

117TH CONGRESS  
2D SESSION

# S. 4231

To support water infrastructure in Reclamation States, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

MAY 17, 2022

Mrs. FEINSTEIN (for herself, Mr. KELLY, and Ms. SINEMA) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

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## A BILL

To support water infrastructure in Reclamation States, and for other purposes.

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

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

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Support To Rehydrate the Environment, Agriculture,  
6 and Municipalities Act” or the “STREAM Act”.

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

Sec. 1. Short title; table of contents.  
Sec. 2. Definitions.

TITLE I—INFRASTRUCTURE DEVELOPMENT

- Sec. 101. Competitive grant program for the funding of water recycling projects.
- Sec. 102. Annual report to Congress.
- Sec. 103. Storage and conveyance projects.
- Sec. 104. Eligible desalination project development.
- Sec. 105. Reclamation infrastructure finance and innovation pilot program.
- Sec. 106. Drinking water assistance for disadvantaged communities.
- Sec. 107. Extraordinary operation and maintenance work; project modification.
- Sec. 108. Use of revenue to improve drought resilience or dam safety.

## TITLE II—IMPROVED TECHNOLOGY AND DATA

- Sec. 201. Reauthorization of the transboundary aquifer assessment program.

## TITLE III—ECOSYSTEM RESTORATION AND PROTECTION

- Sec. 301. Ecosystem restoration.
- Sec. 302. Performance-based restoration authority.

## TITLE IV—MISCELLANEOUS

- Sec. 401. Modifications to drought program under the Reclamation States Emergency Drought Relief Act of 1991.
- Sec. 402. Clarification of authority to use coronavirus fiscal recovery funds to meet a non-Federal matching requirement for authorized water projects.
- Sec. 403. Environmental compliance.
- Sec. 404. Effect.

### 1 **SEC. 2. DEFINITIONS.**

2 In this Act:

3 (1) **ANNUAL REPORT.**—The term “annual re-  
 4 port” means a report required under section 102(a).

5 (2) **AUTHORIZED PROJECT.**—The term “au-  
 6 thorized project” means a storage project authorized  
 7 by an Act of Congress, including through an applica-  
 8 ble standing authorization under section 5B of the  
 9 Reclamation Safety of Dams Act of 1978 (43 U.S.C.  
 10 509b) or any other applicable law.

11 (3) **AUTHORIZING COMMITTEES OF CON-**  
 12 **GRESS.**—The term “authorizing committees of Con-  
 13 gress” means—

1 (A) the Committee on Energy and Natural  
2 Resources of the Senate; and

3 (B) the Committee on Natural Resources  
4 of the House of Representatives.

5 (4) DESIGN; STUDY.—

6 (A) IN GENERAL.—The terms “design”  
7 and “study” include any design, permitting,  
8 study (including a feasibility study), materials  
9 engineering or testing, surveying, or  
10 preconstruction activity relating to a water stor-  
11 age facility.

12 (B) EXCLUSIONS.—The terms “design”  
13 and “study” do not include an appraisal study  
14 or other preliminary review intended to deter-  
15 mine whether further study is appropriate.

16 (5) DISADVANTAGED COMMUNITY.—The term  
17 “disadvantaged community” means a low-income  
18 community (as defined in section 45D(e) of the In-  
19 ternal Revenue Code of 1986).

20 (6) ELIGIBLE DESALINATION PROJECT.—The  
21 term “eligible desalination project” has the meaning  
22 given the term in paragraph (2) of section 4(a) of  
23 the Water Desalination Act of 1996 (42 U.S.C.  
24 10301 note; Public Law 104–298) (as amended by  
25 section 104(a)).

(7) ELIGIBLE ENTITY.—The term “eligible entity” means—

(A) any State, political subdivision of a State, department of a State, or public agency organized pursuant to State law;

(B) an Indian Tribe (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304)) or an entity controlled by an Indian Tribe;

(C) a water users’ association;

(D) an agency established by an interstate compact; and

(E) an agency established under State law for the joint exercise of powers.

(8) FEDERAL BENEFIT.—The term “Federal benefit”, with respect to a non-Federal storage project, water recycling project, or eligible desalination project, means—

(A) public benefits provided directly by a project;

(B) public benefits that—

(i) are—

(I) fish and wildlife benefits described in paragraph (12)(A)(i); or

(II) water quality benefits;

(ii) are provided by the implementation of a watershed restoration plan approved with the project; and

(iii) represent an increased Federal commitment in the watershed as compared to Federal commitments before the date of approval of the project;

(C) benefits to a watershed from a water recycling project or eligible desalination project;

or

(D) water supply benefits identified in accordance with the reclamation laws.

(9) FEDERAL STORAGE PROJECT.—The term “Federal storage project” means any project constructed by the Bureau of Reclamation—

(A) that involves the construction or expansion of—

(i) a surface water storage facility; or

(ii) a facility conveying water to or from surface or groundwater storage; and

(B) to which the United States holds or will hold title.

(10) NATURAL WATER RETENTION AND RELEASE PROJECT.—

1 (A) IN GENERAL.—The term “natural  
2 water retention and release project” means a  
3 non-Federal storage project designed and devel-  
4 oped to increase water availability for optimal  
5 management through aquifer recharge, flood-  
6 plain retention, the alteration of the timing of  
7 runoff to allow increased utilization of existing  
8 storage facilities, or another mechanism that—

9 (i) uses primarily natural materials  
10 appropriate to the specific site and land-  
11 scape setting; and

12 (ii) substantially mimics natural  
13 riverine, wetland, ecosystem, or hydrologic  
14 processes.

15 (B) INCLUSIONS.—The term “natural  
16 water retention and release project” includes—

17 (i) a single natural water retention  
18 and release project;

19 (ii) several distributed natural water  
20 retention and release projects across a wa-  
21 tershed; and

22 (iii) the redesign, modification, or re-  
23 placement of existing infrastructure to in-  
24 corporate natural water retention and re-  
25 lease elements.

1           (11) NON-FEDERAL STORAGE PROJECT.—The  
 2           term “non-Federal storage project” means any  
 3           project in a Reclamation State that—

4                   (A) involves the construction, expansion, or  
 5           repair by an eligible entity of—

6                           (i) a surface or groundwater storage  
 7                           project that is not federally owned;

8                           (ii) a facility that is not federally  
 9                           owned conveying water to or from surface  
 10                          or groundwater storage; or

11                          (iii) a natural water retention and re-  
 12                          lease project; and

13                   (B) provides a benefit in meeting any obli-  
 14           gation under applicable Federal law (including  
 15           regulations).

16           (12) PUBLIC BENEFIT.—The term “public ben-  
 17           efit”, with respect to a non-Federal storage project  
 18           or extraordinary operation and maintenance work,  
 19           means—

20                   (A)(i) fish and wildlife benefits—

21                           (I) that are in excess of express miti-  
 22                           gation and environmental compliance obli-  
 23                           gations under applicable Federal and State  
 24                           law, including regulations, permits, con-  
 25                           tracts, licenses, grants, or orders or deci-

sions from Federal and State courts, in effect on the date on which amounts are made available for the applicable project under this Act; and

(II) including incremental level 4 flows for managed land entitled to receive level 2 refuge water;

(ii) flood control benefits;

(iii) recreational benefits;

(iv) water quality benefits that are in excess of the obligations described in clause (i)(I) of subparagraph (A); and

(v) any other benefits that are nonreimbursable under the reclamation laws;

(B) drinking water supply for disadvantaged communities, including through groundwater recharge, the benefits of which are in excess of the obligations described in clause (i)(I) of subparagraph (A);

(C) emergency drinking water supply used in response to a disaster declaration by a Governor; and

(D) energy savings benefits, including—

(i) the value of associated greenhouse gas reductions; and



1                   (ii) any reduction in energy costs for  
2                   Federal taxpayers, such as reduced water  
3                   delivery costs for water providing fish and  
4                   wildlife benefits.

5           (13) QUALIFIED PARTNER.—The term “quali-  
6           fied partner” means a nonprofit organization oper-  
7           ating in a Reclamation State that is acting with the  
8           written support of an eligible entity.

9           (14) RECLAMATION LAWS.—The term “rec-  
10          lamation laws” means Federal reclamation law (the  
11          Act of June 17, 1902 (32 Stat. 388, chapter 1093),  
12          and Acts supplemental to and amendatory of that  
13          Act (43 U.S.C. 371 et seq.)).

14          (15) RECLAMATION STATE.—The term “Rec-  
15          lamation State” has the meaning given the term in  
16          section 4014 of the Water Infrastructure Improve-  
17          ments for the Nation Act (43 U.S.C. 390b note;  
18          Public Law 114–322).

19          (16) SECRETARY.—The term “Secretary”  
20          means the Secretary of the Interior.

21          (17) STORAGE PROJECT.—The term “storage  
22          project” means a Federal storage project or a non-  
23          Federal storage project.

24          (18) WATER RECYCLING PROJECT.—The term  
25          “water recycling project” means a project provided

1 a grant under section 1602(f) of the Reclamation  
 2 Wastewater and Groundwater Study and Facilities  
 3 Act (43 U.S.C. 390h(f)).

4 (19) WATERSHED.—The term “watershed” in-  
 5 cludes—

6 (A) an entire watershed; or

7 (B) any portion of a watershed, including  
 8 the upper or lower reaches of the watershed.

9 (20) WATERSHED RESTORATION PLAN.—The  
 10 term “watershed restoration plan” means a plan ap-  
 11 proved by the Secretary that would provide benefits  
 12 to the affected watershed from a non-Federal stor-  
 13 age project and other projects and activities, includ-  
 14 ing—

15 (A)(i) restoration of fish and wildlife habi-  
 16 tat or flows; or

17 (ii) water quality benefits; and

18 (B) water supply benefits.

## 19 **TITLE I—INFRASTRUCTURE** 20 **DEVELOPMENT**

### 21 **SEC. 101. COMPETITIVE GRANT PROGRAM FOR THE FUND-** 22 **ING OF WATER RECYCLING PROJECTS.**

23 (a) AUTHORIZATION OF NEW WATER RECYCLING  
 24 PROJECTS.—Section 1602 of the Reclamation Wastewater

1 and Groundwater Study and Facilities Act (43 U.S.C.  
2 390h) is amended—

3 (1) in subsection (e)(2)(B), by striking “in ac-  
4 cordance with the reclamation laws”; and

5 (2) in subsection (f)—

6 (A) in paragraph (1), by striking “, subject  
7 to subsection (g)(2)”; and

8 (B) by striking paragraph (2) and all that  
9 follows through the end of subsection (g) and  
10 inserting the following:

11 “(2) PRIORITIES AND DIVERSITY OF PROJECT  
12 TYPES.—In providing grants under paragraph (1),  
13 the Secretary shall—

14 “(A) give priority to projects that—

15 “(i) are likely to provide a more-reli-  
16 able water supply for a unit of State or  
17 local government;

18 “(ii) are likely to increase the water  
19 management flexibility and reduce impacts  
20 on environmental resources; or

21 “(iii) provide multiple benefits, includ-  
22 ing water supply reliability, ecosystem ben-  
23 efits, system reliability benefits, ground-  
24 water management and enhancements, and  
25 water quality improvements; and

1 “(B) take into consideration selecting a di-  
 2 versity of project types, including projects that  
 3 serve—

4 “(i) a region or more than 1 commu-  
 5 nity;

6 “(ii) a rural or small community; or

7 “(iii) an urban community or city.

8 “(g) AUTHORIZATION OF APPROPRIATIONS.—In ad-  
 9 dition to amounts made available under section  
 10 40901(4)(A) of the Infrastructure Investment and Jobs  
 11 Act (43 U.S.C. 3201(4)(A)), there is authorized to be ap-  
 12 propriated to the Secretary to carry out subsections (e)  
 13 and (f) \$300,000,000 for the period of fiscal years 2024  
 14 through 2028.”.

15 (b) LIMITATION ON FUNDING.—Section 1631(d) of  
 16 the Reclamation Wastewater and Groundwater Study and  
 17 Facilities Act (43 U.S.C. 390h–13(d)) is amended—

18 (1) in paragraph (1)—

19 (A) by striking “by paragraph (2)” and in-  
 20 serting “in paragraphs (2) and (3)”; and

21 (B) striking “\$20,000,000 (October 1996  
 22 prices)” and inserting “\$50,000,000 (in prices  
 23 as determined for January 2022)”; and

24 (2) in paragraph (2)—

25 (A) in subparagraph (B)—

1 (i) by striking “(B) In the case” and  
 2 inserting the following:

3 “(B) SAN GABRIEL BASIN.—In the case”;  
 4 and

5 (ii) by indenting clauses (i) and (ii)  
 6 appropriately; and

7 (B) by striking “(2)(A) Subject to” and in-  
 8 serting the following:

9 “(2) PROJECTS FUNDED AS OF 2021.—The Fed-  
 10 eral share of the cost of any single project author-  
 11 ized under this title shall be \$20,000,000 (October  
 12 1996 prices) if the project has received that amount  
 13 as of December 31, 2021.

14 “(3) OLDER PROJECTS.—

15 “(A) IN GENERAL.—Subject to”.

16 **SEC. 102. ANNUAL REPORT TO CONGRESS.**

17 (a) ANNUAL REPORTS.—Not later than February 1  
 18 of each year, the Secretary shall develop and submit to  
 19 the authorizing committees of Congress an annual report,  
 20 to be entitled “Report to Congress on Future Storage  
 21 Project Development”, that—

22 (1) identifies, with respect to Federal storage  
 23 projects and non-Federal storage projects—

24 (A) each feasibility report that—

1 (i) meets the criteria established  
2 under subsection (c)(1)(A); and

3 (ii) is recommended by the Secretary  
4 for congressional authorization for con-  
5 struction;

6 (B) each proposed feasibility study sub-  
7 mitted to the Secretary by an eligible entity  
8 pursuant to subsection (b) that meets the cri-  
9 teria established under subsection (c)(1)(A);

10 (C) any proposed modification to an au-  
11 thorized project that meets the criteria estab-  
12 lished under subsection (c)(1)(A) that is—

13 (i) submitted to the Secretary by an  
14 eligible entity pursuant to subsection (b);  
15 or

16 (ii) identified by the Secretary for au-  
17 thorization; and

18 (2) provides a status update for each feasibility  
19 study for a Federal storage project that is under  
20 evaluation during the period covered by the report  
21 and is intended to meet the criteria established  
22 under subsection (c)(1)(A), including identifying—

23 (A) the initiation date of the feasibility  
24 study;

1 (B) the percentage completion of the feasi-  
2 bility study; and

3 (C) the expected completion date of the  
4 feasibility study.

5 (b) REQUESTS FOR PROPOSALS.—

6 (1) PUBLICATION.—Not later than May 1 of  
7 each year, the Secretary shall publish a notice re-  
8 questing proposals from eligible entities for proposed  
9 feasibility studies and proposed modifications to au-  
10 thorized projects to be included in the annual report.

11 (2) DEADLINE FOR REQUESTS.—The Secretary  
12 shall include in each notice required under this sub-  
13 section a requirement that eligible entities submit to  
14 the Secretary any proposals described in paragraph  
15 (1) by not later than 120 days after the date of pub-  
16 lication of the notice in order for the proposals to be  
17 considered for inclusion in the annual report.

18 (3) NOTIFICATION.—On the date of publication  
19 of each notice required by this subsection, the Sec-  
20 retary shall—

21 (A) make the notice publicly available, in-  
22 cluding on the internet; and

23 (B) provide written notification of the pub-  
24 lication to the authorizing committees of Con-  
25 gress.

1 (c) CONTENTS.—

2 (1) INCLUSIONS.—

3 (A) CRITERIA.—The Secretary shall in-  
4 clude in the annual report—

5 (i) subject to subparagraph (B), a fea-  
6 sibility report or proposed feasibility study  
7 for, or proposed modifications to, a Fed-  
8 eral storage project or non-Federal storage  
9 project that—

10 (I) the Secretary determines is  
11 related to the missions and authorities  
12 of the Bureau of Reclamation;

13 (II) requires specific congres-  
14 sional authorization, including by an  
15 Act of Congress;

16 (III) the Secretary determines  
17 could be eligible for design, study, or  
18 construction; and

19 (IV) has not been authorized by  
20 Congress; and

21 (ii) a list of, as of the date of the an-  
22 nual report—

23 (I) each non-Federal storage  
24 project that is under construction;



1 (II) each feasibility study that is  
2 being conducted for non-Federal stor-  
3 age projects; and

4 (III) the amount of appropriated  
5 funding that the Secretary has award-  
6 ed to each project or feasibility study  
7 listed under subclause (I) or (II).

8 (B) LIMITATIONS.—Notwithstanding sub-  
9 paragraph (A)(i)—

10 (i) a feasibility study shall not be in-  
11 cluded in an annual report if the feasibility  
12 study was included in any previous annual  
13 report; and

14 (ii) a feasibility report for a non-Fed-  
15 eral storage project shall not be included in  
16 an annual report unless the project has a  
17 Federal cost-share of more than  
18 \$250,000,000.

19 (C) DESCRIPTION OF BENEFITS.—The  
20 Secretary shall describe in the annual report, to  
21 the extent applicable and practicable, for each  
22 proposed feasibility study and proposed modi-  
23 fication to an authorized project included in the  
24 annual report, the benefits of each project or  
25 proposed modification.

1 (D) IDENTIFICATION OF OTHER FAC-  
2 TORS.—The Secretary shall identify in the an-  
3 nual report, to the extent practicable—

4 (i) for each proposed feasibility study  
5 included in the annual report, the eligible  
6 entity that submitted the proposed project  
7 study pursuant to subsection (b); and

8 (ii) for each proposed feasibility study  
9 and proposed modification to a project in-  
10 cluded in the annual report, whether the  
11 eligible entity has demonstrated—

12 (I) that local support exists for  
13 the proposed feasibility study or pro-  
14 posed modification to an authorized  
15 project (including the project that is  
16 the subject of the proposed feasibility  
17 study or the proposed modification);  
18 and

19 (II) the financial ability to pro-  
20 vide the required non-Federal cost  
21 share.

22 (2) TRANSPARENCY.—The Secretary shall in-  
23 clude in the annual report, for each feasibility re-  
24 port, proposed feasibility study, and proposed modi-

1        fication to a project included under paragraph  
2        (1)(A)—

3                (A) the name of the associated eligible en-  
4                tity, including the name of any eligible entity  
5                that has contributed, or is expected to con-  
6                tribute, a non-Federal share of the cost of—

7                        (i) the feasibility report;

8                        (ii) the proposed feasibility study; or

9                        (iii) construction of—

10                        (I) the project that is the subject  
11                        of—

12                                (aa) the feasibility report; or

13                                (bb) the proposed feasibility  
14                        study; or

15                        (II) the proposed modification to  
16                        a project;

17                (B) a letter or statement of support for the  
18                feasibility report, proposed feasibility study, or  
19                proposed modification to a project from each  
20                associated eligible entity;

21                (C) the purpose of the feasibility report,  
22                proposed feasibility study, or proposed modi-  
23                fication to a project;

1 (D) an estimate, to the extent practicable,  
2 of the Federal, non-Federal, and total costs of  
3 construction of—

4 (i) the project that is the subject of  
5 the feasibility report; or

6 (ii) the proposed modification to an  
7 authorized project; and

8 (E) an estimate, to the extent practicable,  
9 of the monetary and nonmonetary benefits of—

10 (i) the project that is the subject of  
11 the feasibility report; or

12 (ii) the proposed modification to an  
13 authorized project.

14 (3) CERTIFICATION.—The Secretary shall in-  
15 clude in the annual report a certification stating  
16 that each feasibility report, proposed feasibility  
17 study, and proposed modification to a project in-  
18 cluded in the annual report meets the criteria estab-  
19 lished under paragraph (1)(A).

20 (4) APPENDIX.—

21 (A) IN GENERAL.—The Secretary shall in-  
22 clude in the annual report an appendix listing  
23 the proposals submitted under subsection (b)  
24 that were not included in the annual report  
25 under paragraph (1)(A) and a description of

1           why the Secretary determined that those pro-  
2           posals did not meet the criteria for inclusion  
3           under that paragraph.

4                   (B) LIMITATION.—The Secretary shall not  
5           include—

6                           (i) in an appendix under subpara-  
7                           graph (A) any proposal that meets the cri-  
8                           teria for inclusion in the annual report  
9                           solely on the basis of a determination by  
10                          the Secretary that the proposal requires  
11                          legislative changes to an authorized project  
12                          or feasibility study; or

13                          (ii) in an appendix under subpara-  
14                          graph (A) or any other part of the annual  
15                          report any proposal that meets the criteria  
16                          for inclusion in the annual report solely on  
17                          the basis of a policy of the Secretary.

18           (d) SPECIAL RULE FOR INITIAL ANNUAL REPORT.—  
19   Notwithstanding any other deadline under this section, the  
20   Secretary shall—

21                   (1) not later than 60 days after the date of en-  
22                   actment of this Act, publish a notice required under  
23                   subsection (b)(1); and

24                   (2) include in the notice a requirement that eli-  
25                   gible entities submit to the Secretary any proposals

1 described in subsection (b)(1) by not later than 120  
 2 days after the date of publication of the notice in  
 3 order for the proposals to be considered for inclusion  
 4 in the first annual report developed by the Secretary  
 5 under this section.

6 (e) PUBLICATION.—On submission of an annual re-  
 7 port to Congress, the Secretary shall make the annual re-  
 8 port publicly available, including through publication on  
 9 the internet.

10 **SEC. 103. STORAGE AND CONVEYANCE PROJECTS.**

11 (a) DEFINITIONS.—In this section:

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

14 (A) a State, Indian Tribe, municipality, ir-  
 15 rigation district, water district, wastewater dis-  
 16 trict, or other organization with water or power  
 17 delivery authority;

18 (B) a State, regional, or local authority,  
 19 the members of which include 1 or more organi-  
 20 zations with water or power delivery authority;  
 21 or

22 (C)(i) an agency established under State  
 23 law for the joint exercise of powers;

24 (ii) a combination of entities described in  
 25 subparagraphs (A) and (B); or

1 (iii) with respect to a natural water reten-  
 2 tion and release project, a qualified partner.

3 (2) ELIGIBLE PROJECT.—The term “eligible  
 4 project” means a project described in subsection (c).

5 (3) PROGRAM.—The term “program” means  
 6 the grant program established under subsection (b).

7 (4) RECLAMATION STATE.—The term “Rec-  
 8 lamation State” means a State or territory described  
 9 in the first section of the Act of June 17, 1902 (32  
 10 Stat. 388, chapter 1093; 43 U.S.C. 391).

11 (b) ESTABLISHMENT.—The Secretary shall establish  
 12 a program to provide grants to eligible entities on a com-  
 13 petitive basis for the study, planning, design, and con-  
 14 struction of non-Federal storage projects that provide sub-  
 15 stantial water supply and other benefits to a Reclamation  
 16 State in accordance with this section.

17 (c) ELIGIBLE PROJECT.—A project shall be eligible  
 18 for a grant under this section if the project—

19 (1) involves the construction or expansion by an  
 20 eligible entity of—

21 (A) a surface or groundwater storage  
 22 project that is not federally owned;

23 (B) a facility that is not federally owned  
 24 that conveys water to or from surface or  
 25 groundwater storage; or

1 (C) a natural water retention and release  
2 project;

3 (2) has a Federal cost-share of not more than  
4 \$250,000,000;

5 (3) is located in a Reclamation State;

6 (4) is constructed, operated, and maintained by  
7 an eligible entity; and

8 (5) provides a Federal benefit.

9 (d) PROJECT EVALUATION.—The Secretary may pro-  
10 vide a grant to an eligible entity for an eligible project  
11 under the program—

12 (1) for the study of the eligible project, if the  
13 Secretary has identified the potential for sufficient  
14 Federal benefits from the eligible project to proceed;

15 (2) for the construction of a non-Federal stor-  
16 age project that is not a natural water retention and  
17 release project, if—

18 (A) the eligible entity determines through  
19 the preparation of a feasibility study or equiva-  
20 lent study, and the Secretary concurs, that the  
21 eligible project—

22 (i) is technically and financially fea-  
23 sible;

24 (ii) provides a Federal benefit; and



1 (iii) is consistent with applicable Fed-  
2 eral and State laws;

3 (B) the eligible entity has sufficient non-  
4 Federal funding available to complete the eligi-  
5 ble project, as determined by the Secretary;

6 (C) the eligible entity is financially solvent,  
7 as determined by the Secretary;

8 (D) the Governor, a member of the cabinet  
9 of the Governor, or the head of a department  
10 of the Reclamation State in which the non-Fed-  
11 eral storage project is located supports the  
12 project or Federal funding of the project; and

13 (E) not later than 30 days after the date  
14 on which the Secretary concurs with the deter-  
15 minations under subparagraph (A) with respect  
16 to the eligible project, the Secretary submits to  
17 Congress written notice of the determinations;  
18 and

19 (3) for a natural water retention and release  
20 project—

21 (A) that costs not more than \$10,000,000,  
22 if the eligible entity demonstrates that the nat-  
23 ural water retention and release project would  
24 help optimize the storage or delivery of water in

1 a watershed in which a Bureau of Reclamation  
2 facility is located; and

3 (B) that costs more than \$10,000,000,  
4 if—

5 (i) the conditions described in para-  
6 graph (2) have been met; and

7 (ii) the eligible entity determines, and  
8 the Secretary concurs, that—

9 (I) the natural water retention  
10 and release project would produce or  
11 allow additional retention or delivery  
12 of water in a watershed in which a  
13 Bureau of Reclamation facility is lo-  
14 cated; and

15 (II) there is a credible estimate  
16 of the quantity of the storage benefit  
17 of the natural water retention and re-  
18 lease project during each of a “wet”  
19 year, a “normal” year, and a “dry”  
20 year.

21 (e) PRIORITY.—In providing grants to eligible entities  
22 for eligible projects under the program, the Secretary shall  
23 give funding priority to an eligible project that directly or  
24 through watershed restoration plans approved with the  
25 project meets 2 or more of the following criteria:

(1) Provides multiple benefits, including substantial quantities of each of the following:

(A) Water supply reliability benefits for States and communities that are frequently drought-stricken.

(B) Fish and wildlife benefits.

(C) Water quality improvements.

(2) Reduces impacts on environmental resources from water projects owned or operated by Federal agencies and State agencies, including through measurable reductions in water diversions from imperiled ecosystems.

(3) Advances water management plans across a multi-State area, such as drought contingency plans in the Colorado River Basin.

(4) Is collaboratively developed or supported by multiple stakeholders.

(5) Is located within a watershed for which an integrated, comprehensive watershed management plan has been developed to enhance resilience of ecosystems, agricultural operations, and communities to chronic water scarcity, acute drought, and changing hydrological regimes.

(f) FEDERAL ASSISTANCE.—

(1) FEDERAL COST SHARE.—

1 (A) IN GENERAL.—Except as provided in  
 2 subparagraph (B), the Federal share of the cost  
 3 of any eligible project provided a grant under  
 4 the program shall not exceed 25 percent of the  
 5 total cost of the eligible project.

6 (B) EXCEPTION.—The Federal share of  
 7 the cost of a natural water retention and re-  
 8 lease project provided a grant under the pro-  
 9 gram shall not exceed 90 percent of the total  
 10 cost of the natural water retention and release  
 11 project.

12 (2) REIMBURSABILITY OF FUNDS.—

13 (A) NONREIMBURSABLE FUNDS.—

14 (i) PUBLIC BENEFITS.—Subject to  
 15 paragraph (1), any funds provided by the  
 16 Secretary to an eligible entity under the  
 17 program for the value of public benefits  
 18 described in subparagraphs (A) and (B) of  
 19 section 2(8) shall be considered nonreim-  
 20 bursable.

21 (ii) WATER SUPPLY BENEFITS OF  
 22 EQUAL VALUE TO PUBLIC BENEFITS.—  
 23 Subject to paragraph (1), any funds pro-  
 24 vided by the Secretary for the value of  
 25 Federal benefits provided under section

1                   2(8)(D) shall be considered nonreimburs-  
2                   able to the extent that the value of the  
3                   Federal benefits does not exceed the value  
4                   of public benefits funded under clause (i)  
5                   that are fish and wildlife or water quality  
6                   benefits.

7                   (B) REIMBURSABLE FUNDS.—If any fund-  
8                   ing provided under subparagraph (A) is less  
9                   than 25 percent of the total cost of the eligible  
10                  project, the Secretary may provide reimbursable  
11                  funds to an eligible entity for any Federal bene-  
12                  fits provided under section 2(8)(D) for not  
13                  more than 25 percent of the total cost of the  
14                  eligible project.

15               (g) ENVIRONMENTAL LAWS.—In providing a grant  
16               for an eligible project under the program, the Secretary  
17               shall comply with all applicable environmental laws, in-  
18               cluding the National Environmental Policy Act of 1969  
19               (42 U.S.C. 4321 et seq.).

20               (h) GUIDANCE.—Not later than 1 year after the date  
21               of enactment of this Act, the Secretary shall issue guid-  
22               ance on the implementation of the program, including  
23               guidelines for the preparation of feasibility studies or  
24               equivalent studies by eligible entities.

25               (i) REPORTS.—

1           (1) ANNUAL REPORT.—At the end of each fis-  
 2 cal year, the Secretary shall make available on the  
 3 website of the Department of the Interior an annual  
 4 report that lists each eligible project for which a  
 5 grant has been awarded under this section during  
 6 the fiscal year.

7           (2) COMPTROLLER GENERAL ASSESSMENT.—  
 8 The Comptroller General of the United States shall  
 9 conduct an assessment of the administrative estab-  
 10 lishment, solicitation, selection, and justification  
 11 process with respect to the funding of grants under  
 12 this section.

13          (j) TREATMENT OF CONVEYANCE.—The planning,  
 14 design, and construction of a conveyance system for an  
 15 eligible project shall be eligible for grant funding under  
 16 the program.

17          (k) FUNDING.—

18           (1) AUTHORIZATION OF APPROPRIATIONS.—In  
 19 addition to amounts made available under section  
 20 40901(1) of the Infrastructure Investment and Jobs  
 21 Act (43 U.S.C. 3201(1)), there is authorized to be  
 22 appropriated to the Secretary to carry out this sec-  
 23 tion \$750,000,000 for the period of fiscal years  
 24 2024 through 2028, of which \$50,000,000 is author-  
 25 ized to be appropriated during that period to carry

1 out natural water retention and release projects  
2 under subsection (d)(3).

3 (2) ALLOCATION.—Subject to paragraphs (3)  
4 and (5), the Secretary shall allocate amounts made  
5 available under paragraph (1) among—

6 (A) the design and study of—

7 (i) non-Federal storage projects, in-  
8 cluding natural water retention and release  
9 projects; and

10 (ii) storage projects that are eligible  
11 for study funding under subsection (a)(1)  
12 of section 40902 of the Infrastructure In-  
13 vestment and Jobs Act (43 U.S.C. 3202),  
14 if the amounts made available to the stor-  
15 age projects under this clause are provided  
16 in accordance with subsections (b) and (c)  
17 of that section; and

18 (B) construction of—

19 (i) non-Federal storage projects, in-  
20 cluding natural water retention and release  
21 projects; and

22 (ii) storage projects that have received  
23 construction funding in accordance with  
24 subsection (a)(2) of section 40902 of the  
25 Infrastructure Investment and Jobs Act

1                   (43 U.S.C. 3202), if the amounts made  
 2                   available to the storage projects under this  
 3                   clause are provided in accordance with sub-  
 4                   sections (b) and (c) of that section.

5                   (3) PRELIMINARY STUDIES.—Of the amounts  
 6                   made available under paragraph (1), not more than  
 7                   25 percent shall be provided for appraisal studies,  
 8                   feasibility studies, or other preliminary studies.

9                   (4) WIIN ACT STORAGE FUNDING.—The Sec-  
 10                  retary may award funding made available under sec-  
 11                  tion 4007(h) of the Water Infrastructure Improve-  
 12                  ments for the Nation Act (43 U.S.C. 390b note;  
 13                  Public Law 114–322) to—

14                   (A) non-Federal storage projects, including  
 15                   natural water retention and release projects;

16                   (B) storage projects that are eligible for  
 17                   study funding under subsection (a)(1) of section  
 18                   40902 of the Infrastructure Investment and  
 19                   Jobs Act (43 U.S.C. 3202), if the amounts  
 20                   made available under this subparagraph to stor-  
 21                   age projects is provided in accordance with sub-  
 22                   sections (b) and (c) of that section; and

23                   (C) storage projects that have received  
 24                   construction funding in accordance with sub-  
 25                   section (a)(2) of section 40902 of the Infra-



1 structure Investment and Jobs Act (43 U.S.C.  
 2 3202), if the amounts made available to storage  
 3 projects under this subparagraph is provided in  
 4 accordance with subsections (b) and (c) of that  
 5 section.

6 (5) OTHER STORAGE PROJECTS.—The funds  
 7 appropriated under paragraph (1) may not be used  
 8 for storage projects other than those described in  
 9 paragraph (2) unless authorized by an Act of Con-  
 10 gress.

11 (6) USE OF FUNDING FOR PUBLIC BENEFITS.—

12 (A) IN GENERAL.—The Federal share of  
 13 the cost of public benefits provided by a storage  
 14 project described in paragraph (2) may be used  
 15 for—

16 (i) the capital and operations, mainte-  
 17 nance, and replacement costs of public  
 18 benefits; and

19 (ii) the operations, maintenance, and  
 20 replacement costs of public benefits de-  
 21 scribed in section 2(12)(A), the capital  
 22 costs of which are funded by the applicable  
 23 Reclamation State.

24 (B) EFFECT.—Nothing in this paragraph  
 25 precludes the Secretary from using other au-

1           thorities or appropriations for the capital and  
 2           operations, maintenance, and replacement costs  
 3           of a non-Federal storage project to provide pub-  
 4           lic benefits.

5           (l) AMENDMENT TO THE INFRASTRUCTURE JOBS  
 6 AND INVESTMENT ACT.—Section 40902(a)(2)(C)(i) of the  
 7 Infrastructure Investment and Jobs Act (43 U.S.C.  
 8 3202(a)(2)(C)(i)) is amended by striking “clause (i) or  
 9 (ii)” and inserting “clause (i), (ii), or (iii)”.

10          (m) AUTHORIZATION TO COMPLETE STORAGE  
 11 PROJECTS THAT RECEIVE CONSTRUCTION FUNDING.—

12           (1) DEFINITION OF CONSTRUCTION.—In this  
 13 subsection, the term “construction” has the meaning  
 14 given the term in section 4011(f) of the Water In-  
 15 frastructure Improvements for the Nation Act (Pub-  
 16 lic Law 114–322; 130 Stat. 1881).

17           (2) EXTENSION OF EXISTING REQUIRE-  
 18 MENTS.—A storage project that has received fund-  
 19 ing for construction activities in accordance with sec-  
 20 tion 40901(1) of the Infrastructure Investment and  
 21 Jobs Act (43 U.S.C. 3201(1)) shall be eligible for  
 22 funding (including funding authorized under this  
 23 section or an amendment made by this section), to  
 24 complete construction of the project in accordance

1 with the standards under section 40902 of that Act  
 2 (43 U.S.C. 3202).

3 (n) CALFED REAUTHORIZATION.—Title I of Public  
 4 Law 108–361 (118 Stat. 1681; 123 Stat. 2860; 128 Stat.  
 5 164; 128 Stat. 2312; 129 Stat. 2407; 130 Stat. 1866; 133  
 6 Stat. 2669; 134 Stat. 1363), is amended by striking  
 7 “2021” each place it appears and inserting “2027”.

8 **SEC. 104. ELIGIBLE DESALINATION PROJECT DEVELOP-**  
 9 **MENT.**

10 (a) ELIGIBLE DESALINATION PROJECTS AUTHORIZA-  
 11 TION.—Section 4(a) of the Water Desalination Act of  
 12 1996 (42 U.S.C. 10301 note; Public Law 104–298) is  
 13 amended by striking paragraph (2) and inserting the fol-  
 14 lowing:

15 “(2) PROJECTS.—

16 “(A) DEFINITIONS.—In this paragraph:

17 “(i) ELIGIBLE DESALINATION  
 18 PROJECT.—The term ‘eligible desalination  
 19 project’ means any project located in a  
 20 Reclamation State, or for which the con-  
 21 struction, operation, sponsorship, or fund-  
 22 ing is the responsibility of, and the pri-  
 23 mary water supply benefit accrues to, 1 or  
 24 more entities in a Reclamation State,  
 25 that—

1 “(I) involves an ocean or brack-  
 2 ish water desalination facility—

3 “(aa) constructed, operated,  
 4 and maintained by a State, In-  
 5 dian Tribe, irrigation district,  
 6 water district, or other organiza-  
 7 tion with water or power delivery  
 8 authority; or

9 “(bb) sponsored or funded  
 10 by any combination of a State,  
 11 department of a State, political  
 12 subdivision of a State, or public  
 13 agency organized pursuant to  
 14 State law, including through—

15 “(AA) direct sponsor-  
 16 ship or funding; or

17 “(BB) indirect sponsor-  
 18 ship or funding, such as by  
 19 paying for the water pro-  
 20 vided by the facility;

21 “(II) provides a Federal benefit;

22 and

23 “(III) is consistent with applica-  
 24 ble Federal and State resource protec-  
 25 tion laws, including any law relating

1 to the protection of marine protected  
2 areas.

3 “(ii) AUTHORIZING COMMITTEES OF  
4 CONGRESS; FEDERAL BENEFIT; RECLAMA-  
5 TION STATE.—The terms ‘authorizing com-  
6 mittees of Congress’, ‘Federal benefit’, and  
7 ‘Reclamation State’ have the meaning  
8 given the terms in section 2 of the Support  
9 To Rehydrate the Environment, Agri-  
10 culture, and Municipalities Act.

11 “(iii) RURAL DESALINATION  
12 PROJECT.—The term ‘rural desalination  
13 project’ means an eligible desalination  
14 project that is designed to serve a commu-  
15 nity or group of communities, each of  
16 which has a population of not more than  
17 25,000 inhabitants.

18 “(B) COST-SHARING REQUIREMENT.—

19 “(i) IN GENERAL.—Subject to the re-  
20 quirements of this subsection and notwith-  
21 standing section 7, the Federal share of an  
22 eligible desalination project carried out  
23 under this subsection shall be—

1 “(I) not more than 25 percent of  
 2 the total cost of the eligible desalina-  
 3 tion project; or

4 “(II) in the case of a rural de-  
 5 salination project, the applicable per-  
 6 centage determined in accordance  
 7 with clause (ii).

8 “(ii) RURAL DESALINATION  
 9 PROJECTS.—

10 “(I) COST-SHARING REQUIRE-  
 11 MENT FOR APPRAISAL STUDIES.—  
 12 Subject to subclause (IV), in the case  
 13 of a rural desalination project carried  
 14 out under this subsection, the Federal  
 15 share of the cost of appraisal studies  
 16 for the rural desalination project shall  
 17 be—

18 “(aa) 75 percent of the total  
 19 costs of the appraisal studies, up  
 20 to \$200,000; and

21 “(bb) if the total costs of  
 22 the appraisal studies are more  
 23 than \$200,000, 50 percent of any  
 24 amounts over \$200,000.

1 “(II) COST-SHARING REQUIRE-  
2 MENT FOR FEASIBILITY STUDIES.—  
3 Subject to subclause (IV), in the case  
4 of a rural desalination project carried  
5 out under this subsection, the Federal  
6 share of the cost of feasibility studies  
7 for the rural desalination project shall  
8 be not more than 50 percent.

9 “(III) COST-SHARING REQUIRE-  
10 MENT FOR CONSTRUCTION COSTS.—  
11 Subject to subclause (IV), in the case  
12 of a rural desalination project carried  
13 out under this subsection, the Federal  
14 share of the cost of construction of  
15 the rural desalination project shall be  
16 not more than 75 percent.

17 “(IV) REDUCTION IN NON-FED-  
18 ERAL SHARE.—The Secretary may re-  
19 duce the non-Federal share of a rural  
20 desalination project required under  
21 subclause (I), (II), or (III) by not  
22 more than 10 percent if the Secretary  
23 determines, after consultation with  
24 the heads of any other Federal agen-  
25 cies that are partners in the rural de-

1 salination project and in accordance  
2 with applicable Reclamation stand-  
3 ards, that the reduction is appropriate  
4 due to—

5 “(aa) an overwhelming Fed-  
6 eral interest in the rural desali-  
7 nation project; and

8 “(bb) the sponsor of the  
9 rural desalination project dem-  
10 onstrating financial hardship.

11 “(iii) LIMITATION.—Funding for a  
12 rural desalination project under clause (ii)  
13 or the Water Infrastructure Finance and  
14 Innovation Act of 2014 (33 U.S.C. 3901 et  
15 seq.) shall not be considered for purposes  
16 of the Federal share established under this  
17 subparagraph.

18 “(C) STATE ROLE.—Participation by the  
19 Secretary in an eligible desalination project  
20 under this paragraph shall not occur unless—

21 “(i)(I) the eligible desalination project  
22 is included in a State-approved plan; or

23 “(II) the participation has been re-  
24 quested by the Governor of the State in



1 which the eligible desalination project is lo-  
2 cated;

3 “(ii) the State or local sponsor of the  
4 eligible desalination project determines,  
5 and the Secretary concurs, that—

6 “(I) the eligible desalination  
7 project—

8 “(aa) is technically and fi-  
9 nancially feasible;

10 “(bb) provides a Federal  
11 benefit; and

12 “(cc) is consistent with ap-  
13 plicable Federal and State laws  
14 (including regulations);

15 “(II) sufficient non-Federal fund-  
16 ing is available to complete the eligible  
17 desalination project; and

18 “(III) the non-Federal project  
19 sponsor is financially capable of fund-  
20 ing the non-Federal share of the  
21 project costs; and

22 “(iii) the Secretary submits to the au-  
23 thorizing committees of Congress and  
24 makes publicly available on the internet a  
25 written notification of the determinations

1 under clause (ii) by not later than 30 days  
 2 after the date of the determinations.

3 “(D) ENVIRONMENTAL LAWS.—To be eli-  
 4 gible to receive a grant under this subsection,  
 5 a desalination project shall comply with—

6 “(i) applicable Federal environmental  
 7 laws, including the National Environ-  
 8 mental Policy Act of 1969 (42 U.S.C.  
 9 4321 et seq.); and

10 “(ii) applicable State environmental  
 11 laws.

12 “(E) INFORMATION.—In participating in  
 13 an eligible desalination project under this sub-  
 14 section, the Secretary—

15 “(i) may rely on reports prepared by  
 16 the sponsor of the eligible desalination  
 17 project, including feasibility or equivalent  
 18 studies, environmental analyses, and other  
 19 pertinent reports and analyses; but

20 “(ii) shall retain responsibility for  
 21 making the independent determinations de-  
 22 scribed in subparagraph (C).

23 “(F) FUNDING.—

24 “(i) AUTHORIZATION OF APPROPRIA-  
 25 TIONS.—In addition to amounts made

1 available under section 40901(5) of the In-  
 2 frastructure Investment and Jobs Act (43  
 3 U.S.C. 3201(5)), there is authorized to be  
 4 appropriated to carry out this paragraph  
 5 \$150,000,000 for the period of fiscal years  
 6 2024 through 2028, of which not less than  
 7 \$10,000,000 shall be made available dur-  
 8 ing the period for rural desalination  
 9 projects.

10 “(ii) FUNDING OPPORTUNITY AN-  
 11 NOUNCEMENT.—The Commissioner of Rec-  
 12 lamation shall release a funding oppor-  
 13 tunity announcement for a grant program  
 14 under this paragraph by not later than 75  
 15 days after the date of enactment of an Act  
 16 that provides funding for the program.”.

17 (b) PRIORITIZATION OF PROJECTS.—Section 4 of the  
 18 Water Desalination Act of 1996 (42 U.S.C. 10301 note;  
 19 Public Law 104–298) is amended by striking subsection  
 20 (c) and inserting the following:

21 “(c) PRIORITIZATION.—In carrying out demonstra-  
 22 tion and development activities under this section, the Sec-  
 23 retary shall prioritize projects—

24 “(1) for the benefit of drought-stricken States  
 25 and communities;

1           “(2) for the benefit of States that have author-  
 2           ized funding for research and development of desali-  
 3           nation technologies and projects;

4           “(3) that demonstrably improve self-reliance on  
 5           local or regional water supplies in the case of any  
 6           project sponsors that rely on imported water sup-  
 7           plies that have an impact on species listed under the  
 8           Endangered Species Act of 1973 (16 U.S.C. 1531 et  
 9           seq.);

10          “(4) that demonstrably leverage the experience  
 11          of or partner with—

12                 “(A) international entities with consider-  
 13                 able expertise in desalination, such as Israel; or

14                 “(B) nonprofit water research foundations  
 15                 or institutions with expertise in technology in-  
 16                 novation to advance sustainable desalination  
 17                 processes or brine management;

18          “(5) located in a region that—

19                 “(A) is impacted by salinity or brackish  
 20                 groundwater; and

21                 “(B) has agricultural production of na-  
 22                 tional importance;

23          “(6) that support regional stakeholder-based  
 24          planning and implementation efforts to manage  
 25          brine and salinity for sustainability and improve-

1       ment of groundwater quality within an approved  
2       basin plan;

3           “(7) that maximize the use of renewable energy  
4       to power desalination facilities;

5           “(8) that maximize energy efficiency so that the  
6       lifecycle energy demands of desalination are mini-  
7       mized;

8           “(9) located in a region that has employed  
9       strategies to increase water conservation and the  
10      capture and recycling of wastewater and stormwater;  
11      and

12           “(10) that, in the case of ocean desalination fa-  
13      cilities—

14           “(A)(i) use a subsurface intake; or

15           “(ii) if a subsurface intake is not feasible,  
16      use an intake that uses the best available site,  
17      design, technology, and mitigation measures to  
18      minimize the mortality of all forms of marine  
19      life and impacts to coastal-dependent resources;

20           “(B) are sited and designed to ensure that  
21      the disposal of wastewater (including brine from  
22      the desalination process)—

23           “(i) is not discharged in a manner  
24      that increases salinity levels in Federal or  
25      State marine protected areas; and

1                   “(ii) achieves ambient salinity levels  
2                   within a reasonable distance from the dis-  
3                   charge point;

4                   “(C) are sited, designed, and operated in a  
5                   manner that maintains indigenous marine life  
6                   and a healthy and diverse marine community  
7                   within a reasonable distance from the discharge  
8                   point;

9                   “(D) do not cause significant unmitigated  
10                  harm to aquatic life; and

11                  “(E) include a construction and operation  
12                  plan designed to minimize loss of coastal habi-  
13                  tat as well as aesthetic, noise, and air quality  
14                  impacts.”.

15           (c) PRIORITY SCORING SYSTEM.—As soon as prac-  
16           ticable after the date of enactment of this Act, for pur-  
17           poses of making recommendations to Congress for projects  
18           to be carried out under section 4 of the Water Desalina-  
19           tion Act of 1996 (42 U.S.C. 10301 note; Public Law 104–  
20           298), the Commissioner of Reclamation shall establish a  
21           priority scoring system that provides for the assignment  
22           of priority scores for the projects based on the  
23           prioritization criteria established under subsection (c) of  
24           that section.

1 (d) OTHER REQUIREMENTS.—Non-Federal entities  
 2 that receive Federal assistance for projects or facilities au-  
 3 thorized under this Act shall implement the projects or  
 4 facilities consistent with the standards for activities as-  
 5 sisted under section 401 of the Safe Drinking Water Act  
 6 Amendments of 1996 (42 U.S.C. 300j–3e).

7 (e) RESEARCH AUTHORITY.—Section 8(a) of the  
 8 Water Desalination Act of 1996 (42 U.S.C. 10301 note;  
 9 Public Law 104–298) is amended—

10 (1) in the first sentence, by striking “2021”  
 11 and inserting “2026”; and

12 (2) in the second sentence, by striking  
 13 “\$1,000,000” and inserting “\$3,000,000”.

14 **SEC. 105. RECLAMATION INFRASTRUCTURE FINANCE AND**  
 15 **INNOVATION PILOT PROGRAM.**

16 (a) ESTABLISHMENT.—The Secretary shall establish  
 17 and carry out a pilot program under which the Secretary  
 18 shall provide to eligible entities described in subsection (c)  
 19 loans and technical assistance in accordance with this sec-  
 20 tion to carry out eligible projects described in subsection  
 21 (b).

22 (b) ELIGIBLE PROJECTS.—

23 (1) IN GENERAL.—A project eligible to receive  
 24 assistance under the pilot program under this sec-

tion is a water supply or water conservation project  
that, as determined by the Secretary—

(A) is located in—

(i) the State of Alaska;

(ii) the State of Hawaii; or

(iii) a State or territory described in  
the first section of the Act of June 17,  
1902 (32 Stat. 388, chapter 1093; 43  
U.S.C. 391);

(B) would—

(i) contribute directly or indirectly (in-  
cluding through groundwater recharge) to  
a safe, adequate water supply for domestic,  
agricultural, environmental, or municipal  
and industrial use; or

(ii) promote water conservation or  
water use efficiency; and

(C) is otherwise eligible for assistance  
under this section.

(2) PROJECTS ASSOCIATED WITH BUREAU OF  
RECLAMATION FACILITIES.—A project that supports  
an improvement to, or is associated with, a Bureau  
of Reclamation facility shall be eligible to receive as-  
sistance under the pilot program under this section  
if—



1 (A) the project meets the criteria described  
2 in paragraph (1);

3 (B) the eligible entity carrying out the  
4 project demonstrates to the satisfaction of the  
5 Secretary that the eligible entity is initiating  
6 and implementing the project for non-Federal  
7 purposes;

8 (C) the eligible entity retains or secures,  
9 through a long-term Federal property lease, op-  
10 eration and maintenance transfer agreement  
11 that provides for self-funding, or easement  
12 agreement with the Secretary, substantial con-  
13 trol over the assets, operation, management,  
14 and maintenance of the project; and

15 (D) the project meets any other criteria  
16 that the Secretary may establish.

17 (3) SMALL COMMUNITY PROJECTS.—For  
18 projects eligible for assistance under this section and  
19 section 5028(a)(2)(B) of the Water Resources Re-  
20 form and Development Act of 2014 (33 U.S.C.  
21 3907(a)(2)(B)), the Secretary may assist applicants  
22 in combining 1 or more projects into a single appli-  
23 cation in order to meet the minimum project cost of  
24 \$5,000,000 required under that section.

1 (c) ELIGIBLE APPLICANTS.—The following entities  
2 are eligible to receive assistance under this section:

3 (1) An entity described in section 5025 of the  
4 Water Resources Reform and Development Act of  
5 2014 (33 U.S.C. 3904).

6 (2) A conservancy district, Reclamation district,  
7 irrigation district, or water district.

8 (3) A canal company or mutual water company.

9 (4) A water users' association.

10 (5) An agency established by an interstate com-  
11 pact.

12 (6) An agency established under State law for  
13 the joint exercise of powers.

14 (7) Any other individual or entity that has the  
15 capacity to contract with the United States under  
16 the reclamation laws.

17 (d) REQUIREMENTS.—

18 (1) PROJECT SELECTION.—In selecting eligible  
19 projects to receive assistance under the pilot pro-  
20 gram under this section, the Secretary shall ensure  
21 diversity with respect to—

22 (A) project type; and

23 (B) geographical location within the States  
24 referred to in subsection (b)(1)(A).

1           (2) IMPORTATION OF OTHER REQUIREMENTS.—

2           The following provisions of law shall apply to the  
3           pilot program under this section:

4                   (A) Sections 5022, 5024, 5027, 5028,  
5                   5029, 5030, 5031, 5032, and 5034(a) of the  
6                   Water Resources Reform and Development Act  
7                   of 2014 (33 U.S.C. 3901, 3903, 3906, 3907,  
8                   3908, 3909, 3910, 3911, 3913(a)), except  
9                   that—

10                          (i) any reference contained in those  
11                          sections to the Secretary of the Army shall  
12                          be considered to be a reference to the Sec-  
13                          retary;

14                          (ii) any reference contained in those  
15                          sections to an eligible project shall be con-  
16                          sidered to be a reference to an eligible  
17                          project described in subsection (b);

18                          (iii) paragraphs (1)(E) and (6)(B) of  
19                          subsection (a), and subsection (b)(3), of  
20                          section 5028 of that Act (33 U.S.C. 3907)  
21                          shall not apply with respect to this section;  
22                          and

23                          (iv) subsections (e) and (f) of section  
24                          5030 of that Act (33 U.S.C. 3909) shall  
25                          not apply with respect to this section.

1 (B) The agreement between the Adminis-  
 2 trator of the Environmental Protection Agency  
 3 and the Commissioner of Reclamation required  
 4 under section 4301 of the America’s Water In-  
 5 frastructure Act of 2018 (33 U.S.C. 3909 note;  
 6 Public Law 115–270), pursuant to which the  
 7 Administrator shall retain responsibility for ad-  
 8 ministering any loans under this section.

9 (3) ENVIRONMENTAL LAWS.—No project shall  
 10 receive funding under this section unless the project  
 11 complies with—

12 (A) applicable Federal environmental laws,  
 13 including the National Environmental Policy  
 14 Act of 1969 (42 U.S.C. 4321 et seq.); and

15 (B) applicable State environmental laws.

16 (e) AUTHORIZATION OF APPROPRIATIONS.—

17 (1) IN GENERAL.—There is authorized to be  
 18 appropriated to the Secretary to carry out the pilot  
 19 program under this section \$150,000,000 for the pe-  
 20 riod of fiscal years 2024 through 2028, to remain  
 21 available until expended.

22 (2) ADMINISTRATIVE COSTS.—Of the funds  
 23 made available pursuant to paragraph (1), the Sec-  
 24 retary may use for administrative costs of carrying  
 25 out the pilot program under this section (including

1 for the provision of technical assistance to project  
 2 sponsors pursuant to paragraph (3), to obtain any  
 3 necessary approval, and for transfer to the Adminis-  
 4 trator of the Environmental Protection Agency to  
 5 provide assistance in administering and servicing  
 6 Federal credit instruments under the pilot program)  
 7 not more than \$5,000,000 for each applicable fiscal  
 8 year.

9 (3) SMALL COMMUNITY PROJECTS.—

10 (A) IN GENERAL.—Subject to subsection  
 11 (b), the Commissioner may use the funds made  
 12 available under paragraph (2) to provide assist-  
 13 ance, including assistance to pay the costs of  
 14 acquiring the rating opinion letters under para-  
 15 graph (1)(D) of section 5028(a) of the Water  
 16 Resources Reform and Development Act of  
 17 2014 (33 U.S.C. 3907(a)), to assist project  
 18 sponsors in obtaining the necessary approvals  
 19 for small community projects that are eligible  
 20 for assistance under paragraph (2)(B) of that  
 21 section or subsection (b)(3).

22 (B) LIMITATION.—Assistance provided to  
 23 a project sponsor under subparagraph (A) may  
 24 not exceed an amount equal to 75 percent of  
 25 the total administrative costs incurred by the

1 project sponsor in securing financial assistance  
2 under this section.

3 **SEC. 106. DRINKING WATER ASSISTANCE FOR DISADVAN-**  
4 **TAGED COMMUNITIES.**

5 (a) IN GENERAL.—The Secretary (acting through the  
6 Commissioner of Reclamation) may provide grants or  
7 enter into contracts or financial assistance agreements  
8 that provide not more than 100 percent of the cost of the  
9 planning, design, or construction of water projects or fa-  
10 cilities or features of water projects, the primary purpose  
11 of which is to improve the domestic water supplies of com-  
12 munities or households that do not have reliable access  
13 to domestic water supplies in sufficient quantities or of  
14 sufficient quality in a State or territory described in the  
15 first section of the Act of June 17, 1902 (32 Stat. 388,  
16 chapter 1093; 43 U.S.C. 391).

17 (b) AUTHORIZATION OF APPROPRIATIONS.—

18 (1) AMOUNT.—There is authorized to be appro-  
19 priated to the Secretary to carry out this section  
20 \$100,000,000 for the period of fiscal years 2024  
21 through 2028.

22 (2) MULTIPLE BENEFIT PROJECTS.—The Sec-  
23 retary shall use all or a portion of the funds made  
24 available under subsection (a) to incorporate into  
25 multiple benefit projects features or facilities to as-

1       sist in providing domestic water supplies to dis-  
2       advantaged communities.

3   **SEC. 107. EXTRAORDINARY OPERATION AND MAINTENANCE WORK; PROJECT MODIFICATION.**

5       (a) REIMBURSEMENT OF COSTS.—Section 9603(b) of  
6   the Omnibus Public Land Management Act of 2009 (43  
7   U.S.C. 510b(b)) is amended—

8           (1) in paragraph (1), by striking “reimbursable  
9       purposes” and inserting “reimbursable and nonreim-  
10      bursable purposes of the project and costs allocated  
11      to a reimbursable purpose”;

12          (2) in paragraph (2), by striking “costs” and  
13      inserting “costs, including reimbursable and nonre-  
14      imbursable costs”; and

15          (3) by adding at the end the following:

16           “(4) DETERMINATION OF REIMBURSABLE  
17      COSTS.—Any costs expended under paragraph (1) or  
18      advanced under paragraph (2) that are allocated to  
19      existing nonreimbursable purposes of the project, in-  
20      cluding costs to restore or add a public benefit (as  
21      defined in section 2 of the Support To Rehydrate  
22      the Environment, Agriculture, and Municipalities  
23      Act), shall be considered to be nonreimbursable costs  
24      for purposes of this subsection.”.

1       (b) AUTHORIZATION TO MODIFY PROJECTS TO IN-  
 2       CREASE PUBLIC BENEFITS AND OTHER PROJECT BENE-  
 3       FITS.—Section 9603 of the Omnibus Public Land Man-  
 4       agement Act of 2009 (43 U.S.C. 510b) is amended by  
 5       adding at the end the following:

6       “(e) AUTHORIZATION TO MODIFY PROJECTS TO IN-  
 7       CREASE PUBLIC BENEFITS AND OTHER PROJECT BENE-  
 8       FITS.—

9               “(1) DEFINITIONS.—In this subsection:

10               “(A) ADVERSE IMPACT.—The term ‘ad-  
 11               verse impact’ means, with respect to a project  
 12               modification, a reduction in water quantity or  
 13               quality or a change in the timing of water deliv-  
 14               eries available to a project beneficiary from the  
 15               modified project as compared to the water  
 16               quantity or quality or timing of water deliveries  
 17               from—

18               “(i) the project with the original ca-  
 19               pacity restored, if the extraordinary oper-  
 20               ation and maintenance work under this  
 21               section is intended to restore lost project  
 22               capacity;

23               “(ii) the project prior to undertaking  
 24               the planning and design, if the extraor-  
 25               dinary operation and maintenance work



1 under this section is for any purpose other  
2 than to restore lost project capacity; or

3 “(iii) project operations of the modi-  
4 fied project without an increase in benefits  
5 for a new project beneficiary under para-  
6 graph (2)(E).

7 “(B) NEW BENEFIT.—The term ‘new ben-  
8 efit’ means the increase in benefits of the modi-  
9 fied project compared to the benefits provided  
10 by—

11 “(i) the project with the original ca-  
12 pacity restored, if the extraordinary oper-  
13 ation and maintenance work under this  
14 section is intended to restore lost project  
15 capacity; or

16 “(ii) the project prior to undertaking  
17 the planning and design, if the extraor-  
18 dinary operation and maintenance work  
19 under this section is for any purpose other  
20 than to restore lost project capacity.

21 “(C) PROJECT BENEFICIARY.—The term  
22 ‘project beneficiary’ means any entity that has  
23 a repayment, long-term water service, or other  
24 form of long-term contract or agreement exe-  
25 cuted pursuant to the Act of June 17, 1902 (32

1 Stat. 388, chapter 1093), and Acts supple-  
2 mental to and amendatory of that Act (43  
3 U.S.C. 371 et seq.), for water service from the  
4 project.

5 “(D) PUBLIC BENEFIT.—The term ‘public  
6 benefit’ has the meaning given the term in sec-  
7 tion 2 of the Support To Rehydrate the Envi-  
8 ronment, Agriculture, and Municipalities Act.

9 “(2) AUTHORIZATION; REQUIREMENTS.—

10 “(A) IN GENERAL.—In a case in which a  
11 project is anticipated to require extraordinary  
12 operation and maintenance work during the 10-  
13 year period beginning on January 1, 2023, the  
14 Secretary, in consultation with any transferred  
15 works operating entity and any project bene-  
16 ficiaries, may develop and carry out a proposal  
17 to modify project features to increase public  
18 benefits and other project benefits, including  
19 carrying out a feasibility study and conducting  
20 any applicable environmental analysis required  
21 for the proposal, subject to subparagraphs (B)  
22 through (F).

23 “(B) MAXIMUM COST.—The maximum  
24 amount that may be added to the original

1 project cost as a result of a project modification  
 2 under subparagraph (A) shall not exceed—

3 “(i) an amount equal to 25 percent of  
 4 the original cost of the project, in the case  
 5 of a project for which the original cost of  
 6 the project exceeds \$100,000,000; or

7 “(ii) \$25,000,000, in the case of a  
 8 project for which the original cost of the  
 9 project is not more than \$100,000,000.

10 “(C) PUBLIC BENEFITS.—In the case of a  
 11 project modification under subparagraph (A),  
 12 not less than 50 percent of the new benefits  
 13 provided by the modification of the project shall  
 14 be public benefits.

15 “(D) WRITTEN CONSENT REQUIRED.—A  
 16 project modification under subparagraph (A)  
 17 shall not be constructed until the date on which  
 18 the Secretary has obtained the written consent  
 19 of—

20 “(i) the transferred works operating  
 21 entity, if applicable; and

22 “(ii) consistent with paragraph (3),  
 23 any project beneficiary that would experi-  
 24 ence an adverse impact as a result of the  
 25 modification of the project.

1           “(E) ADVERSE IMPACT.—Any benefits that  
 2           accrue to a new project beneficiary resulting  
 3           from operations of the modified project shall  
 4           not be increased without the consent of existing  
 5           project beneficiaries that would experience an  
 6           adverse impact as a result of the modification  
 7           of the project.

8           “(F) REIMBURSEMENT OF COSTS.—The  
 9           costs of planning, design, and environmental  
 10          compliance for a project modification under  
 11          subparagraph (A) shall be reimbursed in ac-  
 12          cordance with subsection (b), except that any of  
 13          the costs that would otherwise be allocated to a  
 14          project beneficiary shall be considered nonreim-  
 15          bursable if the project beneficiary does not re-  
 16          ceive any increase in long-term average annual  
 17          water deliveries as a result of the modification.

18          “(3) PROCEDURE FOR OBTAINING CONSENT  
 19          AND TIME LIMITATION.—

20               “(A) INITIAL DETERMINATION.—The Sec-  
 21               retary shall initially determine whether the con-  
 22               sent of a project beneficiary is required prior to  
 23               construction under paragraph (2)(D) based on  
 24               whether the modification or subsequent oper-

1           ations of the modified project would have any  
2           adverse impacts on a project beneficiary.

3           “(B) WRITTEN REQUEST FOR CONSENT.—

4           The Secretary shall provide to the transferred  
5           works operating entity, if any, and any project  
6           beneficiaries, in writing—

7                   “(i) a description of the proposed  
8                   modification and subsequent operations of  
9                   the project; and

10                   “(ii)(I) a request for consent under  
11                   paragraph (2)(D); or

12                   “(II)(aa) an explanation that the Sec-  
13                   retary has determined that no consent is  
14                   required under paragraph (2)(D); and

15                   “(bb) a statement that if the project  
16                   beneficiary believes that the consent of the  
17                   project beneficiary is required, the project  
18                   beneficiary shall send to the Secretary a  
19                   reply not later than 30 days after the date  
20                   of receipt of the notice that includes an ex-  
21                   planation of the reasons that the project  
22                   beneficiary would experience adverse im-  
23                   pacts as a result of the project modifica-  
24                   tion.

25           “(C) FINAL DETERMINATION.—

1 “(i) WRITTEN RESPONSE.—The Sec-  
2 retary shall respond in writing to any reply  
3 from a project beneficiary under subpara-  
4 graph (B)(ii)(II)(bb) stating whether or  
5 not the Secretary determines that the  
6 project beneficiary would experience ad-  
7 verse impacts as a result of the project  
8 modification.

9 “(ii) FINAL AGENCY ACTION.—A writ-  
10 ten determination by the Secretary under  
11 clause (i) shall be considered to be a final  
12 agency action for purposes of section 704  
13 of title 5, United States Code.

14 “(iii) WRITTEN REQUEST.—If the  
15 Secretary determines under clause (i) that  
16 the project beneficiary would experience  
17 adverse impacts as a result of the project  
18 modification, the Secretary shall send to  
19 the project beneficiary a written request  
20 for consent in accordance with subpara-  
21 graph (B)(ii).

22 “(D) TIME PERIOD FOR CONSENT.—

23 “(i) IN GENERAL.—If written consent  
24 required under paragraph (2)(D) is not ob-  
25 tained by the date that is 1 year after the

1 date on which written consent is requested  
 2 under subparagraph (B)(ii), the Secretary  
 3 or the transferred works operating entity,  
 4 as applicable, shall proceed with extraor-  
 5 dinary operation and maintenance work of  
 6 the project without the modification, unless  
 7 the Secretary extends the time for consent  
 8 under clause (ii).

9 “(ii) EXTENSION.—At the discretion  
 10 of the Secretary, the Secretary may elect  
 11 to extend the time for obtaining consent  
 12 under paragraph (2)(D) by 1 year.

13 “(4) REALLOCATION OF COSTS BASED ON  
 14 PROJECT CHANGES AND INCREASED PUBLIC BENE-  
 15 FITS.—The Secretary shall allocate costs, including  
 16 capital repayment costs and operation and mainte-  
 17 nance costs, for a project modification under para-  
 18 graph (2), to provide that—

19 “(A) the public benefits provided by the  
 20 modified project, including associated annual  
 21 operation and maintenance costs, shall be non-  
 22 reimbursable; and

23 “(B) the cost allocation of reimbursable  
 24 costs to each project beneficiary reflects any

1 changes in the benefits that the modified  
 2 project is providing to the project beneficiary.

3 “(5) INCENTIVE FOR BENEFITTING ENTITIES  
 4 TO PARTICIPATE IN PROJECTS WITH INCREASED  
 5 PUBLIC BENEFITS.—The total amount of reimburs-  
 6 able capital costs, as determined under paragraph  
 7 (4), for a project modification that would increase  
 8 public benefits without increasing municipal, indus-  
 9 trial, or irrigation benefits of a project, shall be re-  
 10 duced by 15 percent, with each project beneficiary to  
 11 be responsible for 85 percent of the reimbursable  
 12 costs that would otherwise be allocated to the project  
 13 beneficiary.

14 “(6) REIMBURSABLE FUNDS.—All reimbursable  
 15 costs under this subsection shall be repaid in accord-  
 16 ance with subsection (b).”.

17 **SEC. 108. USE OF REVENUE TO IMPROVE DROUGHT RESIL-**  
 18 **IENCE OR DAM SAFETY.**

19 (a) DEFINITIONS.—In this section:

20 (1) DAM SAFETY INVESTMENT.—The term  
 21 “dam safety investment” means a project to satisfy  
 22 dam safety standards—

23 (A) under the Federal Guidelines for Dam  
 24 Safety issued by the Federal Emergency Man-



agement Agency or the Interagency Committee  
on Dam Safety;

(B) under the Bureau of Reclamation Dam  
Safety Program, including repayment of an ob-  
ligation for a corrective action taken pursuant  
to that program; or

(C) required by the State in which a Bu-  
reau of Reclamation project or facility is lo-  
cated.

(2) DROUGHT RESILIENCE INVESTMENT.—The  
term “drought resilience investment” means—

(A) an improvement or addition to an eligi-  
ble facility that will increase drought resilience  
in a Reclamation State; or

(B) annual payments on repayment obliga-  
tions incurred under section 9603 of the Omni-  
bus Public Land Management Act of 2009 (43  
U.S.C. 510b).

(3) ELIGIBLE FACILITY.—The term “eligible fa-  
cility” means—

(A) a project or facility owned by the Bu-  
reau of Reclamation; and

(B) a non-Federal facility that stores,  
transports, or delivers water to or from a Bu-  
reau of Reclamation project or facility.

1           (4) ELIGIBLE TEMPORARY TRANSFER.—The  
 2           term “eligible temporary transfer” means the tem-  
 3           porary and voluntary selling, leasing, or exchanging  
 4           of water or water rights among individuals or agen-  
 5           cies that is allowable under the reclamation laws and  
 6           the water law of the applicable State.

7           (5) TRANSFEROR.—The term “transferor”  
 8           means the holder of a water service, transferred  
 9           works, water repayment, or other contract that enti-  
 10          tles the holder to water from a Bureau of Reclama-  
 11          tion project or facility that undertakes an eligible  
 12          temporary transfer.

13          (b) USE OF REVENUE FOR DROUGHT RESILIENCE  
 14          INVESTMENTS OR DAM SAFETY INVESTMENTS.—

15           (1) IN GENERAL.—Notwithstanding the Act of  
 16          February 25, 1920 (41 Stat. 451, chapter 86; 43  
 17          U.S.C. 521), or subsection J of section 4 of the Act  
 18          of December 5, 1924 (43 Stat. 703, chapter 4; 43  
 19          U.S.C. 526), all amounts derived from an eligible  
 20          temporary transfer that would otherwise be depos-  
 21          ited in the reclamation fund established by the first  
 22          section of the Act of June 17, 1902 (32 Stat. 388,  
 23          chapter 1093; 43 U.S.C. 391), shall remain available  
 24          to the transferor.

1           (2) USE OF FUNDS.—Any funds retained by a  
2 transferor under paragraph (1) may be—

3               (A) used for a drought resilience invest-  
4 ment or dam safety investment; or

5               (B) placed in the reserve account of the  
6 transferor, to be used for future drought resil-  
7 ience investments or dam safety investments,  
8 subject to paragraph (3).

9           (3) TRANSFER OF UNUSED FUNDS TO REC-  
10 LAMATION FUND.—Any funds placed in the reserve  
11 account of the transferor pursuant to paragraph  
12 (2)(B) that are not used for drought resilience in-  
13 vestments or dam safety investments by the date  
14 that is 10 years after the date of the placement shall  
15 be transferred to the reclamation fund established by  
16 the first section of the Act of June 17, 1902 (32  
17 Stat. 388, chapter 1093).

18           (4) REPORTING.—The transferor shall report to  
19 the Commissioner of Reclamation on the use of any  
20 uses of funds derived from an eligible temporary  
21 transfer.

22           (5) EFFECT OF SECTION.—

23               (A) IN GENERAL.—Nothing in this sec-  
24 tion—

1 (i) affects any other authority of the  
 2 Secretary to use amounts derived from rev-  
 3 enues from a Bureau of Reclamation  
 4 project; or

5 (ii) creates, impairs, alters, or super-  
 6 sedes a State water right.

7 (B) APPLICABLE LAW.—Any eligible tem-  
 8 porary transfer shall comply with all applica-  
 9 ble—

10 (i) State water laws;

11 (ii) Federal laws and policies; and

12 (iii) interstate water compacts.

13 (c) RECLAMATION LAWS.—This section supplements  
 14 and amends the Act of June 17, 1902 (32 Stat. 388, chap-  
 15 ter 1093), and Acts supplemental to and amendatory of  
 16 that Act (43 U.S.C. 371 et seq.).

## 17 **TITLE II—IMPROVED** 18 **TECHNOLOGY AND DATA**

### 19 **SEC. 201. REAUTHORIZATION OF THE TRANSBOUNDARY AQ-** 20 **UIFER ASSESSMENT PROGRAM.**

21 (a) DESIGNATION OF PRIORITY TRANSBOUNDARY  
 22 AQUIFERS.—Section 4(c)(2) of the United States-Mexico  
 23 Transboundary Aquifer Assessment Act (42 U.S.C. 1962  
 24 note; Public Law 109–448) is amended by striking “New  
 25 Mexico or Texas” and inserting “New Mexico, Texas, or

1 Arizona (other than an aquifer underlying Arizona and  
2 Sonora, Mexico, that is partially within the Yuma ground-  
3 water basin designated by the order of the Director of the  
4 Arizona Department of Water Resources dated June 21,  
5 1984)”).

6 (b) REAUTHORIZATION.—

7 (1) AUTHORIZATION OF APPROPRIATIONS.—

8 Section 8(a) of the United States-Mexico Trans-  
9 boundary Aquifer Assessment Act (42 U.S.C. 1962  
10 note; Public Law 109–448) is amended by striking  
11 “\$50,000,000 for the period of fiscal years 2007  
12 through 2016” and inserting “\$50,000,000 for the  
13 period of fiscal years 2024 through 2028”.

14 (2) SUNSET OF AUTHORITY.—Section 9 of the  
15 United States-Mexico Transboundary Aquifer As-  
16 sessment Act (42 U.S.C. 1962 note; Public Law  
17 109–448) is amended by striking “enactment of this  
18 Act” and inserting “enactment of the Support To  
19 Rehydrate the Environment, Agriculture, and Mu-  
20 nicipalities Act”.

1 **TITLE III—ECOSYSTEM RES-**  
 2 **TORATION AND PROTECTION**

3 **SEC. 301. ECOSYSTEM RESTORATION.**

4 (a) DEFINITIONS.—Section 40907 of the Infrastruc-  
 5 ture Investment and Jobs Act (43 U.S.C. 3207) is amend-  
 6 ed by striking subsection (a) and inserting the following:

7 “(a) DEFINITIONS.—In this section:

8 “(1) COMMITTEE.—The term ‘Committee’  
 9 means the Integrated Water Management Federal  
 10 Leadership Committee established under subsection  
 11 (f)(1).

12 “(2) ELIGIBLE APPLICANT.—The term ‘eligible  
 13 applicant’ means—

14 “(A) a State;

15 “(B) a Tribal or local government;

16 “(C) an organization with power, water de-  
 17 livery, or water storage authority;

18 “(D) a regional authority; or

19 “(E) a nonprofit conservation organization.

20 “(3) PROJECT.—The term ‘project’ includes—

21 “(A) planning, design, permitting, and  
 22 preconstruction activities;

23 “(B) construction, construction manage-  
 24 ment, replacement, and other similar activities;

1           “(C) management activities, including the  
2           acquisition of an interest in land or water, in-  
3           cluding the acquisition of a conservation ease-  
4           ment;

5           “(D) research, development, demonstration  
6           (including the demonstration of the scalability  
7           of a project or activity), and monitoring; and

8           “(E) project administration activities, in-  
9           cluding the payment of fees associated with im-  
10          plementing the project or activity.”.

11       (b) REQUIREMENTS.—Section 40907(c)(1) of the In-  
12       frastructure Investment and Jobs Act (43 U.S.C.  
13       3207(c)(1)) is amended by striking subparagraph (B) and  
14       inserting the following:

15               “(B) may not provide a grant to carry out  
16               a habitat restoration project the purpose of  
17               which is to meet existing environmental mitiga-  
18               tion or compliance obligations that are express  
19               requirements of a permit or order issued under  
20               Federal or State law, unless such requirements  
21               expressly contemplate reliance on Federal fund-  
22               ing in performance of the requirements.”.

23       (c) OTHER AMENDMENTS.—Section 40907 of the In-  
24       frastructure Investment and Jobs Act (43 U.S.C. 3207)  
25       is amended by adding at the end the following:

1 “(e) OTHER ACTIONS.—

2 “(1) IN GENERAL.—In addition to other activi-  
 3 ties authorized under this section, the Secretary may  
 4 undertake actions and enter into contracts and  
 5 agreements to implement projects that implement  
 6 watershed health, including projects described in  
 7 subsection (b)(3), that—

8 “(A) accomplish 1 or more of the purposes  
 9 described in subsection (b); and

10 “(B) are consistent with the requirements  
 11 described in subsection (c).

12 “(2) REIMBURSABILITY.—The expenditures of  
 13 the Secretary under this subsection and subsection  
 14 (f) shall be nonreimbursable.

15 “(f) ‘LEAVE BEHIND’ WATER TRANSFERS.—

16 “(1) PURPOSE.—The purpose of this subsection  
 17 is to authorize the Secretary to address habitat  
 18 needs and promote collaborative, multi-benefit water  
 19 management through water sharing arrangements  
 20 that incorporate habitat and other public benefits  
 21 into voluntary crop idling water transfers.

22 “(2) AUTHORIZATION OF ACQUISITION.—In ap-  
 23 proving a water transfer within a Federal reclama-  
 24 tion project that results in voluntary fallowing of  
 25 crop land in the Sacramento Valley or Sacramento-



1 San Joaquin River Delta, the Secretary may acquire  
2 a portion of the volume of water made available for  
3 transfer if the Secretary determines that crop land  
4 idled because of the transfer would create temporary  
5 wildlife habitat with the application of the acquired  
6 water, subject to paragraph (3).

7 “(3) REQUIREMENTS.—In acquiring water pur-  
8 suant to paragraph (2), the Secretary shall—

9 “(A) develop implementation guidelines in  
10 consultation with relevant stakeholders;

11 “(B) only acquire a portion of the volume  
12 of water made available for transfer if the  
13 transferor and the transferee agree to the ac-  
14 quisition;

15 “(C) negotiate a mutually agreeable vol-  
16 ume of water for acquisition with the transferor  
17 and the transferee;

18 “(D) pay not more per volume of water  
19 than the price negotiated between the trans-  
20 feror and transferee for the water to be trans-  
21 ferred;

22 “(E) compensate the transferor for any  
23 reasonable incremental costs associated with  
24 managing the water acquired to create tem-  
25 porary wildlife habitat; and

1           “(F) apply the acquired water to idled crop  
2           land to create temporary wildlife habitat.

3           “(4) PRIORITIZATION.—The Secretary shall  
4           give priority to approving and facilitating transfers  
5           under this subsection that incorporate voluntary  
6           habitat and other public benefits that exceed the  
7           benefits provided under regulatory requirements.

8           “(5) TREATMENT.—Water acquired by the Sec-  
9           retary under paragraph (2) shall be in addition to,  
10          and not a substitute for, actions required to meet  
11          obligations under existing law, including—

12           “(A) the Central Valley Project Improve-  
13          ment Act (title XXXIV of Public Law 102–575;  
14          106 Stat. 4706); and

15           “(B) the Endangered Species Act of 1973  
16          (16 U.S.C. 1531 et seq.).

17          “(6) REPORTING.—The Secretary shall annu-  
18          ally submit to the authorizing committees of Con-  
19          gress (as defined in section 2 of the Support To Re-  
20          hydrate the Environment, Agriculture, and Munici-  
21          palities Act) a report that describes, for the period  
22          covered by the report—

23           “(A) the volume of water acquired under  
24          paragraph (2); and

1                   “(B) the extent and duration of temporary  
2                   wildlife habitat created under that paragraph.

3           “(g) INTEGRATED WATER MANAGEMENT FEDERAL  
4 LEADERSHIP COMMITTEE FOR ASSISTING PROJECTS AT  
5 THE REQUEST OF A SPONSOR.—

6           “(1) ESTABLISHMENT.—Not later than 180  
7           days after the date on which an eligible entity or  
8           qualified partner sponsoring a habitat restoration  
9           project that receives a grant under this section sub-  
10          mits to the Secretary a request for the establishment  
11          of the Integrated Water Management Federal Lead-  
12          ership Committee, the Secretary shall establish the  
13          Integrated Water Management Federal Leadership  
14          Committee.

15          “(2) CHAIRPERSON.—The Assistant Secretary  
16          for Water and Science of the Department of the In-  
17          terior shall—

18                 “(A) serve as the chairperson of the Com-  
19                 mittee; and

20                 “(B) coordinate the activities of, and com-  
21                 munication among, members of the Committee.

22          “(3) MEMBERSHIP.—The Committee shall in-  
23          clude representatives of Federal agencies with re-  
24          sponsibility for water and natural resource issues,  
25          including representatives of—

1 “(A) the Bureau of Reclamation;

2 “(B) the United States Fish and Wildlife  
3 Service;

4 “(C) the National Marine Fisheries Serv-  
5 ice;

6 “(D) the Corps of Engineers;

7 “(E) the Environmental Protection Agen-  
8 cy; and

9 “(F) the Department of Agriculture.

10 “(4) DUTIES AND RESPONSIBILITIES.—The  
11 members of the Committee shall establish the duties  
12 and responsibilities of the Committee, including—

13 “(A) facilitating communication and col-  
14 laboration among Federal agencies to support  
15 and advance any projects for which an eligible  
16 entity or qualified partner requests the assist-  
17 ance of the Committee;

18 “(B) ensuring the effective coordination  
19 among relevant Federal agencies and depart-  
20 ments to ensure accelerated implementation of  
21 any projects for which an eligible entity or  
22 qualified partner requests the assistance of the  
23 Committee; and

24 “(C) making policy and budgetary rec-  
25 ommendations, if determined to be appropriate

1 by the Committee, to support the implementa-  
 2 tion of projects.

3 “(5) PROJECT ASSISTANCE.—On request of an  
 4 eligible entity or a qualified partner for a habitat  
 5 restoration project, the Committee shall assist that  
 6 project with permit processing and interagency co-  
 7 ordination.

8 “(h) AUTHORIZATION OF APPROPRIATIONS.—In ad-  
 9 dition to amounts made available under section  
 10 40901(11), there is authorized to be appropriated to the  
 11 Secretary \$250,000,000 to carry out this section for the  
 12 period of fiscal years 2024 through 2028, of which—

13 “(1) \$150,000,000 shall be made available for  
 14 the competitive grant program described in sub-  
 15 section (b); and

16 “(2) \$100,000,000 shall be made available for  
 17 other actions described in subsection (e) and to  
 18 carry out subsection (f).

19 “(i) APPLICABLE LAW.—Nothing in this section af-  
 20 fects or modifies—

21 “(1) the obligations of the Secretary under—

22 “(A) the reclamation laws; or

23 “(B) Federal environmental laws, includ-  
 24 ing—

1 “(i) the Central Valley Project Im-  
 2 provement Act (title XXXIV of Public Law  
 3 102–575; 106 Stat. 4706); and

4 “(ii) the Endangered Species Act of  
 5 1973 (16 U.S.C. 1531 et seq.); or

6 “(2) the obligations of a non-Federal party to  
 7 comply with applicable Federal and State laws.”.

8 **SEC. 302. PERFORMANCE-BASED RESTORATION AUTHOR-**  
 9 **ITY.**

10 (a) DEFINITIONS.—In this section:

11 (1) ELIGIBLE PROJECT.—The term “eligible  
 12 project” means a habitat or ecosystem restoration,  
 13 mitigation, or enhancement project or activity au-  
 14 thorized individually or through an existing Federal  
 15 program.

16 (2) ELIGIBLE RESTORATION PROVIDER.—The  
 17 term “eligible restoration provider” means a non-  
 18 Federal for-profit or nonprofit organization, com-  
 19 pany, or corporation, or a State, Tribal, or local gov-  
 20 ernment, that is bonded, insured, and experienced in  
 21 financing and completing successful habitat and res-  
 22 toration, mitigation, and enhancement activities.

23 (3) PERFORMANCE-BASED.—The term “per-  
 24 formance-based” means, with respect to a contract,  
 25 grant agreement, cooperative agreement, or fixed

1 amount award, a pay-for-performance, pay-for-suc-  
 2 cess, pay-for-results, or similar model by which the  
 3 restoration provider agrees to finance and complete  
 4 habitat or ecosystem restoration, mitigation, or en-  
 5 hancement activities, with payment to the restora-  
 6 tion provider linked to delivery of verifiable and suc-  
 7 cessful ecological performance, based on metrics and  
 8 the timeframe established in advance by the Sec-  
 9 retary.

10 (4) RESTORATION PROVIDER.—The term “res-  
 11 toration provider” means a non-Federal organization  
 12 that performs restoration services contracted for,  
 13 agreed to, or awarded under a contract or agreement  
 14 entered into under subsection (b)(1).

15 (b) AUTHORIZATION.—

16 (1) IN GENERAL.—Subject to subsection (j), in  
 17 implementing existing authorities under Federal law  
 18 related to habitat and ecosystem restoration, mitiga-  
 19 tion, or enhancement, the Secretary may enter into  
 20 performance-based contracts, grant agreements, and  
 21 cooperative agreements, including providing funding  
 22 through fixed amount awards, with eligible restora-  
 23 tion providers for the conduct of eligible projects for  
 24 which ecological targets and outcomes are—

25 (A) clearly defined;

1 (B) agreed to in advance; and

2 (C) capable of being successfully achieved.

3 (2) PERFORMANCE-BASED CONTRACTS.—For  
4 purposes of paragraph (1), the Secretary may enter  
5 into performance-based contracts with eligible res-  
6 toration providers experienced in financing and com-  
7 pleting successful ecological habitat and restoration,  
8 mitigation, and enhancement activities.

9 (3) GRANTS AND AWARDS.—For purposes of  
10 paragraph (1), the Secretary—

11 (A) may provide funding through grant  
12 agreements and cooperative agreements, includ-  
13 ing fixed amount awards, for eligible projects;  
14 and

15 (B) shall allow for the use of performance-  
16 based tools in the agreements and awards de-  
17 scribed in subparagraph (A).

18 (4) PASS-THROUGH GRANTS AND AWARDS.—  
19 For purposes of paragraph (1), the Secretary—

20 (A) may allow funding provided to States,  
21 local governments, Indian Tribes, and nonprofit  
22 organizations to be passed through to third-  
23 party eligible restoration providers under a con-  
24 tract or agreement entered into under that  
25 paragraph; and



1 (B) shall allow for the use of performance-  
2 based tools in grant and cooperative agreements  
3 entered into with eligible restoration providers  
4 under that paragraph.

5 (5) MULTI-YEAR AGREEMENTS.—The Secretary  
6 may use performance-based contracts, grant agree-  
7 ments, and cooperative agreements, including fixed  
8 amount awards, issued under this section for multi-  
9 year agreements, including capacity for multi-year  
10 payment schedules for professional services, subject  
11 to appropriations prior to obligation.

12 (c) GUIDELINES.—

13 (1) IN GENERAL.—Not later than 1 year after  
14 the date of enactment of this Act, the Secretary  
15 shall develop programmatic guidelines for the use of  
16 performance-based contracts, grant agreements, and  
17 cooperative agreements for eligible projects author-  
18 ized under subsection (b)(1).

19 (2) CONSULTATION REQUIRED.—

20 (A) IN GENERAL.—In developing the  
21 guidelines under paragraph (1), the Secretary  
22 shall consult with external organizations and  
23 other appropriate entities with experience in  
24 performance-based contracts, agreements, or

1           awards, consistent with sections 6302 through  
2           6305 of title 31, United States Code.

3           (B) LIMITATION.—Consultation with the  
4           organizations and entities described in subpara-  
5           graph (A) shall not constitute or necessitate es-  
6           tablishment of an advisory committee under the  
7           Federal Advisory Committee Act (5 U.S.C.  
8           App.).

9           (3) REQUIREMENTS.—At a minimum, guide-  
10          lines developed under paragraph (1) shall include  
11          guidance on—

12                (A) appropriate proposal and evaluation  
13                criteria for eligible projects;

14                (B) eligibility criteria for restoration pro-  
15                viders;

16                (C) criteria for defining achievable ecologi-  
17                cal outcomes; and

18                (D) determination of restoration provider  
19                financial assurances sufficient to ensure ecologi-  
20                cal outcomes will be successfully achieved.

21          (d) IDENTIFICATION OF ELIGIBLE PROJECTS.—The  
22          Secretary shall—

23                (1) identify eligible projects for the use of con-  
24                tracts and agreements under subsection (b)(1); and

1           (2) issue a request for proposals from eligible  
2       restoration providers to meet the ecological require-  
3       ments of habitat and ecosystem restoration, mitiga-  
4       tion, and enhancement for the eligible projects iden-  
5       tified under paragraph (1).

6       (e) CERTIFICATION.—After the date on which an eli-  
7       gible project identified under subsection (d)(1) is com-  
8       pleted, the Secretary shall certify that the work on the  
9       eligible project was completed in accordance with the eco-  
10      logical requirements and outcomes defined in advance in  
11      the applicable contract or agreement.

12      (f) TECHNICAL ASSISTANCE.—At the request of an  
13      eligible restoration provider entering into a contract or  
14      agreement with the Secretary under subsection (b)(1), the  
15      Secretary may provide to the eligible restoration provider  
16      technical assistance with respect to—

17           (1) conducting a study, engineering activity, or  
18      design activity related to an eligible project carried  
19      out by the eligible restoration provider under this  
20      section; and

21           (2) obtaining permits necessary for the eligible  
22      project.

23      (g) EFFECT.—Nothing in this section authorizes the  
24      Secretary to waive—

25           (1) the obligations of the Secretary under—

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

3 (B) the Endangered Species Act of 1973  
4 (16 U.S.C. 1531 et seq.);

5 (C) the Federal Water Pollution Control  
6 Act (33 U.S.C. 1251 et seq.); or

7 (D) any other provision of Federal environ-  
8 mental law; or

9 (2) the obligations of a non-Federal party to  
10 comply with applicable Federal and State laws.

11 (h) NON-FEDERAL FUNDING.—The restoration pro-  
12 vider may finance the applicable non-Federal share of an  
13 eligible project carried out under the authority provided  
14 under subsection (b)(1), on the condition that the non-  
15 Federal cost-share responsibility remains with the non-  
16 Federal party.

17 (i) COST SHARE.—Nothing in this section affects a  
18 cost-sharing requirement under Federal law that is appli-  
19 cable to an eligible project carried out under the authority  
20 provided under subsection (b)(1).

21 (j) MITIGATION.—Nothing in this section authorizes  
22 Federal funding to meet existing environmental mitigation  
23 or compliance obligations that are express requirements  
24 of a permit or order issued under Federal or State law,

1 unless the requirements expressly contemplate reliance on  
2 Federal funding for the performance of the requirements.

3 (k) REPORT.—

4 (1) IN GENERAL.—Not later than 3 years after  
5 the date of enactment of this Act, the Secretary  
6 shall—

7 (A) submit to the authorizing committees  
8 of Congress and make publicly available a re-  
9 port describing the results of activities carried  
10 out under the authority established under sub-  
11 section (b)(1), including any recommendations  
12 of the Secretary on whether the authority or  
13 any component of the authorized activities  
14 should be implemented on a national basis; and

15 (B) except as provided in subsection (g),  
16 identify any procedural requirements that im-  
17 pede the use of performance-based contracts,  
18 grants, and cooperative agreements, including  
19 fixed amount awards, for the development and  
20 completion of eligible projects.

21 (2) ADDRESSING IMPEDIMENTS.—Not later  
22 than 1 year after the date on which the Secretary  
23 identifies impediments, if any, under paragraph  
24 (1)(B), the Secretary shall develop and implement  
25 programmatic procedures and approaches, including

recommendations to the authorizing committees of Congress on legislation, that would—

(A) to the extent practicable, address the impediments; and

(B) protect the public interest and any public investment in eligible projects carried out under this section.

## **TITLE IV—MISCELLANEOUS**

### **SEC. 401. MODIFICATIONS TO DROUGHT PROGRAM UNDER THE RECLAMATION STATES EMERGENCY DROUGHT RELIEF ACT OF 1991.**

(a) ASSISTANCE DURING DROUGHT; WATER PURCHASES.—Section 101 of the Reclamation States Emergency Drought Relief Act of 1991 (43 U.S.C. 2211) is amended—

(1) in subsection (a)—

(A) in the first sentence, by striking “Consistent” and inserting the following:

“(1) IN GENERAL.—Subject to paragraph (2) and consistent”;

(B) in paragraph (1) (as so designated), in the second sentence, by striking “Any construction activities” and inserting the following:

“(2) LIMITATION.—Any construction activities”; and

(C) in paragraph (2) (as so designated), by striking “except that” and all that follows through the period at the end and inserting the following: “except that the following may be permanent facilities:

“(A) A construction project—

“(i) for which Federal expenditures are not more than \$30,000,000; and

“(ii) that is supported by—

“(I) the Governor or the relevant agency head of the affected State; or

“(II) if the construction project is on a reservation, by the affected Indian Tribe.

“(B) A well drilled to minimize losses and damages from drought conditions that—

“(i) aligns with applicable local, State, or regional groundwater sustainability goals; or

“(ii) supports drinking water supplies for a disadvantaged community (as defined in section 2 of the Support To Rehydrate the Environment, Agriculture, and Municipalities Act) or Indian Tribe.”; and

(2) by adding at the end the following:

1       “(e) FUNDING FOR FEE-BASED ENVIRONMENTAL  
2 PROGRAMS.—

3               “(1) IN GENERAL.—For any fiscal year for  
4 which, due to a drought, as determined by the Sec-  
5 retary, there are insufficient funds to carry out any  
6 environmental program that is funded in whole or in  
7 part by fees based on the water volume of water de-  
8 livered by a Federal reclamation project (including  
9 fees collected under section 3407(c) of the Reclama-  
10 tion Projects Authorization and Adjustment Act of  
11 1992 (Public Law 102–575; 106 Stat. 4726)), the  
12 Secretary may use other unobligated amounts made  
13 available to the Secretary to carry out the environ-  
14 mental program for the fiscal year.

15               “(2) NONREIMBURSABLE FUNDS.—Notwith-  
16 standing any other provision of law, amounts made  
17 available under paragraph (1) shall be nonreimburs-  
18 able.

19               “(3) EFFECT.—Nothing in this subsection af-  
20 fects—

21                       “(A) the authority of the Secretary to ad-  
22 dress insufficient funding for an environmental  
23 program described in paragraph (1) that is not  
24 a result of a drought; or



1                   “(B) the obligations of the Secretary to the  
2                   environment under Federal law.”.

3           (b) APPLICABLE PERIOD OF DROUGHT PROGRAM.—  
4   Section 104 of the Reclamation States Emergency  
5   Drought Relief Act of 1991 (43 U.S.C. 2214) is amend-  
6   ed—

7                   (1) by striking subsection (a) and inserting the  
8                   following:

9           “(a) IN GENERAL.—The programs and authorities  
10   established under this title shall not become operative in  
11   any Reclamation State or in the State of Hawaii until the  
12   date on which—

13                   “(1)(A) the Governor of the affected State, and  
14                   the governing body of the affected Indian Tribe with  
15                   respect to a reservation, has made a request for tem-  
16                   porary drought assistance; and

17                   “(B) the Secretary has determined that the  
18                   temporary assistance is merited;

19                   “(2) a drought emergency has been declared for  
20                   a State or portion of a State by the Governor of  
21                   each affected State; or

22                   “(3) a drought contingency plan is approved in  
23                   accordance with title II.”; and

24                   (2) in subsection (c), by striking “2021” and  
25                   inserting “2031”.

1       (c) MUNICIPAL WELLS; FUNDING UNDER THE IN-  
 2       FRASTRUCTURE INVESTMENT AND JOBS ACT.—Section  
 3       9504(a)(3) of the Omnibus Public Land Management Act  
 4       of 2009 (42 U.S.C. 10364(a)(3)) is amended by adding  
 5       at the end the following:

6               “(G) MUNICIPAL WELLS.—A grant or  
 7               agreement entered into by the Secretary with  
 8               any eligible applicant under paragraph (1) to  
 9               drill a groundwater well for municipal supply to  
 10              minimize losses and damages from drought con-  
 11              ditions, including construction activities to  
 12              transport or otherwise convey groundwater  
 13              pumped from the well, shall not contribute to  
 14              an increase in the net water use of the eligible  
 15              applicant beyond the period of any drought  
 16              emergency, except if—

17               “(i) the groundwater well is for the  
 18               purpose of supplying drinking water for a  
 19               disadvantaged community (as defined in  
 20               section 2 of the Support To Rehydrate the  
 21               Environment, Agriculture, and Municipalities  
 22               Act) or Indian Tribe; or

23               “(ii) the new groundwater use is par-  
 24               tially offset by aquatic habitat enhance-  
 25               ment—

1 “(I) during the drought period;

2 or

3 “(II) over the long-term, includ-

4 ing a future drought period.

5 “(H) FUNDING UNDER THE INFRASTRUC-

6 TURE INVESTMENT AND JOBS ACT.—For pur-

7 poses of amounts made available to carry out

8 this section under paragraph (7) of section

9 40901 of the Infrastructure Investment and

10 Jobs Act (43 U.S.C. 3201) for each of fiscal

11 years 2025 and 2026, projects or activities eli-

12 gible for funding under that paragraph may in-

13 clude a combination of proposed planning ac-

14 tivities, actions, or projects within a basin, with

15 the maximum amount of the combined activities

16 not to exceed the maximum amount established

17 under subparagraph (E)(iii).”.

18 **SEC. 402. CLARIFICATION OF AUTHORITY TO USE**

19 **CORONAVIRUS FISCAL RECOVERY FUNDS TO**

20 **MEET A NON-FEDERAL MATCHING REQUIRE-**

21 **MENT FOR AUTHORIZED WATER PROJECTS.**

22 (a) CORONAVIRUS STATE FISCAL RECOVERY

23 FUND.—Section 602(c)(4) of the Social Security Act (42

24 U.S.C. 802(c)(4)) is amended—

1 (1) in the paragraph heading, by striking “BU-  
2 REAU OF RECLAMATION”; and

3 (2) by striking “an authorized Bureau of Rec-  
4 lamation project” and inserting “a project under-  
5 taken or funded by the Bureau of Reclamation pur-  
6 suant to an Act of Congress”.

7 (b) CORONAVIRUS LOCAL FISCAL RECOVERY  
8 FUND.—Section 603(c)(5) of the Social Security Act (42  
9 U.S.C. 803(c)(5)) is amended by striking “an authorized  
10 Bureau of Reclamation project” and inserting “a project  
11 undertaken or funded by the Bureau of Reclamation pur-  
12 suant to an Act of Congress”.

13 **SEC. 403. ENVIRONMENTAL COMPLIANCE.**

14 No water recycling project, non-Federal storage  
15 project, eligible desalination project, project eligible for a  
16 loan under the pilot program under section 105, or a  
17 project eligible for a grant under section 106 shall receive  
18 Federal funding under this Act unless the applicable  
19 project complies with—

20 (1) applicable Federal environmental laws; and

21 (2) applicable State environmental laws.

22 **SEC. 404. EFFECT.**

23 Nothing in this Act or an amendment made by this  
24 Act shall be interpreted or implemented in a manner that  
25 interferes with any obligation of a State under the Rio

1 Grande Compact or any other compact approved by Con-  
2 gress under the Act of May 31, 1939 (53 Stat. 785, chap-  
3 ter 155), or any litigation relating to the Rio Grande Com-  
4 pact or other compact.

○