17          stormwater control infrastructure to institutions  
18          of higher education and professional schools;

19          (I) evaluate regulatory and policy issues  
20          relating to innovative stormwater control infra-  
21          structure; and

22          (J) coordinate with the other centers to  
23          avoid duplication of efforts.

24          (b) APPLICATION.—To be eligible to receive a grant  
25          under this section, an eligible institution shall prepare and

1 submit to the Administrator an application at such a time,  
2 in such form, and containing such information as the Ad-  
3 ministrator may require.

4 (c) NATIONAL ELECTRONIC CLEARINGHOUSE CEN-  
5 TER.—Of the centers established under subsection (a)(1),  
6 one shall—

7 (1) be designated as the “national electronic  
8 clearinghouse center”; and

9 (2) in addition to the other functions of that  
10 center—

11 (A) develop, operate, and maintain an  
12 Internet website and a public database that  
13 contain information relating to innovative  
14 stormwater control infrastructure; and

15 (B) post to the website information from  
16 all centers.

17 **SEC. 255. INNOVATIVE STORMWATER CONTROL INFRA-**  
18 **STRUCTURE PROJECT GRANTS.**

19 (a) GRANT AUTHORITY.—The Administrator shall  
20 provide grants, on a competitive basis, to eligible entities  
21 to carry out innovative stormwater control infrastructure  
22 projects in accordance with this section.

23 (b) INNOVATIVE STORMWATER CONTROL INFRA-  
24 STRUCTURE PROJECTS.—

1 (1) PLANNING AND DEVELOPMENT GRANTS.—

2 The Administrator may make planning and develop-  
3 ment grants under this section for the following  
4 projects:

5 (A) Planning and designing innovative  
6 stormwater control infrastructure projects, in-  
7 cluding engineering surveys, landscape plans,  
8 maps, and implementation plans.

9 (B) Identifying and developing standards  
10 and revisions to local zoning, building, or other  
11 local codes necessary to accommodate innova-  
12 tive stormwater control infrastructure projects.

13 (C) Identifying and developing fee struc-  
14 tures to provide financial support for design, in-  
15 stallation, and operations and maintenance of  
16 innovative stormwater control infrastructure.

17 (D) Developing training and educational  
18 materials regarding innovative stormwater con-  
19 trol infrastructure for distribution to—

20 (i) individuals and entities with appli-  
21 cable technical knowledge; and

22 (ii) the public.

23 (E) Developing an innovative stormwater  
24 control infrastructure portfolio standard pro-  
25 gram described in section 6(e).

1           (2) IMPLEMENTATION GRANTS.—The Adminis-  
2           trator may make implementation grants under this  
3           section for the following projects:

4                   (A) Installing innovative stormwater con-  
5                   trol infrastructure.

6                   (B) Protecting or restoring interconnected  
7                   networks of natural areas that protect water  
8                   quality.

9                   (C) Monitoring and evaluating the environ-  
10                  mental, economic, or social benefits of innova-  
11                  tive stormwater control infrastructure.

12                  (D) Implementing a best practices stand-  
13                  ard for an innovative stormwater control infra-  
14                  structure program.

15                  (E)    Implementing    an    innovative  
16                  stormwater control infrastructure portfolio  
17                  standard program described in section 6(e).

18           (c) APPLICATION.—Except as otherwise provided in  
19           this Act, to be eligible to receive a grant under this section,  
20           an eligible entity shall prepare and submit to the Adminis-  
21           trator an application at such time, in such form, and con-  
22           taining such information as the Administrator may re-  
23           quire, including, as applicable—

24                   (1) a description of the innovative stormwater  
25                   control infrastructure project;

1           (2) a plan for monitoring the impacts of the in-  
2           novative stormwater control infrastructure project  
3           on the water quality and quantity;

4           (3) an evaluation of other environmental, eco-  
5           nomic, and social benefits of the innovative  
6           stormwater control infrastructure project; and

7           (4) a plan for the long-term operation and  
8           maintenance of the innovative stormwater control in-  
9           frastructure project.

10          (d) **ADDITIONAL REQUIREMENT FOR INNOVATIVE**  
11 **STORMWATER CONTROL INFRASTRUCTURE PORTFOLIO**  
12 **STANDARD PROJECT.**—In addition to an application  
13 under subsection (c), a State or Indian tribe applying for  
14 a grant for an innovative stormwater control infrastruc-  
15 ture portfolio standard program described in section 6(e)  
16 shall prepare and submit to the Administrator a schedule  
17 of increasing minimum percentages of the annual water  
18 to be managed using innovative stormwater control infra-  
19 structure under the program.

20          (e) **PRIORITY.**—In making grants under this section,  
21 the Administrator shall give priority to applications sub-  
22 mitted on behalf of—

23           (1) a community that—

1 (A) has combined storm and sanitary sew-  
2 ers in the collection system of the community;  
3 or

4 (B) is a low-income or disadvantaged com-  
5 munity, as determined by the Administrator; or

6 (2) an eligible entity that will use not less than  
7 10 percent of the grant to provide service to a low-  
8 income or disadvantaged community, as determined  
9 by the Administrator.

10 (f) MAXIMUM AMOUNTS.—

11 (1) PLANNING AND DEVELOPMENT GRANTS.—

12 (A) SINGLE GRANT.—The amount of a sin-  
13 gle planning and development grant provided  
14 under this section shall be not more than  
15 \$200,000.

16 (B) AGGREGATE AMOUNT.—The total  
17 amount of all planning and development grants  
18 provided under this section for a fiscal year  
19 shall be not more than  $\frac{1}{3}$  of the total amount  
20 made available to carry out this section.

21 (2) IMPLEMENTATION GRANTS.—

22 (A) SINGLE GRANT.—The amount of a sin-  
23 gle implementation grant provided under this  
24 section shall be not more than \$3,000,000.

1           (B) AGGREGATE AMOUNT.—The total  
2           amount of all implementation grants provided  
3           under this section for a fiscal year shall be not  
4           more than  $\frac{2}{3}$  of the total amount made avail-  
5           able to carry out this section.

6           (g) FEDERAL SHARE.—

7           (1) IN GENERAL.—Except as provided in para-  
8           graph (3), the Federal share of a grant provided  
9           under this section shall not exceed 65 percent of the  
10          total project cost.

11          (2) CREDIT FOR IMPLEMENTATION GRANTS.—  
12          The Administrator shall credit toward the non-Fed-  
13          eral share of the cost of an implementation project  
14          carried out under this section the cost of planning,  
15          design, and construction work completed for the  
16          project using funds other than funds provided under  
17          this Act.

18          (3) EXCEPTION.—The Administrator may waive  
19          the Federal share limitation under paragraph (1) for  
20          an eligible entity that has adequately demonstrated  
21          financial need.

1 **SEC. 256. ENVIRONMENTAL PROTECTION AGENCY INNOVA-**  
2 **TIVE STORMWATER CONTROL INFRASTRUC-**  
3 **TURE PROMOTION.**

4 (a) IN GENERAL.—The Administrator shall ensure  
5 that the Office of Water, the Office of Enforcement and  
6 Compliance, the Office of Research and Development, and  
7 the Office of Policy of the Environmental Protection Agen-  
8 cy promote the use of innovative stormwater control infra-  
9 structure in and coordinate the integration of innovative  
10 stormwater control infrastructure into permitting pro-  
11 grams, planning efforts, research, technical assistance,  
12 and funding guidance.

13 (b) DUTIES.—The Administrator shall ensure that  
14 the Office of Water—

15 (1) promotes the use of innovative stormwater  
16 control infrastructure in the programs of the Envi-  
17 ronmental Protection Agency;

18 (2) supports establishing public-private partner-  
19 ships and other innovative financing mechanisms in  
20 the implementation of innovative stormwater control  
21 infrastructure; and

22 (3) coordinates efforts to increase the use of in-  
23 novative stormwater control infrastructure with—

24 (A) other Federal departments and agen-  
25 cies;

1 (B) State, tribal, and local governments;  
2 and  
3 (C) the private sector.

4 (c) REGIONAL INNOVATIVE STORMWATER CONTROL  
5 INFRASTRUCTURE PROMOTION.—The Administrator shall  
6 direct each regional office of the Environmental Protection  
7 Agency, as appropriate based on local factors, to promote  
8 and integrate the use of innovative stormwater control in-  
9 frastructure within the region that includes—

10 (1) a plan for monitoring, financing, mapping,  
11 and designing the innovative stormwater control in-  
12 frastructure;

13 (2) outreach and training regarding innovative  
14 stormwater control infrastructure implementation  
15 for State, tribal, and local governments, tribal com-  
16 munities, and the private sector; and

17 (3) the incorporation of innovative stormwater  
18 control infrastructure into permitting and other reg-  
19 ulatory programs, codes, and ordinance development,  
20 including the requirements under consent decrees  
21 and settlement agreements in enforcement actions.

22 (d) INNOVATIVE STORMWATER CONTROL INFRA-  
23 STRUCTURE INFORMATION-SHARING.—The Administrator  
24 shall promote innovative stormwater control infrastructure  
25 information-sharing, including through an Internet

1 website, to share information with, and provide technical  
2 assistance to, State, tribal, and local governments, tribal  
3 communities, the private sector, and the public regarding  
4 innovative stormwater control infrastructure approaches  
5 for—

6 (1) reducing water pollution;

7 (2) protecting water resources;

8 (3) complying with regulatory requirements;

9 and

10 (4) achieving other environmental, public  
11 health, and community goals.

12 (e) INNOVATIVE STORMWATER CONTROL INFRA-  
13 STRUCTURE PORTFOLIO STANDARD.—The Administrator,  
14 in collaboration with State, tribal, and local water resource  
15 managers, shall establish voluntary measurable goals, to  
16 be known as the “innovative stormwater control infra-  
17 structure portfolio standard”, to increase the percentage  
18 of annual water managed by eligible entities that use inno-  
19 vative stormwater control infrastructure.

20 **SEC. 257. REPORT TO CONGRESS.**

21 Not later than September 30, 2017, the Adminis-  
22 trator shall submit to Congress a report that includes,  
23 with respect to the period covered by the report—

24 (1) a description of all grants provided under  
25 this Act;

1 (2) a detailed description of—

2 (A) the projects supported by those grants;

3 and

4 (B) the outcomes of those projects;

5 (3) a description of the improvements in tech-  
6 nology, environmental benefits, resources conserved,  
7 efficiencies, and other benefits of the projects funded  
8 under this Act;

9 (4) recommendations for improvements to pro-  
10 mote and support innovative stormwater control in-  
11 frastructure for the centers, grants, and activities  
12 under this Act; and

13 (5) a description of existing challenges con-  
14 cerning the use of innovative stormwater control in-  
15 frastructure.

16 **SEC. 258. AUTHORIZATION OF APPROPRIATIONS.**

17 There are authorized to be appropriated to carry out  
18 this Act such sums as are necessary for each of fiscal  
19 years 2016 through 2021.

1 **TITLE III—IMPROVED INFRA-**  
2 **STRUCTURE AND WATER**  
3 **MANAGEMENT**

4 **Subtitle A—Restoring America’s**  
5 **Watersheds and Increasing**  
6 **Water Yields**

7 **SEC. 301. SHORT TITLE.**

8 This subtitle may be cited as the “Restoring Amer-  
9 ica’s Watersheds Act of 2015”.

10 **SEC. 302. FINDINGS.**

11 Congress makes the following findings:

12 (1) Watershed health and effective headwaters  
13 management can have multiple benefits for water  
14 supply reliability, water quality, and ecosystems.

15 (2) Investments to restore meadows, forests,  
16 and watersheds will improve their critical  
17 hydrological functions and reduce wildfire impacts.

18 (3) Proper ecosystem restoration could increase  
19 groundwater storage by 50,000 to 500,000 acre-feet  
20 per year just within the National Forest System  
21 lands in the Sierra bioregion of the State of Cali-  
22 fornia.

23 (4) Improved headwaters management would  
24 have a similarly significant impact on groundwater

1 storage within National Forest System lands across  
2 the western States.

3 (5) Source watersheds are recognized and de-  
4 fined as an integral part of federally funded water  
5 systems.

6 **SEC. 303. WATER SOURCE PROTECTION PROGRAM.**

7 Subtitle A of title III of the Omnibus Public Land  
8 Management Act of 2009 (Public Law 111–11; 123 Stat.  
9 1126) is amended by adding at the end the following:

10 **“SEC. 3002. WATER SOURCE PROTECTION PROGRAM.**

11 “(a) IN GENERAL.—The Secretary of Agriculture,  
12 acting through the Chief of the Forest Service (referred  
13 to in this section as the ‘Secretary’), shall establish and  
14 maintain a Water Source Protection Program (referred to  
15 in this section as the ‘Program’) within the National For-  
16 est System west of the 100th Meridian.

17 “(b) WATER SOURCE INVESTMENT PARTNER-  
18 SHIPS.—

19 “(1) IN GENERAL.—In carrying out the Pro-  
20 gram, the Secretary may enter into water source in-  
21 vestment partnerships with end water users (includ-  
22 ing States, political subdivisions, Indian tribes, utili-  
23 ties, municipal water systems, irrigation districts,  
24 nonprofit organizations, and corporations) to protect  
25 and restore the condition of National Forest water-

1 sheds that provide water to the non-Federal part-  
2 ners.

3 “(2) FORM.—A partnership described in para-  
4 graph (1) may take the form of memoranda of un-  
5 derstanding, cost-share or collection agreements,  
6 long-term match funding commitments, or other ap-  
7 propriate instruments.

8 “(c) WATER SOURCE MANAGEMENT PLAN.—

9 “(1) IN GENERAL.—In carrying out the Pro-  
10 gram, the Secretary may produce a water source  
11 management plan in cooperation with the water  
12 source investment partnership participants and  
13 State, local, and tribal governments.

14 “(2) FIREWOOD.—A water source management  
15 plan may give priority to projects that facilitate the  
16 gathering of firewood for personal use pursuant to  
17 section 223.5 of title 36, Code of Federal Regula-  
18 tions (or successor regulations).

19 “(3) ENVIRONMENTAL ANALYSIS.—The Sec-  
20 retary may conduct—

21 “(A) a single environmental impact state-  
22 ment or similar analysis required under the Na-  
23 tional Environmental Policy Act of 1969 (42  
24 U.S.C. 4321 et seq.) for all or part of the res-

1           toration projects in the water source manage-  
2           ment plan; and

3           “(B) a statement or analysis described in  
4           subparagraph (A) as part of the development of  
5           the water source management plan or after the  
6           finalization of the plan.

7           “(4) ENDANGERED SPECIES ACT.—In carrying  
8           out the Program, the Secretary may use the Manual  
9           on Adaptive Management of the Department of the  
10          Interior, including any associated guidance, for pur-  
11          poses of fulfilling any requirements under the En-  
12          dangered Species Act of 1973 (16 U.S.C. 1531 et  
13          seq.).

14          “(5) FUNDS AND SERVICES.—

15          “(A) IN GENERAL.—In carrying out the  
16          Program, the Secretary may accept and use  
17          funding, services, and other forms of investment  
18          and assistance from water source investment  
19          partnership participants to implement the water  
20          source management plan.

21          “(B) MANNER OF USE.—The Secretary  
22          may accept and use investments described in  
23          subparagraph (A) directly or indirectly through  
24          the National Forest Foundation.

1                   “(C) WATER SOURCE PROTECTION  
2                   FUND.—

3                   “(i) IN GENERAL.—Subject to the  
4                   availability of appropriations, the Secretary  
5                   may establish a Water Source Protection  
6                   Fund to match funds or in-kind support  
7                   contributed by water source investment  
8                   partnership participants under subpara-  
9                   graph (A).

10                   “(ii) USE OF APPROPRIATED  
11                   FUNDS.—The Secretary may use funds ap-  
12                   propriated to carry out this subparagraph  
13                   to make multiyear commitments, if nec-  
14                   essary, to implement 1 or more water  
15                   source investment partnership agree-  
16                   ments.”.

17 **SEC. 304. WATERSHED CONDITION FRAMEWORK.**

18                   Subtitle A of title III of the Omnibus Public Land  
19                   Management Act of 2009 (Public Law 111–11; 123 Stat.  
20                   1126) is amended by inserting after section 3002, as  
21                   added by section 303, the following:

22 **“SEC. 3003. WATERSHED CONDITION FRAMEWORK.**

23                   “(a) IN GENERAL.—The Secretary of Agriculture,  
24                   acting through the Chief of the Forest Service (referred  
25                   to in this section as the ‘Secretary’), shall establish and

1 maintain a Watershed Condition Framework within the  
2 National Forest System west of the 100th Meridian—

3 “(1) to evaluate and classify the condition of  
4 watersheds, taking into consideration—

5 “(A) water quality and quantity;

6 “(B) aquatic habitat and biota;

7 “(C) riparian and wetland vegetation;

8 “(D) the presence of roads and trails;

9 “(E) soil type and condition;

10 “(F) groundwater-dependent ecosystems;

11 “(G) relevant terrestrial indicators, such as  
12 fire regime, risk of catastrophic fire, forest and  
13 rangeland vegetation, invasive species, and in-  
14 sects and disease; and

15 “(H) other significant factors, as deter-  
16 mined by the Secretary;

17 “(2) to identify for restoration up to 5 priority  
18 watersheds in each National Forest, and up to 2 pri-  
19 ority watersheds in each national grassland, taking  
20 into consideration the impact of the condition of the  
21 watershed condition on—

22 “(A) wildfire behavior;

23 “(B) flood risk;

24 “(C) fish and wildlife;

25 “(D) drinking water supplies;

1 “(E) irrigation water supplies;

2 “(F) forest-dependent communities; and

3 “(G) other significant impacts, as deter-  
4 mined by the Secretary;

5 “(3) to develop a watershed restoration action  
6 plan for each priority watershed that—

7 “(A) takes into account existing restora-  
8 tion activities being implemented in the water-  
9 shed; and

10 “(B) includes, at a minimum—

11 “(i) the major stressors responsible  
12 for the impaired condition of the water-  
13 shed;

14 “(ii) a set of essential projects that,  
15 once completed, will address the identified  
16 stressors and improve watershed condi-  
17 tions;

18 “(iii) a proposed implementation  
19 schedule;

20 “(iv) potential partners and funding  
21 sources; and

22 “(v) a monitoring and evaluation pro-  
23 gram;

24 “(4) to prioritize restoration activities for each  
25 watershed restoration action plan;

1           “(5) to implement each watershed restoration  
2           action plan; and

3           “(6) to monitor the effectiveness of restoration  
4           actions and indicators of watershed health.

5           “(b) COORDINATION.—Throughout the establishment  
6           and maintenance of the Watershed Condition Framework,  
7           the Secretary shall—

8           “(1) coordinate with interested non-Federal  
9           landowners and with State, tribal, and local govern-  
10          ments within the relevant watershed; and

11          “(2) provide for an active and ongoing public  
12          engagement process.

13          “(c) EMERGENCY DESIGNATION.—Notwithstanding  
14          subsection (a)(2), the Secretary may identify a watershed  
15          as a priority for rehabilitation in the Watershed Condition  
16          Framework without using the process described in sub-  
17          section (a), if the appropriate Forest Supervisor deter-  
18          mines that—

19          “(1) a wildfire has significantly diminished the  
20          condition of the watershed; and

21          “(2) the emergency stabilization activities of the  
22          Burned Area Emergency Response Team are insuffi-  
23          cient to return the watershed to proper function.”.

1 **SEC. 305. FOREST SERVICE LEGACY ROADS AND TRAILS RE-**  
2 **MEDIATION PROGRAM.**

3 (a) IN GENERAL.—The Secretary of Agriculture, act-  
4 ing through the Chief of the Forest Service (referred to  
5 in this section as the “Secretary”), shall establish and  
6 maintain a Forest Service Legacy Roads and Trails Reme-  
7 diation Program (referred to in this section as the “Pro-  
8 gram”) within the National Forest System west of the  
9 100th Meridian—

10 (1) to carry out critical maintenance and urgent  
11 repairs and improvements on National Forest Sys-  
12 tem roads, trails, and bridges;

13 (2) to restore fish and other aquatic organism  
14 passage by removing or replacing unnatural barriers  
15 to the passage of fish and other aquatic organisms;

16 (3) to decommission unneeded roads and trails;  
17 and

18 (4) to carry out associated activities.

19 (b) PRIORITY.—In implementing the Program, the  
20 Secretary shall give priority to projects that protect or re-  
21 store—

22 (1) water quality;

23 (2) watersheds that feed public drinking water  
24 systems; or

25 (3) habitat for threatened, endangered, and  
26 sensitive fish and wildlife species.

1 (c) NATIONAL FOREST SYSTEM.—Except as author-  
2 ized under section 323 of the Department of the Interior  
3 and Related Agencies Appropriations Act, 1999 (16  
4 U.S.C. 1011a), all projects carried out under the Program  
5 shall be on National Forest System roads.

6 (d) NATIONAL PROGRAM STRATEGY.—Not later than  
7 180 days after the date of enactment of this Act, the Sec-  
8 retary shall develop a national strategy for implementing  
9 the Program.

10 **SEC. 306. REAUTHORIZATION OF THE COLLABORATIVE**  
11 **FOREST LANDSCAPE RESTORATION FUND.**

12 Section 4003(f)(6) of the Omnibus Public Land Man-  
13 agement Act of 2009 (16 U.S.C. 7303(f)(6)) is amended  
14 by striking “2019, to remain available until expended”  
15 and inserting “2015, and \$80,000,000 for each of fiscal  
16 years 2016 through 2024, to remain available until ex-  
17 pended”.

18 **Subtitle B—Reservoir Operation**  
19 **Improvement**

20 **SEC. 311. SHORT TITLE.**

21 This subtitle may be cited as the “Five Demonstra-  
22 tions of Advancing Yields by Fixing Operations of Res-  
23 ervoirs to Encompass Climatic and Atmospheric Science  
24 Trends Act”.

1 **SEC. 312. PROJECTS, PLANS, AND REPORTS.**

2 (a) SPECIFIC INFORMATION.—Not later than 90 days  
3 after the date of enactment of this Act, the Secretary of  
4 the Army shall provide to the Committees on Appropria-  
5 tions of the House of Representatives and the Senate a  
6 report including the following information for any State  
7 under a gubernatorial drought declaration during water  
8 year 2015:

9 (1) A list of Army Corps and non-Army Corps  
10 (section 7 of the Flood Control Act of 1944 (33  
11 U.S.C. 709)) projects that have a water control  
12 plan.

13 (2) The year the original water control manual  
14 was approved.

15 (3) The year for any subsequent revisions to  
16 the project's water control plan and manual.

17 (4) A list of projects in which operational devi-  
18 ations for drought contingency have been requested  
19 or implemented and the status of the request.

20 (5) How water conservation and water quality  
21 improvements were addressed.

22 (6) A list of projects where permanent changes  
23 to storage allocations have been requested and the  
24 status of the request.

25 (b) IDENTIFICATION OF PROJECTS.—Not later than  
26 60 days after completion of the report under subsection

1 (a), the Secretary of the Army, in consultation with the  
2 National Oceanic and Atmospheric Administration, shall  
3 identify any projects from the report that meet the fol-  
4 lowing criteria:

5 (1) Located in a State in which a drought  
6 emergency has been declared or was in effect during  
7 the 1-year period preceding the date of completion  
8 of the report by the Secretary under subsection (a).

9 (2) Future revision of a water operations man-  
10 ual, including flood control rule curves, based on the  
11 better use of improved weather forecasting or run-  
12 off forecasting methods, new watershed data, or  
13 changes to project operations, would be likely to en-  
14 hance the existing authorized project purposes for  
15 water supply storage capacity and reliability, or  
16 flood control operations.

17 (c) **ADDITIONAL PROJECTS.**—In addition, not later  
18 than 60 days after completion of the report in subsection  
19 (a), the Secretary of the Army shall identify any non-  
20 Corps projects that meet the criteria in subsection (b) and  
21 the following 2 criteria:

22 (1) The owner of the non-Corps project has  
23 submitted to the Secretary of the Army a formal re-  
24 quest to review or revise the operations manual or  
25 flood control rule curves to accommodate new water-

1 shed data or projected project modifications or oper-  
2 ational changes.

3 (2) The modifications or operational changes  
4 proposed by the owner of the non-Corps projects are  
5 likely to enhance water supply benefits and flood  
6 control operations.

7 (d) PILOT PROJECTS.—Not later than 1 year after  
8 identification of the projects in subsections (b) and (c),  
9 if any, the Secretary of the Army, in consultation with  
10 the National Oceanic and Atmospheric Administration,  
11 shall establish not more than 5 pilot projects to implement  
12 forecast-based reservoir operations.

13 (e) COORDINATION WITH NON-FEDERAL PROJECT  
14 SPONSOR.—

15 (1) IN GENERAL.—If any of the projects identi-  
16 fied in subsections (b) and (c) are non-Federal  
17 projects, the Secretary of the Army, prior to car-  
18 rying out an activity under this section, shall consult  
19 with the non-Federal project sponsor and enter into  
20 a cooperative agreement, memorandum of under-  
21 standing, or other agreement with the non-Federal  
22 project sponsor.

23 (2) DEFINITION.—In this subsection, the term  
24 “non-Federal project sponsor” means an entity or a  
25 local government entity, including a municipal water

1 district, that currently manages (in whole or in part)  
2 an Army Corps of Engineers dam or reservoir.

3 (f) FORECAST-BASED RESERVOIR OPERATIONS

4 PLAN.—As part of the pilot project under subsection (d),  
5 the Secretary, in consultation with the National Oceanic  
6 and Atmospheric Administration, in designing and imple-  
7 menting a forecast-based reservoir operations plan, shall  
8 include the following:

9 (1) The relationship between ocean and atmos-  
10 pheric conditions, including the El Niño and La  
11 Niña cycles, and the potential for above normal, nor-  
12 mal, and below normal rainfall for the coming water  
13 year.

14 (2) The precipitation and runoff index specific  
15 to the basin and watershed of the relevant dam or  
16 reservoir, including incorporating information about  
17 hydrological and meteorological conditions that influ-  
18 ence the timing and quantity of runoff.

19 (3) Improved hydrologic forecasting for precipi-  
20 tation, snowpack, streamflow, and soil moisture con-  
21 ditions.

22 (4) An adjustment of operational flood control  
23 rule curves to optimize water supply storage and re-  
24 liability, hydropower production, environmental bene-

1 fits for flows and temperature, and other authorized  
2 project benefits, without a reduction in flood safety.

3 (5) Proactive management in response to  
4 changes in forecasts.

5 (g) NON-FEDERAL FUNDS.—Upon finalizing an  
6 agreement with a non-Federal project sponsor pursuant  
7 to subsection (e), the Secretary of the Army may accept  
8 non-Federal funds for all or a portion of the cost of car-  
9 rying out a review or revision of water control manuals  
10 and flood control rule curves.

11 (h) NO ADDITIONAL AUTHORITY.—Revisions of the  
12 manuals referred to in subsection (b) shall not interfere  
13 with authorized purposes. Nothing in this Act authorizes  
14 the Secretary of the Army to carry out, at a Corps of En-  
15 gineers dam or reservoir, any project for a purpose not  
16 otherwise authorized as of the date of enactment of this  
17 Act.

18 (i) CONSULTATION.—In implementing the pilot  
19 projects pursuant to subsection (d), the Secretary of the  
20 Army may consult with other affected interests, including  
21 non-Federal entities responsible for operations and main-  
22 tenance costs of a Corps facility, affected water rights  
23 holders, individuals and entities with storage entitlements,  
24 and local agencies with flood control responsibilities down-  
25 stream of a Corps facility.

1 (j) CHANGE TO OPERATIONS MANUAL.—Not later  
2 than 180 days after the completion of a change to the  
3 operations manual or flood control rule curves, the Sec-  
4 retary shall submit a report to the appropriate committees  
5 of Congress regarding the components of the forecast-  
6 based reservoir operations plan incorporated into the  
7 change.

8 **Subtitle C—Reclamation Projects**  
9 **for Renewable Energy to Re-**  
10 **duce Evaporation Loss**

11 **SEC. 320. FINDINGS AND PURPOSE.**

12 (a) FINDINGS.—The Congress finds that—

13 (1) evaporative loss along Bureau of Reclama-  
14 tion reservoirs, canals, and other conveyance systems  
15 reduces the quantity and reliability of water deliv-  
16 eries;

17 (2) drought and extreme aridity from changing  
18 weather patterns will contribute to increased evapo-  
19 rative loss in the future; and

20 (3) existing Central Valley Project operations  
21 assume a conveyance loss for evaporation and seep-  
22 age south of the Delta of 150,000 acre-feet annu-  
23 ally.

24 (b) PURPOSE.—The purpose of this subtitle is to ex-  
25 pand investments in infrastructure for Bureau of Rec-

1 lamation reservoirs, canals, and other conveyance systems,  
2 that will provide shade, reduce evaporative loss, and in-  
3 crease water supplies in the arid western States.

4 **SEC. 321. DEFINITIONS.**

5 In this subtitle:

6 (1) COVERED LAND.—The term “covered land”  
7 means land that is—

8 (A) land under the administrative jurisdic-  
9 tion of the Bureau of Reclamation; and

10 (B) not excluded from the development of  
11 solar or wind energy under—

12 (i) a final land use plan established  
13 under the Federal Land Policy and Man-  
14 agement Act of 1976 (43 U.S.C. 1701 et  
15 seq.); or

16 (ii) Federal law.

17 (2) FUND.—The term “Fund” means the Fish  
18 and Wildlife Restoration Fund established under  
19 section 324.

20 (3) PUBLIC LAND.—The term “public land”  
21 has the meaning given the term “public lands” in  
22 section 103 of the Federal Land Policy and Manage-  
23 ment Act of 1976 (43 U.S.C. 1702).

24 (4) SECRETARY.—The term “Secretary” means  
25 the Secretary of the Interior.

1 **SEC. 322. EVALUATION AND REPORT.**

2 (a) IN GENERAL.—Not later than one year after the  
3 date of the enactment of this Act, the Secretary shall com-  
4 plete an evaluation and report to Congress on the potential  
5 for developing rights-of-way along Bureau of Reclamation  
6 canals and infrastructure, including reservoirs, for solar  
7 or wind energy production through leasing of lands or  
8 other means.

9 (b) REPORT.—The report to Congress shall specify—

10 (1) the location of potential rights-of-way for  
11 energy production;

12 (2) estimates of water losses due to evaporation  
13 that would be reduced due to shade and other bene-  
14 fits from energy production;

15 (3) the total acreage available for energy pro-  
16 duction;

17 (4) existing transmission infrastructure at such  
18 locations;

19 (5) estimates of fair market leasing value of po-  
20 tential energy sites; and

21 (6) estimates of energy development potential  
22 at sites.

23 **SEC. 323. DEVELOPMENT OF SOLAR AND WIND ENERGY ON**  
24 **COVERED LAND.**

25 (a) PILOT PROGRAM ON SELECTED COVERED  
26 LAND.—

1           (1) ESTABLISHMENT.—Not later than 180 days  
2 after the date of the enactment of this Act, the Sec-  
3 retary shall establish a wind and solar energy leas-  
4 ing pilot program under which the Secretary con-  
5 ducts lease sales of certain sites located on covered  
6 land for purposes of carrying out wind and solar en-  
7 ergy projects.

8           (2) SELECTION OF SITES ON COVERED LAND.—

9           (A) IN GENERAL.—Not later than 90 days  
10 after the date the pilot program is established  
11 under paragraph (1), the Secretary shall select  
12 from covered land—

13                   (i) 1 site for the development of a  
14 solar energy project; and

15                   (ii) 1 site for the development of a  
16 wind energy project.

17           (B) SITE SELECTION.—In selecting sites  
18 under subparagraph (A), the Secretary shall—

19                   (i) give a preference to sites that the  
20 Secretary determines—

21                           (I) are likely to attract a high  
22 level of wind and solar energy indus-  
23 try interest;

24                           (II) would likely have a positive  
25 impact on water supply through re-

1           ducing water loss from evaporation by  
2           providing shade and temperature re-  
3           ductions, or beneficial impacts from  
4           energy production and infrastructure;  
5           and

6                       (III) would serve as models for  
7           the expansion of the pilot program to  
8           other locations if the program is ex-  
9           panded under subsection (c);

10                      (ii) take into consideration the value  
11           of the multiple resources of the covered  
12           land on which such sites are located; and

13                      (iii) not select any site for which a  
14           right-of-way or special use permit for site  
15           testing or construction has been issued  
16           under title V of the Federal Land Policy  
17           and Management Act of 1976 (43 U.S.C.  
18           1761 et seq.).

19           (3) LEASE SALES OF PROJECT SITES.—

20                      (A) IN GENERAL.—Except as provided in  
21           paragraph (4)(B)(i), not later than 180 days  
22           after the date on which sites are selected under  
23           paragraph (2), the Secretary shall offer each  
24           site for competitive leasing under such terms  
25           and conditions as the Secretary requires.

1 (B) BIDDING.—Bidding on a site offered  
2 for lease under this subsection shall be—

3 (i) limited to one round;

4 (ii) open only to bidders who—

5 (I) submit a plan of development  
6 for such site together with the bid;  
7 and

8 (II) the Secretary determines are  
9 qualified under subparagraph (C)(ii);  
10 and

11 (iii) conducted using a bidding system  
12 selected by the Secretary, including—

13 (I) a cash bonus bids system re-  
14 quiring payment of the royalty estab-  
15 lished under this Act;

16 (II) a variable royalty bids sys-  
17 tem based on a percentage of the  
18 gross proceeds from the sale of elec-  
19 tricity produced from the site offered  
20 for lease, except that the royalty shall  
21 not be less than the royalty required  
22 under this Act, together with a fixed  
23 cash bonus; or

24 (III) such other bidding system  
25 as ensures a fair return to the public

1 consistent with the royalty established  
2 under this Act.

3 (C) BIDDER QUALIFICATIONS.—The Sec-  
4 retary shall—

5 (i) before conducting any lease sale  
6 under this subsection, establish qualifica-  
7 tion requirements for bidders on a site of-  
8 fered for lease that ensure that such bid-  
9 ders, with respect to wind or solar energy  
10 projects—

11 (I) are able to expeditiously de-  
12 velop such a project on the site;

13 (II) possess the financial re-  
14 sources necessary to complete such a  
15 project;

16 (III) possess knowledge of the  
17 technology needed to complete such a  
18 project;

19 (IV) meet eligibility requirements  
20 that are substantially similar to the  
21 eligibility requirements for leasing  
22 that apply under the first section of  
23 the Mineral Leasing Act (30 U.S.C.  
24 181 et seq.); and

1 (V) possess such other qualifica-  
2 tions as the Secretary determines are  
3 necessary; and

4 (ii) using the requirements established  
5 under clause (i), determine whether a per-  
6 son is qualified to be a bidder on a site of-  
7 fered for lease under this subsection.

8 (D) CREDIT FOR BID PREPARATION EX-  
9 PENDITURES.—In the case of a site offered for  
10 lease under this subsection with respect to  
11 which more than one bid is submitted on the  
12 date of the lease sale of such site, the Secretary  
13 shall give credit to each person who submitted  
14 a bid with respect to such site for expenditures  
15 such person incurred in the preparation of such  
16 bid.

17 (4) LEASE TERMS.—

18 (A) IN GENERAL.—The Secretary may es-  
19 tablish such lease terms and conditions, includ-  
20 ing the duration of the lease with respect to any  
21 site offered for lease under this subsection.

22 (B) SHORT-TERM LEASES FOR DATA COL-  
23 LECTION.—In carrying out this subsection, the  
24 Secretary shall—

1 (i) offer on a noncompetitive basis a  
2 short-term lease on not less than one site  
3 selected under paragraph (2) for purposes  
4 of data collection; and

5 (ii) upon the expiration of the short-  
6 term lease, offer on a competitive basis a  
7 long-term lease, giving credit toward the  
8 bonus bid submitted with respect to the  
9 long-term lease to the holder of the short-  
10 term lease for any qualified expenditures  
11 made by such holder to collect data or to  
12 develop the site during such short-term  
13 lease.

14 (5) REVENUES.—Subject to section 324, the  
15 Secretary may collect bonus bids, royalties, fees, or  
16 other payments (except rental payments) with re-  
17 spect to sites offered for lease under this subsection.

18 (6) REPORT.—Not later than 90 days after the  
19 date on which the Secretary conducts the final lease  
20 sale under this subsection, the Secretary shall sub-  
21 mit to the Committee on Energy and Natural Re-  
22 sources of the Senate and the Committee on Natural  
23 Resources of the House of Representatives a report  
24 on the results of each lease sale conducted under  
25 this subsection, including—

1 (A) the level of competitive interest;

2 (B) a summary of bids and revenues re-  
3 ceived; and

4 (C) any other factors that may have im-  
5 pacted the lease sale.

6 (7) OTHER LAWS.—

7 (A) COMPLIANCE WITH LAND MANAGE-  
8 MENT AND ENVIRONMENTAL LAWS.—In offer-  
9 ing sites for lease under this subsection, the  
10 Secretary concerned shall comply with—

11 (i) all Federal laws applicable to lands  
12 under the administrative jurisdiction of the  
13 Bureau of Land Management; and

14 (ii) Federal or State environmental  
15 laws or any other relevant laws.

16 (B) APPLICABILITY TO WIND AND SOLAR  
17 ENERGY PROJECTS UNDER OTHER FEDERAL  
18 LAWS.—Nothing in this subsection shall be con-  
19 strued so as to prohibit the Secretary from  
20 issuing rights-of-way or special use permits with  
21 respect to wind and solar energy projects in  
22 compliance with other Federal laws and regula-  
23 tions in effect on the date of the enactment of  
24 this Act.

1           (8) ENFORCEMENT OF FEDERAL LAND POLICY  
2           MANAGEMENT.—

3           (A) IN GENERAL.—Sections 302(c) and  
4           303 of the Federal Land Policy and Manage-  
5           ment Act of 1976 (43 U.S.C. 1732(c), 1733)  
6           shall apply to activities conducted on sites on  
7           covered land offered for lease under this sub-  
8           section.

9           (B) EFFECT ON ENFORCEMENT AUTHOR-  
10          ITY UNDER OTHER FEDERAL LAW.—Nothing in  
11          this subsection shall be construed so as to re-  
12          duce or limit the enforcement authority vested  
13          in the Secretary or the Attorney General on  
14          covered land under any other Federal law.

15          (b) TEMPORARY EXTENSION OF PILOT PROGRAM.—  
16          Until final regulations are issued under subsection (c)(4),  
17          the Secretary shall continue to carry out the pilot program  
18          under subsection (a) on the sites offered for lease under  
19          such subsection. The Secretary may extend any lease  
20          issued for such sites under subsection (a) under the same  
21          terms and conditions applicable to such lease on the date  
22          of the lease sale as necessary until final regulations are  
23          issued under subsection (c)(4) with respect to such sites.

24          (c) EXPANSION OF PILOT PROGRAM TO ALL COV-  
25          ERED LAND.—

1           (1) JOINT DETERMINATION REQUIRED.—Not  
2 later than 5 years after the date of the enactment  
3 of this Act, the Secretary shall determine whether to  
4 expand the pilot program established under sub-  
5 section (a) to apply to all covered land, including  
6 sites with respect to which leases were issued under  
7 subsection (a). In making such determination, the  
8 Secretary shall—

9                   (A) take into consideration the results of  
10 the pilot program;

11                   (B) consult with—

12                           (i) the heads of Federal agencies and  
13 relevant State agencies (including State  
14 fish and wildlife agencies);

15                           (ii) interested States, Indian tribes,  
16 and local governments;

17                           (iii) representatives of the solar and  
18 wind energy industries;

19                           (iv) representatives of the environ-  
20 ment, conservation, and outdoor sporting  
21 communities; and

22                           (v) the public; and

23                   (C) consider whether such expansion—

24                           (i) provides an effective means of de-  
25 veloping wind or solar energy; and

1 (ii) is in the public interest.

2 (2) EXPANSION AUTHORIZED.—The Secretary  
3 shall expand pilot program only if the Secretary de-  
4 termined to expand the pilot program under para-  
5 graph (1).

6 (3) REPORT ON JOINT DETERMINATION.—Not  
7 later than 60 days after making the determination  
8 under paragraph (1) to expand the pilot program,  
9 the Secretary shall submit to the Committee on En-  
10 ergy and Natural Resources of the Senate and the  
11 Committee on Natural Resources of the House of  
12 Representatives a report describing the basis and  
13 findings for the determination.

14 (4) REGULATIONS TO IMPLEMENT EXPAN-  
15 SION.—Not later than one year after making a de-  
16 termination to expand the pilot program under para-  
17 graph (1), the Secretary shall issue final regulations  
18 to implement this subtitle.

19 (5) APPLICABILITY OF PROVISIONS OF PILOT  
20 PROGRAM TO EXPANDED PROGRAM.—

21 (A) IN GENERAL.—Except as provided in  
22 subparagraph (B), paragraphs (3), (7), and (8)  
23 of subsection (a) shall apply to covered land of-  
24 fered for lease under this subsection in the

1 same manner as such paragraphs apply to sites  
2 offered for lease under subsection (a).

3 (B) COMPETITIVE LEASING NOT REQUIRED  
4 UNDER CERTAIN CIRCUMSTANCES.—The re-  
5 quirement under subsection (a)(3) that a lease  
6 be sold on a competitive basis shall not apply  
7 to a lease issued under this subsection if the  
8 Secretary determines that—

9 (i) no competitive interest exists for  
10 the covered land offered for lease;

11 (ii) the public interest would not be  
12 served by the competitive issuance of a  
13 lease with respect to such covered land; or

14 (iii) the lease is for a purpose de-  
15 scribed in paragraph (7)(A)(ii).

16 (6) PAYMENTS.—

17 (A) IN GENERAL.—Subject to section 324,  
18 the Secretary shall establish fees, bonuses, or  
19 other payments (except rental payments) to en-  
20 sure a fair return to the United States for any  
21 lease issued under this subsection.

22 (B) BONUS BIDS.—The Secretary may  
23 grant credit toward any bonus bid for a quali-  
24 fied expenditure by the holder of a lease de-  
25 scribed in paragraph (7)(A)(ii) in any competi-

1           tive lease sale held for a long-term lease of the  
2           covered land that is the subject of the lease de-  
3           scribed in such paragraph.

4                   (C) READJUSTMENT.—

5                       (i) IN GENERAL.—Royalties and other  
6                       terms and conditions of a lease issued  
7                       under this subsection shall be subject to  
8                       readjustment—

9                               (I) on the date that is 15 years  
10                              after the date on which the lease is  
11                              issued; and

12                             (II) every 10 years thereafter.

13                       (ii) INDEXING.—Effective on the first  
14                       day of the first month beginning after the  
15                       date of enactment of this Act and each  
16                       year thereafter, the amount of royalties or  
17                       other terms and conditions subject to read-  
18                       justment under clause (i) shall be adjusted  
19                       to reflect changes for the 12-month period  
20                       ending on the most recent date for which  
21                       data are available in the Consumer Price  
22                       Index for All Urban Consumers published  
23                       by the Bureau of Labor Statistics of the  
24                       Department of Labor.

1           (7) LEASE DURATION, ADMINISTRATION, AND  
2 READJUSTMENT.—

3           (A) DURATION.—

4                 (i) IN GENERAL.—Except as provided  
5 in clause (ii), a lease issued under this sub-  
6 section shall be for—

7                         (I) an initial term of 25 years;

8                         and

9                         (II) any additional period after  
10 the initial 25-year term during which  
11 electricity is being produced annually  
12 in commercial quantities from the  
13 lease.

14                 (ii) DATA COLLECTION LEASES.—In  
15 the case of a lease issued under this sub-  
16 section for the placement and operation of  
17 a meteorological or data collection facility  
18 or for the development or demonstration of  
19 a new wind or solar energy technology,  
20 such lease shall have a term of not more  
21 than 5 years.

22           (B) ADMINISTRATION.—The Secretary of  
23 the Interior shall establish terms and conditions  
24 for the issuance, transfer, renewal, suspension,

1           and cancellation of a lease issued under this  
2           subsection.

3                   (C)    READJUSTMENT    PROVISION    RE-  
4                   QUIRED.—Each lease issued under this sub-  
5                   section shall provide for readjustment in ac-  
6                   cordance with subparagraph (A).

7                   (8)    SURFACE-DISTURBING    ACTIVITIES.—The  
8                   Secretary shall issue regulations regarding surface-  
9                   disturbing activities conducted under any lease  
10                  issued under this subsection, including any reclama-  
11                  tion and other actions necessary to conserve and to  
12                  offset impacts to surface resources.

13                  (9)    SECURITY.—

14                       (A)    IN GENERAL.—The Secretary shall re-  
15                       quire that the holder of a lease issued under  
16                       this subsection—

17                               (i)   furnish a surety bond or other  
18                               form of security, as prescribed by the Sec-  
19                               retary;

20                               (ii)   provide for the reclamation and  
21                               restoration of the covered land that is the  
22                               subject of the lease; and

23                               (iii)   comply with such other require-  
24                               ments as the Secretary considers necessary

1 to protect the interests of the public and  
2 the United States.

3 (B) PERIODIC REVIEW.—Not less fre-  
4 quently than once every 5 years, the Secretary  
5 shall conduct a review of the adequacy of the  
6 surety bond or other form of security provided  
7 by the holder of a lease issued under this sub-  
8 section.

9 **SEC. 324. ROYALTIES.**

10 (a) IN GENERAL.—The Secretary shall require as a  
11 term and condition of any lease issued under section 323,  
12 the payment of a royalty. The Secretary shall establish  
13 such royalty pursuant to a rulemaking. The royalty shall  
14 be a percentage of the gross proceeds from the sale of elec-  
15 tricity produced on covered land that is the subject of such  
16 lease, at a rate that—

17 (1) encourages production of solar or wind en-  
18 ergy;

19 (2) ensures a fair return to the public com-  
20 parable to the return that would be obtained on  
21 State or private land; and

22 (3) encourages the maximum energy generation  
23 while disturbing the least quantity of covered land  
24 and other natural resources, including water.

1 (b) CONSIDERATION.—In establishing the royalty  
2 under subsection (a), the Secretary shall consider the rel-  
3 ative capacity factors of wind and solar energy projects.

4 (c) EXCLUSIVE PAYMENT ON SALE OF ELEC-  
5 TRICITY.—The royalty under subsection (a) shall be the  
6 only rent, royalty, or similar payment to the Federal Gov-  
7 ernment required with respect to the sale of electricity pro-  
8 duced under a lease issued under section 323.

9 (d) ROYALTY RELIEF.—The Secretary may reduce  
10 the royalty rate established under subsection (a) if the  
11 holder of a lease issued under this Act shows by clear and  
12 convincing evidence that—

13 (1) collection of the full royalty would unreason-  
14 ably burden energy generation on covered land that  
15 is the subject of the lease; and

16 (2) the royalty reduction is in the public inter-  
17 est.

18 (e) ENFORCEMENT.—

19 (1) AUDITING SYSTEM.—The Secretary shall  
20 establish a comprehensive inspection, collection, fis-  
21 cal, and production accounting and auditing sys-  
22 tem—

23 (A) to accurately determine royalties, in-  
24 terest, fines, penalties, fees, deposits, and other  
25 payments owed under this subtitle; and

1 (B) to collect and account for the pay-  
2 ments in a timely manner.

3 (2) APPLICABILITY OF FEDERAL OIL AND ROY-  
4 ALTY MANAGEMENT ACT OF 1982.—The provisions of  
5 the Federal Oil and Gas Royalty Management Act  
6 of 1982 (30 U.S.C. 1701 et seq.) (including the civil  
7 and criminal enforcement provisions of such Act)  
8 shall apply to leases issued under this subtitle with  
9 respect to wind and solar energy projects in the  
10 same manner as such provisions apply to oil and gas  
11 leases.

12 (f) REPORT ON ROYALTIES.—Not later than 5 years  
13 after the date of enactment of this Act and every 5 years  
14 thereafter, the Secretary shall submit to the Committee  
15 on Energy and Natural Resources of the Senate and the  
16 Committee on Natural Resources of the House of Rep-  
17 resentatives a report consisting of a review of the collec-  
18 tions and impacts of the royalties and fees collected under  
19 this subtitle, including—

20 (1) the total revenues received (by category) on  
21 an annual basis as royalties from wind and solar en-  
22 ergy development and production (specified by en-  
23 ergy source) on covered land;

24 (2) whether the revenues received for the devel-  
25 opment of wind and solar energy development are

1 comparable to the revenues received for similar de-  
2 velopment on State or private land;

3 (3) any impact on the development of wind and  
4 solar energy on covered land as a result of the royal-  
5 ties; and

6 (4) any recommendations with respect to  
7 changes in Federal law (including regulations) relat-  
8 ing to the amount or method of collection (including  
9 auditing, compliance, and enforcement) of the royal-  
10 ties.

11 (g) REGULATIONS.—Not later than one year after the  
12 date of the enactment of this Act, the Secretary shall issue  
13 final regulations to carry out this section.

14 **SEC. 325. DISPOSITION OF ROYALTY REVENUE.**

15 (a) ALLOCATION OF REVENUE.—All amounts col-  
16 lected by the Secretary as royalties or bonuses under sub-  
17 section (a)(5) or (c)(6) of section 323 shall be distributed  
18 as follows:

19 (1) 25 percent shall be paid by the Secretary of  
20 the Treasury to States within the boundaries of  
21 which the royalties or bonuses are derived, to be al-  
22 located among such States based on the percentage  
23 of covered land from which such royalties or bonuses  
24 are derived in each State.

1           (2) 25 percent shall be paid by the Secretary of  
2 the Treasury to the counties within the boundaries  
3 of which the royalties or bonuses are derived, to be  
4 allocated among such counties based on the percent-  
5 age of covered land from which such royalties or bo-  
6 nuses are derived in each county.

7           (3) 25 percent shall be deposited into the Fish  
8 and Wildlife Restoration Fund established by sub-  
9 section (b) and used in accordance with that sub-  
10 section.

11           (4) For the period that begins on the date of  
12 the enactment of this Act and ending on the date  
13 that is 15 years after the date of the enactment of  
14 this Act, 15 percent shall be paid by the Secretary  
15 of the Treasury directly to the State offices of the  
16 Bureau of Reclamation with jurisdiction over the  
17 areas of which the royalties or bonuses are derived  
18 for purposes of reducing the number of renewable  
19 energy permits that have not been processed before  
20 the date of the enactment of this Act, to be allocated  
21 among such offices based on the percentage of cov-  
22 ered land from which the royalties or bonuses are  
23 derived in each State.

1           (5) The remainder shall be deposited into the  
2           general fund of the Treasury for purposes of reduc-  
3           ing the annual Federal budget deficit.

4           (b) FISH AND WILDLIFE RESTORATION FUND.—

5           (1) ESTABLISHMENT.—There is established in  
6           the Treasury a Fish and Wildlife Restoration Fund  
7           to be administered by the Secretary of the Interior  
8           for use in regions impacted by the development of  
9           hydropower by Federal agencies, including the Bu-  
10          reau of Reclamation, and the development of wind or  
11          solar energy on Bureau of Reclamation land.

12          (2) USE OF FUNDS.—The Secretary shall use  
13          amounts in the Fund to take actions and to make  
14          payments to State agencies, Federal agencies, or  
15          other interested persons in such regions for—

16                 (A) protecting and restoring important fish  
17                 and wildlife habitat and native populations in  
18                 such regions, including corridors, water re-  
19                 sources, and other sensitive land; and

20                 (B) improving fish species habitat or na-  
21                 tive population within the boundaries and down-  
22                 stream of a Bureau of Reclamation project.

23          (3) AVAILABILITY OF AMOUNTS.—Amounts in  
24          the Fund shall be available for expenditure, in ac-

1 cordance with this subsection, without further appro-  
2 priation and without fiscal year limitation.

3 (4) INVESTMENT OF FUND.—

4 (A) IN GENERAL.—Any amounts deposited  
5 in the Fund shall earn interest in an amount  
6 determined by the Secretary of the Treasury on  
7 the basis of the current average market yield on  
8 outstanding marketable obligations of the  
9 United States of comparable maturities.

10 (B) DEPOSIT.—Any interest earned under  
11 subparagraph (A) shall be deposited into the  
12 Fund.

13 (5) MITIGATION REQUIREMENTS.—The expend-  
14 iture of funds under this subsection shall be sepa-  
15 rate and distinct from any mitigation requirements  
16 imposed pursuant to any law, regulation, or term or  
17 condition of any lease, right-of-way, or other author-  
18 ization.

19 (c) ALLOCATION FOR PERMITTING AFTER EXPIRA-  
20 TION OF 15-YEAR PERIOD.—

21 (1) CERTIFICATION BY SECRETARY.—At the  
22 end of the period described in subsection (a)(4), the  
23 Secretary shall certify whether the State offices re-  
24 ferred to in such subsection have adequately reduced

1 the renewable energy permitting backlog referred to  
2 in such subsection.

3 (2) ALLOCATION AFTER CERTIFICATION.—If  
4 the Secretary certifies under paragraph (1) that—

5 (A) the State offices referred to in such  
6 paragraph have not adequately reduced the  
7 backlog referred to in such paragraph—

8 (i) the period described in subsection  
9 (a)(4) shall be extended by an additional  
10 15-year period; and

11 (ii) payments shall continue to be  
12 made during that period as described in  
13 such subsection; or

14 (B) the State offices referred to in such  
15 paragraph have adequately reduced such back-  
16 log—

17 (i) two-thirds of the amount otherwise  
18 required to be paid under subsection (a)(4)  
19 shall be added to the amount deposited in  
20 the Fund established under subsection (b);  
21 and

22 (ii) one-third of such amount shall be  
23 deposited into the general fund of the  
24 Treasury for purposes of reducing the an-  
25 nual Federal budget deficit.

1 (d) PAYMENTS TO STATES AND COUNTIES.—

2 (1) IN GENERAL.—Amounts paid to States and  
3 counties under subsection (a) shall be used in a  
4 manner that is consistent with section 35 of the  
5 Mineral Leasing Act (30 U.S.C. 191).

6 (2) IMPACTS.—Not less than 35 percent of the  
7 amount paid to a State each fiscal year shall be used  
8 for the purposes described in subsection (b)(2).

9 **Subtitle D—Improved Reclamation**  
10 **Crop Data**

11 **SEC. 331. DEFINITIONS.**

12 For the purposes of this subtitle:

13 (1) AGRICULTURAL WATER CONTRACT.—The  
14 term “agricultural water contract” means any con-  
15 tract or arrangement, including water service con-  
16 tracts, repayment contracts, water rights settlement  
17 contracts, exchange contracts, or other form of  
18 agreement, through which agricultural users receive  
19 water and deliveries through a facility owned, oper-  
20 ated, or constructed in whole or in part by the Bu-  
21 reau of Reclamation, including contracts under the  
22 Reclamation Act of 1902 (ch.1093; 32 Stat. 388) as  
23 amended and supplemented.

24 (2) DROUGHT EMERGENCY.—The term  
25 “drought emergency” means a period when a state

1 of drought emergency declared by the Governor of  
2 the State is in effect.

3 (3) **FEDERALLY DEVELOPED WATER SUP-**  
4 **PLIES.**—The term “federally developed water sup-  
5 plies” means water supplies derived from a project  
6 developed by the Secretary pursuant to Federal law.

7 (4) **SECRETARY.**—The term “Secretary” means  
8 the Secretary of the Interior, acting through the  
9 Commissioner of the Bureau of Reclamation.

10 (5) **WATER-INTENSE PERMANENT CROP.**—The  
11 term “water-intense permanent crop” means any  
12 crop considered by the Secretary, after consultation  
13 with the Secretary of Agriculture, to be  
14 unsustainable for an area given its expected level of  
15 rainfall in the absence of the federally developed  
16 water supply.

17 **SEC. 332. DETERMINATION OF PLANTING OF WATER-IN-**  
18 **TENSE PERMANENT CROPS.**

19 The Secretary shall survey agricultural water con-  
20 tracts related to federally developed water supplies to de-  
21 termine if water-intense permanent crops have been plant-  
22 ed by or on behalf of the customers or beneficiaries of any  
23 agricultural water contract during a drought emergency.  
24 The survey shall include the examination of all such con-  
25 tracts in effect at any time during the period from the

1 date of the enactment of this Act and until the date that  
2 is 10 years before the date of the enactment of this Act.

3 **SEC. 333. REPORT RELATED TO WATER-INTENSE PERMA-**  
4 **NENT CROPS.**

5 Not later than 90 days after the date of the enact-  
6 ment of this Act, the Secretary shall submit a report based  
7 on the survey conducted pursuant to section 331 and other  
8 information available to the Secretary to Congress that in-  
9 cludes—

10 (1) the number and location of acres put into  
11 production of water-intense permanent crops during  
12 a drought emergency;

13 (2) the types of water-intense permanent crops  
14 put into production on each acre; and

15 (3) the impact that putting the water-intense  
16 permanent crops into production had and is pro-  
17 jected to have on the water demands for the agricul-  
18 tural water contracts and federally developed water  
19 supply related to those crops.

1     **Subtitle E—Improved Oversight of**  
2                     **State Injection Wells**

3     **SEC. 341. AMENDMENT TO THE SAFE DRINKING WATER**  
4                     **ACT.**

5             Section 1422 of the Safe Drinking Water Act (42  
6 U.S.C. 300h–1) is amended by adding at the end the fol-  
7 lowing new subsection:

8             “(f) For the purposes of subsection (c), if the Admin-  
9 istrator finds that a State has, at any time, improperly  
10 issued permits under the State’s underground injection  
11 control program and the State fails to address such defi-  
12 ciencies and take sufficient remedial action, as determined  
13 by the Administrator, by the date that is 90 days after  
14 the date on which the Administrator notifies the State of  
15 such finding, the State shall be considered to no longer  
16 meet the requirements of clause (i) or (ii) of subsection  
17 (b)(1)(A) until such time as the State has addressed the  
18 deficiencies and taken sufficient remedial action, as deter-  
19 mined by the Administrator.”.

20     **Subtitle F—Combating Water Theft**  
21                     **for Illegal Marijuana Cultivation**

22     **SEC. 351. POLICY DIRECTIVE ON ILLEGAL WATER DIVER-**  
23                     **SION FOR MARIJUANA CULTIVATION.**

24             Not later than 90 days after the date of enactment  
25 of this Act, the Director of National Drug Control Policy,

1 in collaboration with the Secretary of the Interior and the  
2 Administrator of the Environmental Protection Agency,  
3 shall determine the amount of water diverted for mari-  
4 juana cultivation in each of the high intensity drug traf-  
5 ficking areas (as designated under section 707 of the Of-  
6 fice of National Drug Control Policy Reauthorization Act  
7 of 1998 (21 U.S.C. 1706)) within the State of California  
8 and other States with declared droughts.

9 **SEC. 352. ENVIRONMENTAL REPORTING REQUIREMENTS**  
10 **FOR DOMESTIC CANNABIS ERADICATION**  
11 **PROGRAM.**

12 Not later than 1 year after the date of enactment  
13 of this Act, and annually thereafter, the Attorney General  
14 shall require, as a condition of the receipt of any funds  
15 under the Domestic Cannabis Eradication/Suppression  
16 program of the Drug Enforcement Administration, or any  
17 successor program thereto, a report from any participant  
18 in such program containing information on the environ-  
19 mental consequences of actions taken pursuant to pro-  
20 gram participation. The Attorney General, in making any  
21 determination to provide funding under the program, shall  
22 take into account the information so reported.

23 **SEC. 353. TRESPASS MARIJUANA LOCATION REGISTRY.**

24 Not later than 180 days after the date of enactment  
25 of this Act, the Attorney General shall establish and main-

1 tain a registry, in which reports received by the Attorney  
2 General of incidents of cultivation of marijuana on Federal  
3 or State property or while intentionally trespassing on the  
4 property of another will be recorded and, to the extent  
5 feasible, made available to the public.

6 **SEC. 354. FUNDING FOR REMEDIATION OF TRESPASS MARI-**  
7 **JUANA SITES.**

8 (a) FROM FORFEITURE FUND.—Section  
9 524(e)(1)(E)(ii) of title 28, United States Code, is amend-  
10 ed—

11 (1) by striking “and” at the end of subclause  
12 (I);

13 (2) by inserting “and” after the semicolon at  
14 the end of subclause (II); and

15 (3) by inserting after subclause (II) the fol-  
16 lowing:

17 “(III) costs incurred by or on behalf of any  
18 State, local, or tribal government in connection  
19 with the remediation of any area formerly used  
20 for the production or cultivation of marijuana,  
21 including the removal of any hazardous sub-  
22 stance or pollutant or contaminant, in which  
23 such State, local, or tribal government has as-  
24 sisted in a federal prosecution related to mari-  
25 juana;”.

1 (b) FROM RESTITUTION IN CRIMINAL CASES.—Sec-  
2 tion 413(q) of the Controlled Substances Act (21 U.S.C.  
3 853(q)) is amended—

4 (1) by striking “or methamphetamine” the first  
5 place it appears and inserting “, methamphetamine,  
6 or marijuana”; and

7 (2) by inserting after “or methamphetamine”  
8 the second place it appears the following: “, or cul-  
9 tivation of marijuana,”.

10 **SEC. 355. VOLUNTARY GUIDELINES.**

11 (a) ESTABLISHMENT OF VOLUNTARY GUIDELINES.—  
12 Not later than 6 months after the date of enactment of  
13 this Act, the Secretary of Agriculture (in this section re-  
14 ferred to as the “Secretary”), in consultation with other  
15 appropriate Federal agencies, including the Environ-  
16 mental Protection Agency, shall establish voluntary guide-  
17 lines, based on the best currently available scientific  
18 knowledge—

19 (1) for the remediation of former indoor and  
20 outdoor marijuana cultivation and processing sites,  
21 including guidelines regarding preliminary site as-  
22 sessment and the remediation of residual contami-  
23 nants and ecosystems; and

24 (2) for State, local, and tribal governments to  
25 use in developing and implementing laws, regula-

1 tions, guidelines, and other policies that apply the  
2 best available research and technology to the remedi-  
3 ation of former indoor and outdoor marijuana cul-  
4 tivation and processing sites.

5 (b) CONSIDERATIONS.—In establishing the voluntary  
6 guidelines under subsection (a), the Secretary shall con-  
7 sider, at a minimum—

8 (1) relevant standards, guidelines, and require-  
9 ments found in Federal, State, tribal, and local laws  
10 and regulations;

11 (2) the various types and locations of former  
12 marijuana cultivation or processing sites, including  
13 both indoor and outdoor sites; and

14 (3) the estimated costs of carrying out any such  
15 guidelines.

16 (c) CONSULTATION.—The Secretary shall work with  
17 State, local, and tribal governments and other non-Federal  
18 agencies and organizations the Secretary determines rel-  
19 evant to promote and encourage the adoption of the vol-  
20 untary guidelines.

21 (d) REVISIONS TO THE GUIDELINES.—The Secretary  
22 shall periodically review and, as the Secretary, in consulta-  
23 tion with State, local, and tribal governments and other  
24 interested parties, determines necessary and appropriate,  
25 revise the voluntary guidelines to incorporate findings of

1 the research conducted pursuant to section 356 and other  
2 new knowledge.

3 **SEC. 356. RESEARCH PROGRAM.**

4 The Secretary of Agriculture, in consultation with  
5 other appropriate Federal agencies, including the Environ-  
6 mental Protection Agency, shall establish a program of re-  
7 search to support the development and revision of the vol-  
8 untary guidelines established under section 355. Such pro-  
9 gram shall—

10 (1) identify marijuana cultivation or processing-  
11 related chemicals of concern;

12 (2) assess the types and levels of exposure to  
13 chemicals of concern identified under paragraph (1)  
14 that may present significant adverse biological ef-  
15 fects, and identify actions and additional research  
16 necessary to remediate such biological effects;

17 (3) assess the impacts of marijuana cultivation  
18 and processing on waterways and bodies of water,  
19 and identify actions and additional research nec-  
20 essary to remediate such impacts;

21 (4) evaluate the performance of current remedi-  
22 ation techniques for marijuana cultivation and proc-  
23 essing sites;

24 (5) identify areas where additional research is  
25 necessary, including research relating to—

1 (A) the impacts of indoor and outdoor  
2 marijuana cultivation and processing, including  
3 biological and hydrological effects and impacts  
4 to soil and landscape, such as the potential for  
5 erosion; and

6 (B) the remediation of former indoor or  
7 outdoor marijuana cultivation or processing  
8 sites;

9 (6) support other research priorities identified  
10 by the Secretary, in consultation with State, local,  
11 and tribal governments and other interested parties;  
12 and

13 (7) include collaboration with colleges and uni-  
14 versities currently engaged in research on any mat-  
15 ter described in this section or additional research  
16 priorities determined appropriate by the Secretary.

17 **Subtitle G—SECURE Water**  
18 **Amendments**

19 **SEC. 361. AUTHORIZED ACTIVITIES; ELIGIBILITY; AUTHOR-**  
20 **IZATION OF APPROPRIATIONS.**

21 (a) IN GENERAL.—Section 9504 of the Omnibus  
22 Public Land Management Act of 2009 (42 U.S.C. 10364)  
23 is amended—

24 (1) in subsection (a)—

25 (A) in paragraph (1)(H)—

1 (i) in clause (i), by striking “or” at  
2 the end;

3 (ii) in clause (ii), by striking the pe-  
4 riod and inserting “; or”; and

5 (iii) by adding at the end the fol-  
6 lowing:

7 “(iii) to plan for or address the im-  
8 pacts of drought.”; and

9 (B) in paragraph (2)(A)—

10 (i) by striking “; and” and inserting  
11 “; or”;

12 (ii) by striking “(A) be located within  
13 the States” and inserting the following:

14 “(A) be located in—

15 “(i) the States”; and

16 (iii) by adding at the end the fol-  
17 lowing:

18 “(ii) the State of Hawaii; and”; and

19 (2) in subsection (e), by striking “There is”  
20 and all that follows through “\$200,000,000” and in-  
21 serting “There are authorized to be appropriated  
22 such sums as are necessary to carry out this section  
23 for each of fiscal years 2015 through 2023”.

1 **SEC. 362. AUTHORIZATION OF APPROPRIATIONS FOR NA-**  
2 **TIONAL WATER AVAILABILITY AND USE AS-**  
3 **SESSMENT PROGRAM.**

4 Section 9508(e)(2) of the Omnibus Public Land Man-  
5 agement Act of 2009 (42 U.S.C. 10368(e)(2)) is amended  
6 by striking “\$12,500,000 for the period of fiscal years  
7 2009 through 2013” and inserting “such sums as are nec-  
8 essary for the period of fiscal years 2014 through 2023”.

9 **Subtitle H—Refundable Tax Credit**  
10 **for Water-harvesting Systems**

11 **SEC. 371. REFUNDABLE TAX CREDIT FOR WATER-HAR-**  
12 **VESTING SYSTEMS.**

13 (a) IN GENERAL.—Subpart C of part IV of sub-  
14 chapter A of subtitle A of the Internal Revenue Code of  
15 1986 is amended by inserting after section 36B the fol-  
16 lowing new section:

17 **“SEC. 36C. WATER-HARVESTING SYSTEMS.**

18 “(a) IN GENERAL.—In the case of an individual,  
19 there shall be allowed as a credit against the tax imposed  
20 by this subtitle for any taxable year an amount equal to  
21 the aggregate amount paid or incurred for the purchase  
22 and installation of a qualified water-harvesting system.

23 “(b) LIMITATION.—The amount allowed as a credit  
24 under subsection (a) shall not exceed the excess (if any)  
25 of—

26 “(1) \$2,000, over

1           “(2) the amount allowed as a credit under sub-  
2           section (a) for all prior taxable years.

3           “(c) QUALIFIED WATER-HARVESTING SYSTEM DE-  
4 FINED.—For purposes of this section, the term ‘qualified  
5 water-harvesting system’ means earthworks or passive  
6 rain gardens, gutters, cisterns, tanks, and other systems  
7 that meet the guidelines developed under subsection (d)  
8 and that are installed in the United States with respect  
9 to the principal place of abode of the taxpayer.

10          “(d) GUIDELINES.—The Secretary, in consultation  
11 with the Administrator of the Environmental Protection  
12 Agency, shall—

13           “(1) develop guidelines for the identification  
14           and approval of qualified water-harvesting systems,  
15           and

16           “(2) shall review and, if appropriate, update  
17           such guidelines at least once every 6 years.

18 Such guidelines shall include the establishment and main-  
19 tenance of performance criteria so that products, land-  
20 scapes, and processes meet industry standards for water-  
21 efficiency and water-capture. In developing and updating  
22 guidelines under this subsection, the Secretary shall solicit  
23 public comment.

1 “(e) REGULATIONS.—The Secretary shall prescribe  
2 such regulations or other guidance as may be necessary  
3 or appropriate to carry out subsection (a).”.

4 (b) CONFORMING AMENDMENTS.—

5 (1) Section 1324(b)(2) of title 31, United  
6 States Code, is amended by inserting “36C,” after  
7 “36B,”.

8 (2) The table of sections for subpart C of part  
9 IV of subchapter A of chapter 1 of the Internal Rev-  
10 enue Code of 1986 is amended by inserting after the  
11 item relating to section 36B the following new item:  
“Sec. 36C. Water-harvesting systems.”.

12 (c) EFFECTIVE DATE.—The amendments made by  
13 this section shall apply to taxable years beginning after  
14 the date of the enactment of this Act.

15 **Subtitle I—Funding for Construc-**  
16 **tion for Additional Project Ben-**  
17 **efits**

18 **SEC. 381. FUNDING FOR CONSTRUCTION FOR ADDITIONAL**  
19 **PROJECT BENEFITS.**

20 The Reclamation Safety of Dams Act of 1978 (43  
21 U.S.C. 509 et seq.) is amended—

22 (1) in section 3, by striking “Construction” and  
23 inserting “Except as provided in section 5, construc-  
24 tion”; and

25 (2) by inserting after section 5A the following:

1           “SEC. 5B. (a) Notwithstanding section 3, if the Sec-  
2 retary determines that additional project benefits, such as  
3 additional conservation storage capacity, are feasible and  
4 not inconsistent with the purposes of this Act, the Sec-  
5 retary is authorized to develop additional project benefits  
6 through the construction of new or supplementary works  
7 on a project in conjunction with the Secretary’s activities  
8 under section 2 and subject to the conditions described  
9 in the feasibility study, if—

10           “(1) the Secretary determines that developing  
11 additional project benefits through the construction  
12 of new or supplementary works on a project is likely  
13 to promote more efficient management of water and  
14 water-related facilities;

15           “(2) the feasibility study pertaining to addi-  
16 tional project benefits has been authorized pursuant  
17 to section 8 of the Federal Water Project Recreation  
18 Act of 1965 (16 U.S.C. 460*l*-18); and

19           “(3) the Secretary determines, in advance of  
20 funds being committed or expanded, that—

21           “(A) the project sponsor shall provide  
22 funding for not less than 75 percent of project  
23 costs;

24           “(B) the project shall generate environ-  
25 mental enhancement, including increase water

1 deliveries for environmental flows or refuge  
2 water supplies, that justify a non-reimbursable  
3 Federal cost share of not more than 25 percent  
4 and that a share of the increased water supply  
5 made possible from expanded storage capacity  
6 equal to the Federal cost share shall be made  
7 available for such environmental purposes;

8 “(C) all of the estimated costs properly al-  
9 locable to irrigation, power, and municipal  
10 water supply or other miscellaneous purposes  
11 are included in the non-Federal cost share;

12 “(D) any State cost identified shall be pro-  
13 cured or committed by the State; and

14 “(E) the project sponsor shall complete a  
15 feasibility study consistent with Bureau of Rec-  
16 lamation requirements and report the findings  
17 of that study to the Secretary.

18 “(b) If the project sponsor has a completed feasibility  
19 study and the Secretary makes a finding of feasibility, the  
20 Secretary is authorized to expend available appropriated  
21 funds for construction of the project if—

22 “(1) in the determination of the Secretary an  
23 analysis commensurate with risk has been performed  
24 that demonstrates that—

1           “(A) financial feasibility or capability for  
2 reimbursable project purposes and any remain-  
3 ing non-reimbursable project purposes not being  
4 funded by the maximum 25 percent Federal  
5 cost-share; and

6           “(B) the costs of non-reimbursable project  
7 purposes to be borne by the United States are  
8 justified by the environmental enhancement, in-  
9 cluding increase water deliveries for environ-  
10 mental flows or refuge water supplies, and that  
11 the Federal share of the project costs shall not  
12 exceed 25 percent; and

13           “(2) any environmental document prepared by  
14 the project sponsor is supplemented to address any  
15 changes to the project that the Secretary determines  
16 are necessary.”.

17       **TITLE IV—PLANNING FOR THE**  
18                                   **FUTURE**

19                           **Subtitle A—X-Prize for**  
20                   **Desalination Breakthroughs**

21       **SEC. 401. SHORT TITLE.**

22           This subtitle may be cited as the “Water Innovation  
23 and Prize Competition Act of 2015”.

1 **SEC. 402. WATER TECHNOLOGY AWARD PROGRAM.**

2 (a) PROGRAM ESTABLISHED.—The Secretary of En-  
3 ergy shall, in consultation with the Administrator of the  
4 Environmental Protection Agency and the Secretary of the  
5 Interior, working through the Bureau of Reclamation, es-  
6 tablish a program to award prizes to eligible persons de-  
7 scribed in subsection (b) for achievement in 1 or more of  
8 the following applications of water technology:

9 (1) Demonstration of desalination of brackish  
10 or sea water with significantly less energy than com-  
11 mercially available reverse osmosis technology.

12 (2) Demonstration of portable or modular de-  
13 salination units that can process 1 to 5,000,000 gal-  
14 lons per day that could be deployed for temporary  
15 emergency uses in coastal communities or commu-  
16 nities with brackish ground water supplies.

17 (3) Demonstration of significant advantages  
18 over commercially available reverse osmosis tech-  
19 nology as determined by the board established under  
20 subsection (c).

21 (b) ELIGIBLE PERSON.—An eligible person described  
22 in this subsection is—

23 (1) an individual who is—

24 (A) a citizen or legal resident of the  
25 United States; or

1 (B) a member of a group that includes  
2 citizens or legal residents of the United States;  
3 or

4 (2) an entity that is incorporated and maintains  
5 its primary place of business in the United States.

6 (c) ESTABLISHMENT OF BOARD.—

7 (1) IN GENERAL.—The Secretary of Energy  
8 shall establish a board to administer the program es-  
9 tablished under subsection (a).

10 (2) MEMBERSHIP.—The board shall be com-  
11 posed of not less than 15 and not more than 21  
12 members appointed by the President, of whom—

13 (A) not less than 1 shall—

14 (i) be a representative of the interests  
15 of academic, business, and nonprofit orga-  
16 nizations; and

17 (ii) have expertise in—

18 (I) the field of water technology,  
19 including desalination; or

20 (II) administering award com-  
21 petitions; and

22 (B) not less than 1 shall be from each of—

23 (i) the Department of Energy;

24 (ii) the Environmental Protection  
25 Agency;

1 (iii) the Bureau of Reclamation of the  
2 Department of the Interior; and

3 (iv) the National Science Foundation.

4 (d) AWARDS.—Subject to the availability of appro-  
5 priations, the board established under subsection (c) may  
6 make awards under the program established under sub-  
7 section (a) as follows:

8 (1) FINANCIAL PRIZE.—The board may hold a  
9 financial award competition and award a financial  
10 award in an amount determined before the com-  
11 mencement of the competition to the first competitor  
12 to meet such criteria as the board shall establish.

13 (2) RECOGNITION PRIZE.—

14 (A) IN GENERAL.—The board may recog-  
15 nize an eligible person for superlative achieve-  
16 ment in 1 or more applications described in  
17 subsection (a).

18 (B) NO FINANCIAL REMUNERATION.—An  
19 award under this paragraph shall not include  
20 any financial remuneration.

21 (C) NATIONAL TECHNOLOGY AND INNOVA-  
22 TION MEDAL RECOMMENDATIONS.—For each  
23 eligible person recognized under this paragraph,  
24 the board shall recommend to the Secretary of  
25 Commerce that the Secretary recommend to the

1           President under section 16(b) of the Stevenson-  
2           Wydler Technology Innovation Act of 1980 (15  
3           U.S.C. 3711) that the President award the Na-  
4           tional Technology and Innovation Medal estab-  
5           lished under section 16(a) of such Act to such  
6           eligible person.

7           (e) ADMINISTRATION.—

8           (1) CONTRACTING.—The board established  
9           under subsection (c) may contract with a private or-  
10          ganization to administer a financial award competi-  
11          tion described in subsection (d)(1).

12          (2) SOLICITATION OF FUNDS.—A member of  
13          the board or any administering organization with  
14          which the board has a contract under paragraph (1)  
15          may solicit gifts from private and public entities to  
16          be used for a financial award under subsection  
17          (d)(1).

18          (3) LIMITATION ON PARTICIPATION OF DO-  
19          NORS.—The board may allow a donor who is a pri-  
20          vate person described in paragraph (2) to participate  
21          in the determination of criteria for an award under  
22          subsection (d), but such donor may not solely deter-  
23          mine the criteria for such award.

24          (4) NO ADVANTAGE FOR DONATION.—A donor  
25          who is a private person described in paragraph (3)

1 shall not be entitled to any special consideration or  
2 advantage with respect to participation in a financial  
3 award competition under subsection (d)(1).

4 (f) INTELLECTUAL PROPERTY.—The Federal Gov-  
5 ernment may not acquire an intellectual property right in  
6 any product or idea by virtue of the submission of such  
7 product or idea in any competition under subsection  
8 (d)(1).

9 (g) LIABILITY.—The board established under sub-  
10 section (c) may require a competitor in a financial award  
11 competition under subsection (d)(1) to waive liability  
12 against the Federal Government for injuries and damages  
13 that result from participation in such competition.

14 (h) ANNUAL REPORT.—Each year, the board estab-  
15 lished under subsection (c) shall submit to Congress a re-  
16 port on the program established under subsection (a).

17 (i) AUTHORIZATION OF APPROPRIATIONS.—

18 (1) IN GENERAL.—There are authorized to be  
19 appropriated sums for the program established  
20 under subsection (a) as follows:

21 (A) For administration of prize competi-  
22 tions under subsection (d), \$750,000 for each  
23 fiscal year.

24 (B) For the awarding of a financial prize  
25 award under subsection (d)(1), in addition to

1 any amounts received under subsection (e)(2),  
2 \$2,000,000 for each fiscal year.

3 (2) AVAILABILITY.—Amounts appropriated pur-  
4 suant to the authorization of appropriations under  
5 paragraph (1) shall remain available until expended.

6 **Subtitle B—Drought Planning As-**  
7 **sistance Through NRCS and**  
8 **Reclamation**

9 **SEC. 411. DROUGHT PLANNING ASSISTANCE THROUGH**  
10 **NRCS AND RECLAMATION.**

11 (a) IN GENERAL.—The Secretary of Agriculture, act-  
12 ing through the Natural Resources Conservation Service,  
13 in collaboration with the Secretary of the Interior, acting  
14 through the Bureau of Reclamation, shall, upon request,  
15 provide assistance to water or power delivery authorities,  
16 including water districts and irrigation districts, that are  
17 authorized under subtitle F of title IX of the Omnibus  
18 Public Land Management Act of 2009 (42 U.S.C. 10362  
19 et seq.) to receive financial assistance from the Bureau  
20 of Reclamation, for the purposes of increasing water use  
21 efficiency and providing on-farm assistance to address  
22 water quantity and water quality conservation practices.

23 (b) TYPES OF ASSISTANCE.—Assistance under sub-  
24 section (a) shall include—

25 (1) hydrological forecasting;

- 1           (2) assessment of water supply sources under  
2           different water year classification types;
- 3           (3) identification of alternative water supply  
4           sources;
- 5           (4) guidance on potential water transfer part-  
6           ners;
- 7           (5) technical assistance regarding Federal and  
8           State permits and contracts under the Act of Feb-  
9           ruary 21, 1911 (36 Stat. 925, chapter 141) (com-  
10          monly known as the “Warren Act”);
- 11          (6) installation of districtwide or on-farm water  
12          efficiency and conservation technologies, including  
13          behavioral water efficiency, system modernizations  
14          (including leak repair and supervisory control and  
15          data acquisition systems), and other technologies  
16          that have been proven to provide improvements in  
17          water use efficiency through verification by a third  
18          party;
- 19          (7) technical assistance regarding emergency  
20          provision of water supplies for critical health and  
21          safety purposes; and
- 22          (8) activities carried out in conjunction with the  
23          National Oceanic and Atmospheric Administration,  
24          the National Integrated Drought Information Sys-  
25          tem, and the State partners of the National Inte-

1       grated Drought Information System under the Na-  
2       tional Integrated Drought Information System Act  
3       of 2006 (15 U.S.C. 313d)—

4               (A) to collect and integrate key indicators  
5               of drought severity and impacts; and

6               (B) to produce and communicate timely  
7               monitoring and forecast information to local  
8               and regional communities.

9       **Subtitle C—Drought Preparedness**  
10       **for Fisheries**

11       **SEC. 421. DROUGHT PREPAREDNESS FOR FISHERIES.**

12       (a) SALMON DROUGHT PLAN.—Not later than Janu-  
13       ary 1, 2016, the Director of the United States Fish and  
14       Wildlife Service shall, in consultation with the National  
15       Marine Fisheries Service, the Bureau of Reclamation, the  
16       Army Corps of Engineers, and the California Department  
17       of Fish and Wildlife, prepare a California salmon drought  
18       plan. The plan shall investigate options to protect salmon  
19       populations originating in the State of California, con-  
20       tribute to the recovery of populations listed under the En-  
21       dangered Species Act of 1973 (16 U.S.C. 1531 et seq.),  
22       and contribute to the goals of the Central Valley Project  
23       Improvement Act (Public Law 102–575). The plan shall  
24       focus on actions that can aid salmon populations during  
25       the driest years. Strategies investigated shall include—

1           (1) relocating the release location and timing of  
2 hatchery fish to avoid predation and temperature  
3 impacts;

4           (2) barging of hatchery release fish to improve  
5 survival and reduce straying;

6           (3) coordinating with water users, the Bureau  
7 of Reclamation, and the California Department of  
8 Water Resources regarding voluntary water trans-  
9 fers, to determine if water released upstream to  
10 meet the needs of downstream or South-of-Delta  
11 water users can be managed in a way that provides  
12 additional benefits for salmon;

13           (4) hatchery management modifications, such  
14 as expanding hatchery production of listed fish dur-  
15 ing the driest years, if appropriate;

16           (5) increasing rescue operations of upstream  
17 migrating fish; and

18           (6) improving temperature modeling and related  
19 forecasted information to predict water management  
20 impacts to salmon and salmon habitat with a higher  
21 degree of accuracy than current models.

22           (b) COORDINATION WITH FISHERIES AGENCIES.—In  
23 preparing the plan under subsection (a), the Director shall  
24 coordinate with the National Marine Fisheries Service and  
25 relevant State agencies.

1           (c) APPROPRIATION.—There is hereby appropriated  
2 for fiscal year 2014, out of any funds in the Treasury not  
3 otherwise appropriated, a total amount of \$3,000,000, to  
4 remain available until the end of the period during which  
5 the State’s emergency drought designation is in effect, for  
6 the United States Fish and Wildlife Service for urgent  
7 fish, stream, and hatchery activities related to extreme  
8 drought conditions, including work with the National Ma-  
9 rine Fisheries Service, the Bureau of Reclamation, the  
10 Army Corps of Engineers, the California Department of  
11 Fish and Wildlife, or a qualified tribal government.

12           (d) QUALIFIED TRIBAL GOVERNMENT DEFINI-  
13 TION.—For the purposes of this section, the term “quali-  
14 fied tribal government” means any government of an In-  
15 dian tribe that the Secretary of the Interior determines—

16                   (1) is involved in salmon management and re-  
17                   covery activities including under the Endangered  
18                   Species Act of 1973 (16 U.S.C. 1531 et seq.); and

19                   (2) has the management and organizational ca-  
20                   pability to maximize the benefits of assistance pro-  
21                   vided under this section.

1     **Subtitle D—National Emergency**  
2                     **Planning Response**

3     **SEC. 431. NATIONAL EMERGENCY PLANNING RESPONSE.**

4             (a) CATASTROPHIC DROUGHT PLAN.—Not later than  
5 120 days after the date of enactment of this Act, the  
6 President shall update the National Response Plan and  
7 the National Disaster Recovery Framework to include a  
8 plan for catastrophic drought that calls on the capabilities  
9 of all applicable Federal agencies and departments, includ-  
10 ing the pre-positioning of Federal resources to provide  
11 emergency clean water supplies.

12            (b) DEFINITIONS.—For the purposes of this sec-  
13 tion—

14                 (1) the term “National Response Plan” means  
15 the National Response Plan or any successor plan  
16 prepared under section 504(a)(6) of the Homeland  
17 Security Act of 2002 (6 U.S.C. 314(a)(6)); and

18                 (2) the term “National Disaster Recovery  
19 Framework” means the National Disaster Recovery  
20 Framework or any successor document prepared  
21 under section 682 of the Post-Katrina Emergency  
22 Management Reform Act of 2006 (6 U.S.C. 771).

1 **Subtitle E—Military Preparedness**  
2 **for Desalination**

3 **SEC. 441. REPORT ON DESALINIZATION TECHNOLOGY.**

4 Not later than 90 days after the date of enactment  
5 of this Act, the Secretary of the Navy shall submit to Con-  
6 gress a report on desalination technology's application  
7 for defense and national security purposes to provide  
8 drought relief to areas impacted by sharp declines in water  
9 supply.