

In the House of Representatives, U. S.,

December 6, 2006.

Resolved, That the bill from the Senate (S. 895) entitled “An Act to direct the Secretary of the Interior to establish a rural water supply program in the Reclamation States to provide a clean, safe, affordable, and reliable water supply to rural residents”, do pass with the following

AMENDMENTS:

Strike out all after the enacting clause and insert:

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

2 (a) *SHORT TITLE*.—*This Act may be cited as the*
3 *“Rural Water Supply Act of 2006”.*

4 (b) *TABLE OF CONTENTS*.—*The table of contents of this*
5 *Act is as follows:*

Sec. 1. Short title; table of contents.

TITLE I—RECLAMATION RURAL WATER SUPPLY ACT OF 2006

Sec. 101. Short title.

Sec. 102. Definitions.

Sec. 103. Rural water supply program.

Sec. 104. Rural water programs assessment.

Sec. 105. Appraisal investigations.

Sec. 106. Feasibility studies.

Sec. 107. Miscellaneous.

Sec. 108. Reports.

Sec. 109. Authorization of appropriations.

Sec. 110. Termination of authority.

TITLE II—TWENTY-FIRST CENTURY WATER WORKS ACT

Sec. 201. Short title.

Sec. 202. Definitions.

Sec. 203. Project eligibility.
Sec. 204. Loan guarantees.
Sec. 205. Defaults.
Sec. 206. Operations, maintenance, and replacement costs.
Sec. 207. Title to newly constructed facilities.
Sec. 208. Water rights.
Sec. 209. Interagency coordination and cooperation.
Sec. 210. Records; audits.
Sec. 211. Full faith and credit.
Sec. 212. Report.
Sec. 213. Effect on the reclamation laws.
Sec. 214. Authorization of appropriations.
Sec. 215. Termination of authority.

TITLE III—REPORT ON TRANSFER OF RECLAMATION FACILITIES

Sec. 301. Report.

1 ***TITLE I—RECLAMATION RURAL***
 2 ***WATER SUPPLY ACT OF 2006***

3 ***SEC. 101. SHORT TITLE.***

4 *This title may be cited as the “Reclamation Rural*
 5 *Water Supply Act of 2006”.*

6 ***SEC. 102. DEFINITIONS.***

7 *In this title:*

8 (1) *CONSTRUCTION.*—*The term “construction”*
 9 *means the installation of infrastructure and the up-*
 10 *grading of existing facilities in locations in which the*
 11 *infrastructure or facilities are associated with the new*
 12 *infrastructure of a rural water project recommended*
 13 *by the Secretary pursuant to this title.*

14 (2) *FEDERAL RECLAMATION LAW.*—*The term*
 15 *“Federal reclamation law” means the Act of June 17,*
 16 *1902 (32 Stat. 388, chapter 1093), and Acts supple-*

1 *mental to and amendatory of that Act (43 U.S.C. 371*
 2 *et seq.).*

3 (3) *INDIAN.*—*The term “Indian” means an indi-*
 4 *vidual who is a member of an Indian tribe.*

5 (4) *INDIAN TRIBE.*—*The term “Indian tribe” has*
 6 *the meaning given the term in section 4 of the Indian*
 7 *Self-Determination and Education Assistance Act (25*
 8 *U.S.C. 450b).*

9 (5) *NON-FEDERAL PROJECT ENTITY.*—*The term*
 10 *“non-Federal project entity” means a State, regional,*
 11 *or local authority, Indian tribe or tribal organiza-*
 12 *tion, or other qualifying entity, such as a water con-*
 13 *servation district, water conservancy district, or rural*
 14 *water district or association.*

15 (6) *OPERATIONS, MAINTENANCE, AND REPLACE-*
 16 *MENT COSTS.*—

17 (A) *IN GENERAL.*—*The term “operations,*
 18 *maintenance, and replacement costs” means all*
 19 *costs for the operation of a rural water supply*
 20 *project that are necessary for the safe, efficient,*
 21 *and continued functioning of the project to*
 22 *produce the benefits described in a feasibility*
 23 *study.*

24 (B) *INCLUSIONS.*—*The term “operations,*
 25 *maintenance, and replacement costs” includes—*

1 (i) repairs of a routine nature that
2 maintain a rural water supply project in a
3 well kept condition;

4 (ii) replacement of worn-out project
5 elements; and

6 (iii) rehabilitation activities necessary
7 to bring a deteriorated project back to the
8 original condition of the project.

9 (C) *EXCLUSION.*—The term “operations,
10 maintenance, and replacement costs” does not
11 include construction costs.

12 (7) *PROGRAM.*—The term “Program” means the
13 rural water supply program carried out under section
14 103.

15 (8) *RECLAMATION STATES.*—The term “Rec-
16 lamation States” means the States and areas referred
17 to in the first section of the Act of June 17, 1902 (43
18 U.S.C. 391).

19 (9) *RURAL WATER SUPPLY PROJECT.*—

20 (A) *IN GENERAL.*—The term “rural water
21 supply project” means a project that is designed
22 to serve a community or group of communities,
23 each of which has a population of not more than
24 50,000 inhabitants, which may include Indian
25 tribes and tribal organizations, dispersed home-

1 *sites, or rural areas with domestic, industrial,*
2 *municipal, and residential water.*

3 (B) *INCLUSION.—The term “rural water*
4 *supply project” includes—*

5 (i) *incidental noncommercial livestock*
6 *watering and noncommercial irrigation of*
7 *vegetation and small gardens of less than 1*
8 *acre; and*

9 (ii) *a project to improve rural water*
10 *infrastructure, including—*

11 (I) *pumps, pipes, wells, and other*
12 *diversions;*

13 (II) *storage tanks and small im-*
14 *poundments;*

15 (III) *water treatment facilities for*
16 *potable water supplies, including de-*
17 *salination facilities;*

18 (IV) *equipment and management*
19 *tools for water conservation, ground-*
20 *water recovery, and water recycling;*
21 *and*

22 (V) *appurtenances.*

23 (C) *EXCLUSION.—The term “rural water*
24 *supply project” does not include—*

25 (i) *commercial irrigation; or*

1 (ii) major impoundment structures.

2 (10) *SECRETARY*.—The term “Secretary” means
3 the Secretary of the Interior.

4 (11) *TRIBAL ORGANIZATION*.—The term “tribal
5 organization” means—

6 (A) the recognized governing body of an In-
7 dian tribe; and

8 (B) any legally established organization of
9 Indians that is controlled, sanctioned, or char-
10 tered by the governing body or democratically
11 elected by the adult members of the Indian com-
12 munity to be served by the organization.

13 **SEC. 103. RURAL WATER SUPPLY PROGRAM.**

14 (a) *IN GENERAL*.—The Secretary, in cooperation with
15 non-Federal project entities and consistent with this title,
16 may carry out a rural water supply program in Reclama-
17 tion States to—

18 (1) investigate and identify opportunities to en-
19 sure safe and adequate rural water supply projects for
20 domestic, municipal, and industrial use in small
21 communities and rural areas of the Reclamation
22 States;

23 (2) plan the design and construction, through the
24 conduct of appraisal investigations and feasibility

1 *studies, of rural water supply projects in Reclamation*
 2 *States; and*

3 (3) *oversee, as appropriate, the construction of*
 4 *rural water supply projects in Reclamation States*
 5 *that are recommended by the Secretary in a feasi-*
 6 *bility report developed pursuant to section 106 and*
 7 *subsequently authorized by Congress.*

8 (b) *NON-FEDERAL PROJECT ENTITY.*—*Any activity*
 9 *carried out under this title shall be carried out in coopera-*
 10 *tion with a qualifying non-Federal project entity, consistent*
 11 *with this title.*

12 (c) *ELIGIBILITY CRITERIA.*—*Not later than 1 year*
 13 *after the date of enactment of this Act, the Secretary shall,*
 14 *consistent with this title, develop and publish in the Federal*
 15 *Register criteria for—*

16 (1) *determining the eligibility of a rural commu-*
 17 *nity for assistance under the Program; and*

18 (2) *prioritizing requests for assistance under the*
 19 *Program.*

20 (d) *FACTORS.*—*The criteria developed under sub-*
 21 *section (c) shall take into account such factors as whether—*

22 (1) *a rural water supply project—*

23 (A) *serves—*

24 (i) *rural areas and small communities;*

25 *or*

1 (ii) *Indian tribes; or*

2 (B) *promotes and applies a regional or wa-*
 3 *tershed perspective to water resources manage-*
 4 *ment;*

5 (2) *there is an urgent and compelling need for*
 6 *a rural water supply project that would—*

7 (A) *improve the health or aesthetic quality*
 8 *of water;*

9 (B) *result in continuous, measurable, and*
 10 *significant water quality benefits; or*

11 (C) *address current or future water supply*
 12 *needs;*

13 (3) *a rural water supply project helps meet ap-*
 14 *plicable requirements established by law; and*

15 (4) *a rural water supply project is cost effective.*

16 (e) *INCLUSIONS.—The Secretary may include—*

17 (1) *to the extent that connection provides a reli-*
 18 *able water supply, a connection to preexisting infra-*
 19 *structure (including impoundments and conveyance*
 20 *channels) as part of a rural water supply project; and*

21 (2) *notwithstanding the limitation on population*
 22 *under section 102(9)(A), a town or community with*
 23 *a population in excess of 50,000 inhabitants in an*
 24 *area served by a rural water supply project if, at the*
 25 *discretion of the Secretary, the town or community is*

1 *considered to be a critical partner in the rural supply*
 2 *project.*

3 **SEC. 104. RURAL WATER PROGRAMS ASSESSMENT.**

4 *(a) IN GENERAL.—In consultation with the Secretary*
 5 *of Agriculture, the Administrator of the Environmental*
 6 *Protection Agency, the Director of the Indian Health Serv-*
 7 *ice, the Secretary of Housing and Urban Development, and*
 8 *the Secretary of the Army, the Secretary shall develop an*
 9 *assessment of—*

10 *(1) the status of all rural water supply projects*
 11 *under the jurisdiction of the Secretary authorized but*
 12 *not completed prior to the date of enactment of this*
 13 *Act, including appropriation amounts, the phase of*
 14 *development, total anticipated costs, and obstacles to*
 15 *completion;*

16 *(2) the current plan (including projected finan-*
 17 *cial and workforce requirements) for the completion of*
 18 *the projects identified in paragraph (1) within the*
 19 *time frames established under the provisions of law*
 20 *authorizing the projects or the final engineering re-*
 21 *ports for the projects;*

22 *(3) the demand for new rural water supply*
 23 *projects;*

24 *(4) rural water programs within other agencies*
 25 *and a description of the extent to which those pro-*

1 *grams provide support for rural water supply projects*
2 *and water treatment programs in Reclamation*
3 *States, including an assessment of the requirements,*
4 *funding levels, and conditions of eligibility for the*
5 *programs assessed;*

6 *(5) the extent of the demand that the Secretary*
7 *can meet with the Program;*

8 *(6) how the Program will complement authori-*
9 *ties already within the jurisdiction of the Secretary*
10 *and the heads of the agencies with whom the Sec-*
11 *retary consults; and*

12 *(7) improvements that can be made to coordinate*
13 *and integrate the authorities of the agencies with pro-*
14 *grams evaluated under paragraph (4), including any*
15 *recommendations to consolidate some or all of the ac-*
16 *tivities of the agencies with respect to rural water*
17 *supply.*

18 *(b) CONSULTATION WITH STATES.—Before finalizing*
19 *the assessment developed under subsection (a), the Secretary*
20 *shall solicit comments from States with identified rural*
21 *water needs.*

22 *(c) REPORT.—Not later than 2 years after the date of*
23 *enactment of this Act, the Secretary shall submit to the*
24 *Committee on Energy and Natural Resources of the Senate*
25 *and the Committee on Resources of the House of Representa-*

1 *tives a detailed report on the assessment conducted under*
 2 *subsection (a).*

3 **SEC. 105. APPRAISAL INVESTIGATIONS.**

4 *(a) IN GENERAL.—On request of a non-Federal project*
 5 *entity with respect to a proposed rural water supply project*
 6 *that meets the eligibility criteria published under section*
 7 *103(c) and subject to the availability of appropriations, the*
 8 *Secretary may—*

9 *(1) receive and review an appraisal investiga-*
 10 *tion that is—*

11 *(A) developed by the non-Federal project en-*
 12 *tity, with or without support from the Secretary;*
 13 *and*

14 *(B) submitted to the Secretary by the non-*
 15 *Federal project entity;*

16 *(2) conduct an appraisal investigation; or*

17 *(3) provide a grant to, or enter into a coopera-*
 18 *tive agreement with, the non-Federal project entity to*
 19 *conduct an appraisal investigation, if the Secretary*
 20 *determines that—*

21 *(A) the non-Federal project entity is quali-*
 22 *fied to complete the appraisal investigation in*
 23 *accordance with the criteria published under sec-*
 24 *tion 103(c); and*

1 (B) using the non-Federal project entity to
 2 conduct the appraisal investigation is a cost-ef-
 3 fective alternative for completing the appraisal
 4 investigation.

5 (b) *DEADLINE.*—An appraisal investigation conducted
 6 under subsection (a) shall be scheduled for completion not
 7 later than 2 years after the date on which the appraisal
 8 investigation is initiated.

9 (c) *APPRAISAL REPORT.*—In accordance with sub-
 10 section (f), after an appraisal investigation is submitted to
 11 the Secretary under subsection (a)(1) or completed under
 12 paragraph (2) or (3) of subsection (a), the Secretary shall
 13 prepare an appraisal report that—

14 (1) considers—

15 (A) whether the project meets—

16 (i) the appraisal criteria developed
 17 under subsection (d); and

18 (ii) the eligibility criteria developed
 19 under section 103(c);

20 (B) whether viable water supplies and
 21 water rights exist to supply the project, includ-
 22 ing all practicable water sources such as lower
 23 quality waters, nonpotable waters, and water
 24 reuse-based water supplies;

1 (C) *whether the project has a positive effect*
 2 *on public health and safety;*

3 (D) *whether the project will meet water de-*
 4 *mand, including projected future needs;*

5 (E) *the extent to which the project provides*
 6 *environmental benefits, including source water*
 7 *protection;*

8 (F) *whether the project applies a regional or*
 9 *watershed perspective and promotes benefits in*
 10 *the region in which the project is carried out;*

11 (G) *whether the project—*

12 (i)(I) *implements an integrated re-*
 13 *sources management approach; or*

14 (II) *enhances water management flexi-*
 15 *bility, including providing for—*

16 (aa) *local control to manage*
 17 *water supplies under varying water*
 18 *supply conditions; and*

19 (bb) *participation in water bank-*
 20 *ing and markets for domestic and envi-*
 21 *ronmental purposes; and*

22 (ii) *promotes long-term protection of*
 23 *water supplies;*

24 (H) *preliminary cost estimates for the*
 25 *project; and*

1 (I) *whether the non-Federal project entity*
 2 *has the capability to pay 100 percent of the costs*
 3 *associated with the operations, maintenance, and*
 4 *replacement of the facilities constructed or devel-*
 5 *oped as part of the rural water supply project;*
 6 *and*

7 (2) *provides recommendations on whether a fea-*
 8 *sibility study should be initiated under section*
 9 *106(a).*

10 (d) *APPRAISAL CRITERIA.—*

11 (1) *IN GENERAL.—Not later than 1 year after*
 12 *the date of enactment of this Act, the Secretary shall*
 13 *promulgate criteria (including appraisal factors list-*
 14 *ed under subsection (c)) against which the appraisal*
 15 *investigations shall be assessed for completeness and*
 16 *appropriateness for a feasibility study.*

17 (2) *INCLUSIONS.—To minimize the cost of a*
 18 *rural water supply project to a non-Federal project*
 19 *entity, the Secretary shall include in the criteria*
 20 *methods to scale the level of effort needed to complete*
 21 *the appraisal investigation relative to the total size*
 22 *and cost of the proposed rural water supply project.*

23 (e) *REVIEW OF APPRAISAL INVESTIGATION.—*

24 (1) *IN GENERAL.—Not later than 90 days after*
 25 *the date of submission of an appraisal investigation*

1 *under paragraph (1) or (3) of subsection (a), the Sec-*
 2 *retary shall provide to the non-Federal entity that*
 3 *conducted the investigation a determination of wheth-*
 4 *er the investigation has included the information nec-*
 5 *essary to determine whether the proposed rural water*
 6 *supply project satisfies the criteria promulgated*
 7 *under subsection (d).*

8 (2) *NO SATISFACTION OF CRITERIA.—If the Sec-*
 9 *retary determines that the appraisal investigation*
 10 *submitted by a non-Federal entity does not satisfy the*
 11 *criteria promulgated under subsection (d), the Sec-*
 12 *retary shall inform the non-Federal entity of the rea-*
 13 *sons why the appraisal investigation is deficient.*

14 (3) *RESPONSIBILITY OF SECRETARY.—If an ap-*
 15 *praisal investigation as first submitted by a non-Fed-*
 16 *eral entity does not provide all necessary information,*
 17 *as defined by the Secretary, the Secretary shall have*
 18 *no obligation to conduct further analysis until the*
 19 *non-Federal project entity submitting the appraisal*
 20 *study conducts additional investigation and resubmits*
 21 *the appraisal investigation under this subsection.*

22 (f) *APPRAISAL REPORT.—Once the Secretary has de-*
 23 *termined that an investigation provides the information*
 24 *necessary under subsection (e), the Secretary shall—*

1 (1) *complete the appraisal report required under*
2 *subsection (c);*

3 (2) *make available to the public, on request, the*
4 *appraisal report prepared under this title; and*

5 (3) *promptly publish in the Federal Register a*
6 *notice of the availability of the results.*

7 (g) *COSTS.—*

8 (1) *FEDERAL SHARE.—The Federal share of an*
9 *appraisal investigation conducted under subsection*
10 *(a) shall be 100 percent of the total cost of the ap-*
11 *praisal investigation, up to \$200,000.*

12 (2) *NON-FEDERAL SHARE.—*

13 (A) *IN GENERAL.—Except as provided in*
14 *subparagraph (B), if the cost of conducting an*
15 *appraisal investigation is more than \$200,000,*
16 *the non-Federal share of the costs in excess of*
17 *\$200,000 shall be 50 percent.*

18 (B) *EXCEPTION.—The Secretary may re-*
19 *duce the non-Federal share required under sub-*
20 *paragraph (A) if the Secretary determines that*
21 *there is an overwhelming Federal interest in the*
22 *appraisal investigation.*

23 (C) *FORM.—The non-Federal share under*
24 *subparagraph (A) may be in the form of any in-*
25 *kind services that the Secretary determines*

1 *would contribute substantially toward the con-*
 2 *duct and completion of the appraisal investiga-*
 3 *tion.*

4 *(h) CONSULTATION; IDENTIFICATION OF FUNDING*
 5 *SOURCES.—In conducting an appraisal investigation*
 6 *under subsection (a)(2), the Secretary shall—*

7 *(1) consult and cooperate with the non-Federal*
 8 *project entity and appropriate State, tribal, regional,*
 9 *and local authorities;*

10 *(2) consult with the heads of appropriate Federal*
 11 *agencies to—*

12 *(A) ensure that the proposed rural water*
 13 *supply project does not duplicate a project car-*
 14 *ried out under the authority of the agency head;*
 15 *and*

16 *(B) if a duplicate project is being carried*
 17 *out, identify the authority under which the du-*
 18 *plicate project is being carried out; and*

19 *(3) identify what funding sources are available*
 20 *for the proposed rural water supply project.*

21 **SEC. 106. FEASIBILITY STUDIES.**

22 *(a) IN GENERAL.—On completion of an appraisal re-*
 23 *port under section 105(c) that recommends undertaking a*
 24 *feasibility study and subject to the availability of appro-*
 25 *priations, the Secretary shall—*

1 (1) *in cooperation with a non-Federal project en-*
 2 *tity, carry out a study to determine the feasibility of*
 3 *the proposed rural water supply project;*

4 (2) *receive and review a feasibility study that*
 5 *is—*

6 (A) *developed by the non-Federal project en-*
 7 *tity, with or without support from the Secretary;*
 8 *and*

9 (B) *submitted to the Secretary by the non-*
 10 *Federal project entity; or*

11 (3)(A) *provide a grant to, or enter into a cooper-*
 12 *ative agreement with, a non-Federal project entity to*
 13 *conduct a feasibility study, for submission to the Sec-*
 14 *retary, if the Secretary determines that—*

15 (i) *the non-Federal entity is qualified to*
 16 *complete the feasibility study in accordance with*
 17 *the criteria promulgated under subsection (d);*
 18 *and*

19 (ii) *using the non-Federal project entity to*
 20 *conduct the feasibility study is a cost-effective al-*
 21 *ternative for completing the appraisal investiga-*
 22 *tion; or*

23 (B) *if the Secretary determines not to provide a*
 24 *grant to, or enter into a cooperative agreement with,*
 25 *a non-Federal project entity under subparagraph (A),*

1 *provide to the non-Federal project entity notice of the*
 2 *determination, including an explanation of the reason*
 3 *for the determination.*

4 *(b) REVIEW OF NON-FEDERAL FEASIBILITY STUD-*
 5 *IES.—*

6 *(1) IN GENERAL.—In conducting a review of a*
 7 *feasibility study submitted under paragraph (2) or*
 8 *(3) of subsection (a), the Secretary shall—*

9 *(A) in accordance with the feasibility fac-*
 10 *tors described in subsection (c) and the criteria*
 11 *promulgated under subsection (d), assess the*
 12 *completeness of the feasibility study; and*

13 *(B) if the Secretary determines that a feasi-*
 14 *bility study is not complete, notify the non-Fed-*
 15 *eral entity of the determination.*

16 *(2) REVISIONS.—If the Secretary determines*
 17 *under paragraph (1)(B) that a feasibility study is not*
 18 *complete, the non-Federal entity shall pay any costs*
 19 *associated with revising the feasibility study.*

20 *(c) FEASIBILITY FACTORS.—Feasibility studies au-*
 21 *thorized or reviewed under this title shall include an assess-*
 22 *ment of—*

23 *(1) near- and long-term water demand in the*
 24 *area to be served by the rural water supply project;*

1 (2) advancement of public health and safety of
 2 any existing rural water supply project and other
 3 benefits of the proposed rural water supply project;

4 (3) alternative new water supplies in the study
 5 area, including any opportunities to treat and use
 6 low-quality water, nonpotable water, water reuse-
 7 based supplies, and brackish and saline waters
 8 through innovative and economically viable treatment
 9 technologies;

10 (4) environmental quality and source water pro-
 11 tection issues related to the rural water supply
 12 project;

13 (5) innovative opportunities for water conserva-
 14 tion in the study area to reduce water use and water
 15 system costs, including—

16 (A) nonstructural approaches to reduce the
 17 need for the project; and

18 (B) demonstration technologies;

19 (6) the extent to which the project and alter-
 20 natives take advantage of economic incentives and the
 21 use of market-based mechanisms;

22 (7)(A) the construction costs and projected oper-
 23 ations, maintenance, and replacement costs of all al-
 24 ternatives; and

1 (B) the economic feasibility and lowest cost
2 method of obtaining the desired results of each alter-
3 native, taking into account the Federal cost-share;

4 (8) the availability of guaranteed loans for a
5 proposed rural water supply project;

6 (9) the financial capability of the non-Federal
7 project entity to pay the non-Federal project entity's
8 proportionate share of the design and construction
9 costs and 100 percent of operations, maintenance, and
10 replacement costs, including the allocation of costs to
11 each non-Federal project entity in the case of multiple
12 entities;

13 (10) whether the non-Federal project entity has
14 developed an operations, management, and replace-
15 ment plan to assist the non-Federal project entity in
16 establishing rates and fees for beneficiaries of the
17 rural water supply project that includes a schedule
18 identifying the annual operations, maintenance, and
19 replacement costs that should be allocated to each
20 non-Federal entity participating in the project;

21 (11)(A) the non-Federal project entity adminis-
22 trative organization that would implement construc-
23 tion, operations, maintenance, and replacement ac-
24 tivities; and

1 (B) *the fiscal, administrative, and operational*
 2 *controls to be implemented to manage the project;*

3 (12) *the extent to which assistance for rural*
 4 *water supply is available under other Federal au-*
 5 *thorities;*

6 (13) *the engineering, environmental, and eco-*
 7 *nomie activities to be undertaken to carry out the*
 8 *proposed rural water supply project;*

9 (14) *the extent to which the project involves part-*
 10 *nerships with other State, local, or tribal governments*
 11 *or Federal entities; and*

12 (15) *in the case of a project intended for Indian*
 13 *tribes and tribal organizations, the extent to which*
 14 *the project addresses the goal of economic self-suffi-*
 15 *ciency.*

16 (d) *FEASIBILITY STUDY CRITERIA.—*

17 (1) *IN GENERAL.—Not later than 18 months*
 18 *after the date of enactment of this Act, the Secretary*
 19 *shall promulgate criteria (including the feasibility*
 20 *factors listed under subsection (c)) under which the*
 21 *feasibility studies shall be assessed for completeness*
 22 *and appropriateness.*

23 (2) *INCLUSIONS.—The Secretary shall include in*
 24 *the criteria promulgated under paragraph (1) meth-*
 25 *ods to scale the level of effort needed to complete the*

1 *feasibility assessment relative to the total size and*
 2 *cost of the proposed rural water supply project and*
 3 *reduce total costs to non-Federal entities.*

4 *(e) FEASIBILITY REPORT.—*

5 *(1) IN GENERAL.—After completion of appro-*
 6 *prate feasibility studies for rural water supply*
 7 *projects that address the factors described in sub-*
 8 *section (c) and the criteria promulgated under sub-*
 9 *section (d), the Secretary shall—*

10 *(A) develop a feasibility report that in-*
 11 *cludes—*

12 *(i) a recommendation of the Secretary*
 13 *on—*

14 *(I) whether the rural water sup-*
 15 *ply project should be authorized for*
 16 *construction; and*

17 *(II) the appropriate non-Federal*
 18 *share of construction costs, which shall*
 19 *be—*

20 *(aa) at least 25 percent of*
 21 *the total construction costs; and*

22 *(bb) determined based on an*
 23 *analysis of the capability-to-pay*
 24 *information considered under sub-*
 25 *sections (c)(9) and (f); and*

1 (ii) if the Secretary recommends that
2 the project should be authorized for con-
3 struction—

4 (I) what amount of grants, loan
5 guarantees, or combination of grants
6 and loan guarantees should be used to
7 provide the Federal cost share;

8 (II) a schedule that identifies the
9 annual operations, maintenance, and
10 replacement costs that should be allo-
11 cated to each non-Federal entity par-
12 ticipating in the rural water supply
13 project; and

14 (III) an assessment of the finan-
15 cial capability of each non-Federal en-
16 tity participating in the rural water
17 supply project to pay the allocated an-
18 nual operation, maintenance, and re-
19 placement costs for the rural water
20 supply project;

21 (B) submit the report to the Committee on
22 Energy and Natural Resources of the Senate and
23 the Committee on Resources of the House of Rep-
24 resentatives;

1 (C) make the report publicly available,
2 along with associated study documents; and

3 (D) publish in the Federal Register a notice
4 of the availability of the results.

5 (f) CAPABILITY-TO-PAY.—

6 (1) IN GENERAL.—In evaluating a proposed
7 rural water supply project under this section, the Sec-
8 retary shall—

9 (A) consider the financial capability of any
10 non-Federal project entities participating in the
11 rural water supply project to pay 25 percent or
12 more of the capital construction costs of the rural
13 water supply project; and

14 (B) recommend an appropriate Federal
15 share and non-Federal share of the capital con-
16 struction costs, as determined by the Secretary.

17 (2) FACTORS.—In determining the financial ca-
18 pability of non-Federal project entities to pay for a
19 rural water supply project under paragraph (1), the
20 Secretary shall evaluate factors for the project area,
21 relative to the State average, including—

22 (A) per capita income;

23 (B) median household income;

24 (C) the poverty rate;

1 (D) the ability of the non-Federal project
2 entity to raise tax revenues or assess fees;

3 (E) the strength of the balance sheet of the
4 non-Federal project entity; and

5 (F) the existing cost of water in the region.

6 (3) INDIAN TRIBES.—In determining the capa-
7 bility-to-pay of Indian tribe project beneficiaries, the
8 Secretary may consider deferring the collection of all
9 or part of the non-Federal construction costs appor-
10 tioned to Indian tribe project beneficiaries unless or
11 until the Secretary determines that the Indian tribe
12 project beneficiaries should pay—

13 (A) the costs allocated to the beneficiaries;

14 or

15 (B) an appropriate portion of the costs.

16 (g) COST-SHARING REQUIREMENT.—

17 (1) IN GENERAL.—Except as otherwise provided
18 in this subsection, the Federal share of the cost of a
19 feasibility study carried out under this section shall
20 not exceed 50 percent of the study costs.

21 (2) FORM.—The non-Federal share under para-
22 graph (1) may be in the form of any in-kind services
23 that the Secretary determines would contribute sub-
24 stantially toward the conduct and completion of the
25 study.

1 (3) *FINANCIAL HARDSHIP.*—*The Secretary may*
 2 *increase the Federal share of the costs of a feasibility*
 3 *study if the Secretary determines, based on a dem-*
 4 *onstration of financial hardship, that the non-Federal*
 5 *participant is unable to contribute at least 50 percent*
 6 *of the costs of the study.*

7 (4) *LARGER COMMUNITIES.*—*In conducting a*
 8 *feasibility study of a rural water supply system that*
 9 *includes a community with a population in excess of*
 10 *50,000 inhabitants, the Secretary may require the*
 11 *non-Federal project entity to pay more than 50 per-*
 12 *cent of the costs of the study.*

13 (h) *CONSULTATION AND COOPERATION.*—*In addition*
 14 *to the non-Federal project entity, the Secretary shall consult*
 15 *and cooperate with appropriate Federal, State, tribal, re-*
 16 *gional, and local authorities during the conduct of each fea-*
 17 *sibility assessment and development of the feasibility report*
 18 *conducted under this title.*

19 **SEC. 107. MISCELLANEOUS.**

20 (a) *AUTHORITY OF SECRETARY.*—*The Secretary may*
 21 *enter into contracts, financial assistance agreements, and*
 22 *such other agreements, and promulgate such regulations, as*
 23 *are necessary to carry out this title.*

24 (b) *TRANSFER OF PROJECTS.*—*Nothing in this title*
 25 *authorizes the transfer of pre-existing facilities or pre-exist-*

1 *ing components of any water system from Federal to pri-*
 2 *vate ownership or from private to Federal ownership.*

3 (c) *FEDERAL RECLAMATION LAW.*—*Nothing in this*
 4 *title supersedes or amends any Federal law associated with*
 5 *a project, or portion of a project, constructed under Federal*
 6 *reclamation law.*

7 (d) *INTERAGENCY COORDINATION.*—*The Secretary*
 8 *shall coordinate the Program carried out under this title*
 9 *with existing Federal and State rural water and waste-*
 10 *water programs to facilitate the most efficient and effective*
 11 *solution to meeting the water needs of the non-Federal*
 12 *project sponsors.*

13 (e) *MULTIPLE INDIAN TRIBES.*—*In any case in which*
 14 *a contract is entered into with, or a grant is made, to an*
 15 *organization to perform services benefitting more than 1 In-*
 16 *dian tribe under this title, the approval of each such Indian*
 17 *tribe shall be a prerequisite to entering into the contract*
 18 *or making the grant.*

19 (f) *OWNERSHIP OF FACILITIES.*—*Title to any facility*
 20 *planned, designed, and recommended for construction under*
 21 *this title shall be held by the non-Federal project entity.*

22 (g) *EXPEDITED PROCEDURES.*—*If the Secretary deter-*
 23 *mines that a community to be served by a proposed rural*
 24 *water supply project has urgent and compelling water*
 25 *needs, the Secretary shall, to the maximum extent prac-*

1 *ticable, expedite appraisal investigations and reports con-*
 2 *ducted under section 105 and feasibility studies and reports*
 3 *conducted under section 106.*

4 *(h) EFFECT ON STATE WATER LAW.—*

5 *(1) IN GENERAL.—Nothing in this title preempts*
 6 *or affects State water law or an interstate compact*
 7 *governing water.*

8 *(2) COMPLIANCE REQUIRED.—The Secretary*
 9 *shall comply with State water laws in carrying out*
 10 *this title.*

11 *(i) NO ADDITIONAL REQUIREMENTS.—Nothing in this*
 12 *title requires a feasibility study for, or imposes any other*
 13 *additional requirements with respect to, rural water supply*
 14 *projects or programs that are authorized before the date of*
 15 *enactment of this Act.*

16 **SEC. 108. REPORTS.**

17 *Beginning in fiscal year 2007, and each fiscal year*
 18 *thereafter through fiscal year 2012, the Secretary shall sub-*
 19 *mit to the Committee on Energy and Natural Resources of*
 20 *the Senate and the Committee on Resources of the House*
 21 *of Representatives an annual report that describes the num-*
 22 *ber and type of full-time equivalent positions in the Depart-*
 23 *ment of the Interior and the amount of overhead costs of*
 24 *the Department of the Interior that are allocated to car-*
 25 *rying out this title for the applicable fiscal year.*

1 **SEC. 109. AUTHORIZATION OF APPROPRIATIONS.**

2 (a) *IN GENERAL.*—*There is authorized to be appro-*
 3 *priated to carry out this title \$15,000,000 for each of fiscal*
 4 *years 2007 through 2016, to remain available until ex-*
 5 *ended.*

6 (b) *RURAL WATER PROGRAMS ASSESSMENT.*—*Of the*
 7 *amounts made available under subsection (a), not more*
 8 *than \$1,000,000 may be made available to carry out section*
 9 *104 for each of fiscal years 2007 and 2008.*

10 (c) *CONSTRUCTION COSTS.*—*No amounts made avail-*
 11 *able under this section shall be used to pay construction*
 12 *costs associated with any rural water supply project.*

13 **SEC. 110. TERMINATION OF AUTHORITY.**

14 *The authority of the Secretary to carry out this title*
 15 *terminates on September 30, 2016.*

16 **TITLE II—TWENTY-FIRST**
 17 **CENTURY WATER WORKS ACT**

18 **SEC. 201. SHORT TITLE.**

19 *This title may be cited as the “Twenty-First Century*
 20 *Water Works Act”.*

21 **SEC. 202. DEFINITIONS.**

22 *In this title:*

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

1 (2) *LENDER*.—*The term “lender” means—*

2 (A) *a non-Federal qualified institutional*
 3 *buyer (as defined in section 230.144A(a) of title*
 4 *17, Code of Federal Regulation (or any successor*
 5 *regulation), known as Rule 144A(a) of the Secu-*
 6 *rities and Exchange Commission and issued*
 7 *under the Securities Act of 1933 (15 U.S.C. 77a*
 8 *et seq.)); or*

9 (B) *a clean renewable energy bond lender*
 10 *(as defined in section 54(j)(2) of the Internal*
 11 *Revenue Code of 1986 (as in effect on the date*
 12 *of enactment of this Act)).*

13 (3) *LOAN GUARANTEE*.—*The term “loan guar-*
 14 *antee” has the meaning given the term “loan guar-*
 15 *antee” in section 502 of the Federal Credit Reform*
 16 *Act of 1990 (2 U.S.C. 661a).*

17 (4) *NON-FEDERAL BORROWER*.—*The term “non-*
 18 *Federal borrower” means—*

19 (A) *a State (including a department, agen-*
 20 *cy, or political subdivision of a State); or*

21 (B) *a conservancy district, irrigation dis-*
 22 *trict, canal company, water users’ association,*
 23 *Indian tribe, an agency created by interstate*
 24 *compact, or any other entity that has the capac-*

1 *ity to contract with the United States under*
2 *Federal reclamation law.*

3 (5) *OBLIGATION.*—*The term “obligation” means*
4 *a loan or other debt obligation that is guaranteed*
5 *under this section.*

6 (6) *PROJECT.*—*The term “project” means—*

7 (A) *a rural water supply project (as defined*
8 *in section 102(9));*

9 (B) *an extraordinary operation and main-*
10 *tenance activity for, or the rehabilitation or re-*
11 *placement of, a facility—*

12 (i) *that is authorized by Federal rec-*
13 *lamation law and constructed by the United*
14 *States under such law; or*

15 (ii) *in connection with which there is*
16 *a repayment or water service contract exe-*
17 *cuted by the United States under Federal*
18 *reclamation law; or*

19 (C) *an improvement to water infrastructure*
20 *directly associated with a reclamation project*
21 *that, based on a determination of the Sec-*
22 *retary—*

23 (i) *improves water management; and*

24 (ii) *fulfills other Federal goals.*

1 (7) *SECRETARY.*—*The term “Secretary” means*
 2 *the Secretary of the Interior.*

3 **SEC. 203. PROJECT ELIGIBILITY.**

4 (a) *ELIGIBILITY CRITERIA.*—

5 (1) *IN GENERAL.*—*The Secretary shall develop*
 6 *and publish in the Federal Register criteria for deter-*
 7 *mining the eligibility of a project for financial assist-*
 8 *ance under section 204.*

9 (2) *INCLUSIONS.*—*Eligibility criteria shall in-*
 10 *clude—*

11 (A) *submission of an application by the*
 12 *lender to the Secretary;*

13 (B) *demonstration of the creditworthiness of*
 14 *the project, including a determination by the*
 15 *Secretary that any financing for the project has*
 16 *appropriate security features to ensure repay-*
 17 *ment;*

18 (C) *demonstration by the non-Federal bor-*
 19 *rower, to the satisfaction of the Secretary, of the*
 20 *ability of the non-Federal borrower to repay the*
 21 *project financing from user fees or other dedi-*
 22 *cated revenue sources;*

23 (D) *demonstration by the non-Federal bor-*
 24 *rower, to the satisfaction of the Secretary, of the*
 25 *ability of the non-Federal borrower to pay all*

1 *operations, maintenance, and replacement costs*
 2 *of the project facilities; and*

3 *(E) such other criteria as the Secretary de-*
 4 *termines to be appropriate.*

5 **(b) WAIVER.**—*The Secretary may waive any of the cri-*
 6 *teria in subsection (a)(2) that the Secretary determines to*
 7 *be duplicative or rendered unnecessary because of an action*
 8 *already taken by the United States.*

9 **(c) PROJECTS PREVIOUSLY AUTHORIZED.**—*A project*
 10 *that was authorized for construction under Federal rec-*
 11 *lamation laws prior to the date of enactment of this Act*
 12 *shall be eligible for assistance under this title, subject to*
 13 *the criteria established by the Secretary under subsection*
 14 *(a).*

15 **(d) CRITERIA FOR RURAL WATER SUPPLY**
 16 **PROJECTS.**—*A rural water supply project that is deter-*
 17 *mined to be feasible under section 106 is eligible for a loan*
 18 *guarantee under section 204.*

19 **SEC. 204. LOAN GUARANTEES.**

20 **(a) AUTHORITY.**—*Subject to the availability of appro-*
 21 *priations, the Secretary may make available to lenders for*
 22 *a project meeting the eligibility criteria established in sec-*
 23 *tion 203 loan guarantees to supplement private-sector or*
 24 *lender financing for the project.*

25 **(b) TERMS AND LIMITATIONS.**—

1 (1) *IN GENERAL.*—*Loan guarantees under this*
2 *section for a project shall be on such terms and condi-*
3 *tions and contain such covenants, representations,*
4 *warranties, and requirements as the Secretary deter-*
5 *mines to be appropriate to protect the financial inter-*
6 *ests of the United States.*

7 (2) *AMOUNT.*—*Loan guarantees by the Secretary*
8 *shall not exceed an amount equal to 90 percent of the*
9 *cost of the project that is the subject of the loan guar-*
10 *antee, as estimated at the time at which the loan*
11 *guarantee is issued.*

12 (3) *INTEREST RATE.*—*An obligation shall bear*
13 *interest at a rate that does not exceed a level that the*
14 *Secretary determines to be appropriate, taking into*
15 *account the prevailing rate of interest in the private*
16 *sector for similar loans and risks.*

17 (4) *AMORTIZATION.*—*A loan guarantee under*
18 *this section shall provide for complete amortization of*
19 *the loan guarantee within not more than 40 years.*

20 (5) *NONSUBORDINATION.*—*An obligation shall be*
21 *subject to the condition that the obligation is not sub-*
22 *ordinate to other financing.*

23 (c) *PREPAYMENT AND REFINANCING.*—*Any prepay-*
24 *ment or refinancing terms on a loan guarantee shall be ne-*

1 *gotiated between the non-Federal borrower and the lender*
 2 *with the consent of the Secretary.*

3 **SEC. 205. DEFAULTS.**

4 *(a) PAYMENTS BY SECRETARY.—*

5 *(1) IN GENERAL.—If a borrower defaults on the*
 6 *obligation, the holder of the loan guarantee shall have*
 7 *the right to demand payment of the unpaid amount*
 8 *from the Secretary.*

9 *(2) PAYMENT REQUIRED.—By such date as may*
 10 *be specified in the loan guarantee or related agree-*
 11 *ments, the Secretary shall pay to the holder of the*
 12 *loan guarantee the unpaid interest on, and unpaid*
 13 *principal of, the obligation with respect to which the*
 14 *borrower has defaulted, unless the Secretary finds that*
 15 *there was not default by the borrower in the payment*
 16 *of interest or principal or that the default has been*
 17 *remedied.*

18 *(3) FORBEARANCE.—Nothing in this subsection*
 19 *precludes any forbearance by the holder of the obliga-*
 20 *tion for the benefit of the non-Federal borrower that*
 21 *may be agreed on by the parties to the obligation and*
 22 *approved by the Secretary.*

23 *(b) SUBROGATION.—*

24 *(1) IN GENERAL.—If the Secretary makes a pay-*
 25 *ment under subsection (a), the Secretary shall be sub-*

1 rogated to the rights of the recipient of the payment
 2 as specified in the loan guarantee or related agree-
 3 ments, including, as appropriate, the authority (not-
 4 withstanding any other provision of law) to—

5 (A) complete, maintain, operate, lease, or
 6 otherwise dispose of any property acquired pur-
 7 suant to the loan guarantee or related agree-
 8 ments; or

9 (B) permit the non-Federal borrower, pur-
 10 suant to an agreement with the Secretary, to
 11 continue to pursue the purposes of the project if
 12 the Secretary determines the purposes to be in
 13 the public interest.

14 (2) *SUPERIORITY OF RIGHTS.*—The rights of the
 15 Secretary, with respect to any property acquired pur-
 16 suant to a loan guarantee or related agreement, shall
 17 be superior to the rights of any other person with re-
 18 spect to the property.

19 (c) *PAYMENT OF PRINCIPAL AND INTEREST BY SEC-*
 20 *RETARY.*—With respect to any obligation guaranteed under
 21 this section, the Secretary may enter into a contract to pay,
 22 and pay, holders of the obligation, for and on behalf of the
 23 non-Federal borrower, from funds appropriated for that
 24 purpose, the principal and interest payments that become

1 *due and payable on the unpaid balance of the obligation*
 2 *if the Secretary finds that—*

3 (1)(A) *the non-Federal borrower is unable to*
 4 *meet the payments and is not in default;*

5 (B) *it is in the public interest to permit the non-*
 6 *Federal borrower to continue to pursue the purposes*
 7 *of the project; and*

8 (C) *the probable net benefit to the Federal Gov-*
 9 *ernment in paying the principal and interest will be*
 10 *greater than that which would result in the event of*
 11 *a default;*

12 (2) *the amount of the payment that the Sec-*
 13 *retary is authorized to pay shall be no greater than*
 14 *the amount of principal and interest that the non-*
 15 *Federal borrower is obligated to pay under the agree-*
 16 *ment being guaranteed; and*

17 (3) *the borrower agrees to reimburse the Sec-*
 18 *retary for the payment (including interest) on terms*
 19 *and conditions that are satisfactory to the Secretary.*

20 (d) *ACTION BY ATTORNEY GENERAL.—*

21 (1) *NOTIFICATION.—If the non-Federal borrower*
 22 *defaults on an obligation, the Secretary shall notify*
 23 *the Attorney General of the default.*

1 (2) *RECOVERY*.—On notification, the Attorney
2 General shall take such action as is appropriate to re-
3 cover the unpaid principal and interest due from—

4 (A) such assets of the defaulting non-Fed-
5 eral borrower as are associated with the obliga-
6 tion; or

7 (B) any other security pledged to secure the
8 obligation.

9 **SEC. 206. OPERATIONS, MAINTENANCE, AND REPLACEMENT**
10 **COSTS.**

11 (a) *IN GENERAL*.—The non-Federal share of oper-
12 ations, maintenance, and replacement costs for a project re-
13 ceiving Federal assistance under this title shall be 100 per-
14 cent.

15 (b) *PLAN*.—On request of the non-Federal borrower,
16 the Secretary may assist in the development of an oper-
17 ation, maintenance, and replacement plan to provide the
18 necessary framework to assist the non-Federal borrower in
19 establishing rates and fees for project beneficiaries.

20 **SEC. 207. TITLE TO NEWLY CONSTRUCTED FACILITIES.**

21 (a) *NEW PROJECTS AND FACILITIES*.—All new
22 projects or facilities constructed in accordance with this
23 title shall remain under the jurisdiction and control of the
24 non-Federal borrower subject to the terms of the repayment
25 agreement.

1 **(b) EXISTING PROJECTS AND FACILITIES.**—*Nothing in*
 2 *this title affects the title of—*

3 (1) *reclamation projects authorized prior to the*
 4 *date of enactment of this Act;*

5 (2) *works supplemental to existing reclamation*
 6 *projects; or*

7 (3) *works constructed to rehabilitate existing rec-*
 8 *lamation projects.*

9 **SEC. 208. WATER RIGHTS.**

10 **(a) IN GENERAL.**—*Nothing in this title preempts or*
 11 *affects State water law or an interstate compact governing*
 12 *water.*

13 **(b) COMPLIANCE REQUIRED.**—*The Secretary shall*
 14 *comply with State water laws in carrying out this title.*
 15 *Nothing in this title affects or preempts State water law*
 16 *or an interstate compact governing water.*

17 **SEC. 209. INTERAGENCY COORDINATION AND COOPERA-**
 18 **TION.**

19 **(a) CONSULTATION.**—*The Secretary shall consult with*
 20 *the Secretary of Agriculture before promulgating criteria*
 21 *with respect to financial appraisal functions and loan*
 22 *guarantee administration for activities carried out under*
 23 *this title.*

24 **(b) MEMORANDUM OF AGREEMENT.**—*The Secretary*
 25 *and the Secretary of Agriculture shall enter into a memo-*

1 *random of agreement providing for Department of Agri-*
 2 *culture financial appraisal functions and loan guarantee*
 3 *administration for activities carried out under this title.*

4 **SEC. 210. RECORDS; AUDITS.**

5 (a) *IN GENERAL.*—A recipient of a loan guarantee
 6 shall keep such records and other pertinent documents as
 7 the Secretary shall prescribe by regulation, including such
 8 records as the Secretary may require to facilitate an effec-
 9 tive audit.

10 (b) *ACCESS.*—The Secretary and the Comptroller Gen-
 11 eral of the United States, or their duly authorized represent-
 12 atives, shall have access, for the purpose of audit, to the
 13 records and other pertinent documents.

14 **SEC. 211. FULL FAITH AND CREDIT.**

15 *The full faith and credit of the United States is pledged*
 16 *to the payment of all guarantees issued under this section*
 17 *with respect to principal and interest.*

18 **SEC. 212. REPORT.**

19 *Not later than 1 year after the date on which the eligi-*
 20 *bility criteria are published in the Federal Register under*
 21 *section 203(a), and every 2 years thereafter, the Secretary*
 22 *shall submit to the Committee on Energy and Natural Re-*
 23 *sources of the Senate and the Committee on Resources of*
 24 *the House of Representatives a report that describes the im-*

1 plementation of the loan guarantee program under section
2 204.

3 **SEC. 213. EFFECT ON THE RECLAMATION LAWS.**

4 (a) *RECLAMATION PROJECTS*.—Nothing in this title
5 supersedes or amends any Federal law associated with a
6 project, or a portion of a project, constructed under the rec-
7 lamation laws.

8 (b) *NO NEW OR SUPPLEMENTAL BENEFITS*.—Any as-
9 sistance provided under this title shall not—

10 (1) be considered to be a new or supplemental
11 benefit for purposes of the Reclamation Reform Act of
12 1982 (43 U.S.C. 390aa et seq.); or

13 (2) affect any contract in existence on the date
14 of enactment of this Act that is executed under the
15 reclamation laws.

16 **SEC. 214. AUTHORIZATION OF APPROPRIATIONS.**

17 There are authorized to be appropriated such sums as
18 are necessary to carry out this title, to remain available
19 until expended.

20 **SEC. 215. TERMINATION OF AUTHORITY.**

21 (a) *IN GENERAL*.—Subject to subsection (b), the au-
22 thority of the Secretary to carry out this title terminates
23 on the date that is 10 years after the date of enactment
24 of this Act.

1 (b) *EXCEPTION.*—*The termination of authority under*
 2 *subsection (a) shall have no effect on—*

3 (1) *any loans guaranteed by the United States*
 4 *under this title; or*

5 (2) *the administration of any loan guaranteed*
 6 *under this title before the effective date of the termi-*
 7 *nation of authority.*

8 ***TITLE III—REPORT ON TRANS-***
 9 ***FER OF RECLAMATION FA-***
 10 ***CILITIES***

11 ***SEC. 301. REPORT.***

12 (a) *IN GENERAL.*—*Not later than 180 days after the*
 13 *date of enactment of this Act, the Secretary shall submit*
 14 *to the Committee on Energy and Natural Resources of the*
 15 *Senate and the Committee on Resources of the House of*
 16 *Representatives a report that describes any impediments*
 17 *and activities that significantly delay the ability of the Sec-*
 18 *retary to complete timely transfers of title to reclamation*
 19 *facilities to qualified non-Federal entities under laws au-*
 20 *thorizing the transfers.*

21 (b) *CONSULTATION.*—*In preparing the report under*
 22 *subsection (a), the Secretary shall consult with any appro-*
 23 *priate non-Federal parties, including reclamation water*
 24 *and power customers.*

Amend the title so as to read “An Act to authorize the Secretary of the Interior to carry out a rural water supply program in the Reclamation States to provide a clean, safe, affordable, and reliable water supply to rural residents.”.

Attest:

Clerk.

109TH CONGRESS
2^D SESSION

S. 895

AMENDMENTS