117TH CONGRESS
2D SESSION

S. 4231

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

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

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. 2. DEFINITIONS.

In this Act:

(1) **Annual report.**—The term “annual report” means a report required under section 102(a).

(2) **Authorized project.**—The term “authorized project” means a storage project authorized by an Act of Congress, including through an applicable standing authorization under section 5B of the Reclamation Safety of Dams Act of 1978 (43 U.S.C. 509b) or any other applicable law.

(3) **Authorizing committees of Congress.**—The term “authorizing committees of Congress” means—
(A) the Committee on Energy and Natural Resources of the Senate; and

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

(4) DESIGN; STUDY.—

(A) IN GENERAL.—The terms “design” and “study” include any design, permitting, study (including a feasibility study), materials engineering or testing, surveying, or preconstruction activity relating to a water storage facility.

(B) EXCLUSIONS.—The terms “design” and “study” do not include an appraisal study or other preliminary review intended to determine whether further study is appropriate.

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

(6) ELIGIBLE DESALINATION PROJECT.—The term “eligible desalination project” has the meaning given the term in paragraph (2) of section 4(a) of the Water Desalination Act of 1996 (42 U.S.C. 10301 note; Public Law 104–298) (as amended by 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.—
(A) IN GENERAL.—The term “natural water retention and release project” means a non-Federal storage project designed and developed to increase water availability for optimal management through aquifer recharge, flood-plain retention, the alteration of the timing of runoff to allow increased utilization of existing storage facilities, or another mechanism that—

(i) uses primarily natural materials appropriate to the specific site and landscape setting; and

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

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

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

(ii) several distributed natural water retention and release projects across a watershed; and

(iii) the redesign, modification, or replacement of existing infrastructure to incorporate natural water retention and release elements.
(11) Non-Federal Storage Project.—The term “non-Federal storage project” means any project in a Reclamation State that—

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

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

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

(iii) a natural water retention and release project; and

(B) provides a benefit in meeting any obligation under applicable Federal law (including regulations).

(12) Public Benefit.—The term “public benefit”, with respect to a non-Federal storage project or extraordinary operation and maintenance work, means—

(A)(i) fish and wildlife benefits—

(I) that are in excess of express mitigation and environmental compliance obligations under applicable Federal and State law, including regulations, permits, contracts, licenses, grants, or orders or deci-
sions from Federal and State courts, in ef-
flect 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 ex-
cess of the obligations described in clause (i)(I)
of subparagraph (A); and

(v) any other benefits that are nonreim-
bursable under the reclamation laws;

(B) drinking water supply for disadvan-
taged communities, including through ground-
water recharge, the benefits of which are in ex-
cess 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 Gov-
ernor; and

(D) energy savings benefits, including—

(i) the value of associated greenhouse
gas reductions; and
(ii) any reduction in energy costs for Federal taxpayers, such as reduced water delivery costs for water providing fish and wildlife benefits.

(13) QUALIFIED PARTNER.—The term “qualified partner” means a nonprofit organization operating in a Reclamation State that is acting with the written support of an eligible entity.

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

(15) RECLAMATION STATE.—The term “Reclamation State” has the meaning given the term in section 4014 of the Water Infrastructure Improvements for the Nation Act (43 U.S.C. 390b note; Public Law 114–322).

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

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

(18) WATER RECYCLING PROJECT.—The term “water recycling project” means a project provided
a grant under section 1602(f) of the Reclamation
Wastewater and Groundwater Study and Facilities
Act (43 U.S.C. 390h(f)).

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

(A) an entire watershed; or

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

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

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

(ii) water quality benefits; and

(B) water supply benefits.

TITLE I—INFRASTRUCTURE
DEVELOPMENT

SEC. 101. COMPETITIVE GRANT PROGRAM FOR THE FUND-
ING OF WATER RECYCLING PROJECTS.

(a) AUTHORIZATION OF NEW WATER RECYCLING
PROJECTS.—Section 1602 of the Reclamation Wastewater
and Groundwater Study and Facilities Act (43 U.S.C. 390h) is amended—

(1) in subsection (e)(2)(B), by striking “in accordance with the reclamation laws”; and

(2) in subsection (f)—

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

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

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

“(A) give priority to projects that—

“(i) are likely to provide a more-reliable water supply for a unit of State or local government;

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

“(iii) provide multiple benefits, including water supply reliability, ecosystem benefits, system reliability benefits, groundwater management and enhancements, and water quality improvements; and
“(B) take into consideration selecting a diversity of project types, including projects that serve—

“(i) a region or more than 1 community;

“(ii) a rural or small community; or

“(iii) an urban community or city.

“(g) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts made available under section 40901(4)(A) of the Infrastructure Investment and Jobs Act (43 U.S.C. 3201(4)(A)), there is authorized to be appropriated to the Secretary to carry out subsections (e) and (f) $300,000,000 for the period of fiscal years 2024 through 2028.”.

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

(1) in paragraph (1)—

(A) by striking “by paragraph (2)” and inserting “in paragraphs (2) and (3)”; and

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

(2) in paragraph (2)—

(A) in subparagraph (B)—
(i) by striking “(B) In the case” and inserting the following:

“(B) SAN GABRIEL BASIN.—In the case”;

and

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

(B) by striking “(2)(A) Subject to” and inserting the following:

“(2) PROJECTS FUNDED AS OF 2021.—The Federal share of the cost of any single project authorized under this title shall be $20,000,000 (October 1996 prices) if the project has received that amount as of December 31, 2021.

“(3) OLDER PROJECTS.—

“(A) IN GENERAL.—Subject to”.

SEC. 102. ANNUAL REPORT TO CONGRESS.

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

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

(A) each feasibility report that—
(i) meets the criteria established under subsection (e)(1)(A); and

(ii) is recommended by the Secretary for congressional authorization for construction;

(B) each proposed feasibility study submitted to the Secretary by an eligible entity pursuant to subsection (b) that meets the criteria established under subsection (e)(1)(A);

(C) any proposed modification to an authorized project that meets the criteria established under subsection (e)(1)(A) that is—

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

(ii) identified by the Secretary for authorization; and

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

(A) the initiation date of the feasibility study;
(B) the percentage completion of the feasibility study; and

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

(b) REQUESTS FOR PROPOSALS.—

(1) PUBLicATION.—Not later than May 1 of each year, the Secretary shall publish a notice requesting proposals from eligible entities for proposed feasibility studies and proposed modifications to authorized projects to be included in the annual report.

(2) DEADLINE FOR REQUESTS.—The Secretary shall include in each notice required under this subsection a requirement that eligible entities submit to the Secretary any proposals described in paragraph (1) by not later than 120 days after the date of publication of the notice in order for the proposals to be considered for inclusion in the annual report.

(3) NOTIFICATION.—On the date of publication of each notice required by this subsection, the Secretary shall—

(A) make the notice publicly available, including on the internet; and

(B) provide written notification of the publication to the authorizing committees of Congress.
(c) CONTENTS.—

(1) INCLUSIONS.—

(A) CRITERIA.—The Secretary shall include in the annual report—

(i) subject to subparagraph (B), a feasibility report or proposed feasibility study for, or proposed modifications to, a Federal storage project or non-Federal storage project that—

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

(II) requires specific congressional authorization, including by an Act of Congress;

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

(IV) has not been authorized by Congress; and

(ii) a list of, as of the date of the annual report—

(I) each non-Federal storage project that is under construction;
(II) each feasibility study that is being conducted for non-Federal storage projects; and

(III) the amount of appropriated funding that the Secretary has awarded to each project or feasibility study listed under subclause (I) or (II).

(B) LIMITATIONS. — Notwithstanding subparagraph (A)(i)—

(i) a feasibility study shall not be included in an annual report if the feasibility study was included in any previous annual report; and

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

(C) DESCRIPTION OF BENEFITS. — The Secretary shall describe in the annual report, to the extent applicable and practicable, for each proposed feasibility study and proposed modification to an authorized project included in the annual report, the benefits of each project or proposed modification.
(D) IDENTIFICATION OF OTHER FACTORS.—The Secretary shall identify in the annual report, to the extent practicable—

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

(ii) for each proposed feasibility study and proposed modification to a project included in the annual report, whether the eligible entity has demonstrated—

(I) that local support exists for the proposed feasibility study or proposed modification to an authorized project (including the project that is the subject of the proposed feasibility study or the proposed modification); and

(II) the financial ability to provide the required non-Federal cost share.

(2) TRANSPARENCY.—The Secretary shall include in the annual report, for each feasibility report, proposed feasibility study, and proposed modi-
(1)(A)—

(A) the name of the associated eligible entity, including the name of any eligible entity that has contributed, or is expected to contribute, a non-Federal share of the cost of—

(i) the feasibility report;

(ii) the proposed feasibility study; or

(iii) construction of—

(I) the project that is the subject of—

(aa) the feasibility report; or

(bb) the proposed feasibility study; or

(II) the proposed modification to a project;

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

(C) the purpose of the feasibility report, proposed feasibility study, or proposed modification to a project;
(D) an estimate, to the extent practicable, of the Federal, non-Federal, and total costs of construction of—

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

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

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

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

(ii) the proposed modification to an authorized project.

(3) CERTIFICATION.—The Secretary shall include in the annual report a certification stating that each feasibility report, proposed feasibility study, and proposed modification to a project included in the annual report meets the criteria established under paragraph (1)(A).

(4) APPENDIX.—

(A) IN GENERAL.—The Secretary shall include in the annual report an appendix listing the proposals submitted under subsection (b) that were not included in the annual report under paragraph (1)(A) and a description of
why the Secretary determined that those proposals did not meet the criteria for inclusion under that paragraph.

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

(i) in an appendix under subparagraph (A) any proposal that meets the criteria for inclusion in the annual report solely on the basis of a determination by the Secretary that the proposal requires legislative changes to an authorized project or feasibility study; or

(ii) in an appendix under subparagraph (A) or any other part of the annual report any proposal that meets the criteria for inclusion in the annual report solely on the basis of a policy of the Secretary.

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

(1) not later than 60 days after the date of enactment of this Act, publish a notice required under subsection (b)(1); and

(2) include in the notice a requirement that eligible entities submit to the Secretary any proposals
described in subsection (b)(1) by not later than 120
days after the date of publication of the notice in
order for the proposals to be considered for inclusion
in the first annual report developed by the Secretary
under this section.

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

SEC. 103. STORAGE AND CONVEYANCE PROJECTS.

(a) Definitions.—In this section:

(1) Eligible entity.—The term “eligible enti-
ty” means—

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

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

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

(ii) a combination of entities described in
subparagraphs (A) and (B); or
(iii) with respect to a natural water retention and release project, a qualified partner.

(2) **ELIGIBLE PROJECT.**—The term “eligible project” means a project described in subsection (e).

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

(4) **RECLAMATION STATE.**—The term “Reclamation State” means 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) **ESTABLISHMENT.**—The Secretary shall establish a program to provide grants to eligible entities on a competitive basis for the study, planning, design, and construction of non-Federal storage projects that provide substantial water supply and other benefits to a Reclamation State in accordance with this section.

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

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

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

(B) a facility that is not federally owned that conveys water to or from surface or groundwater storage; or
(C) a natural water retention and release project;
(2) has a Federal cost-share of not more than $250,000,000;
(3) is located in a Reclamation State;
(4) is constructed, operated, and maintained by an eligible entity; and
(5) provides a Federal benefit.

(d) PROJECT EVALUATION.—The Secretary may provide a grant to an eligible entity for an eligible project under the program—
(1) for the study of the eligible project, if the Secretary has identified the potential for sufficient Federal benefits from the eligible project to proceed;
(2) for the construction of a non-Federal storage project that is not a natural water retention and release project, if—
(A) the eligible entity determines through the preparation of a feasibility study or equivalent study, and the Secretary concurs, that the eligible project—
(i) is technically and financially feasible;
(ii) provides a Federal benefit; and
(iii) is consistent with applicable Federal and State laws;

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

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

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

(E) not later than 30 days after the date on which the Secretary concurs with the determinations under subparagraph (A) with respect to the eligible project, the Secretary submits to Congress written notice of the determinations;

and

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

(A) that costs not more than $10,000,000, if the eligible entity demonstrates that the natural water retention and release project would help optimize the storage or delivery of water in
a watershed in which a Bureau of Reclamation
facility is located; and

(B) that costs more than $10,000,000,

if—

(i) the conditions described in para-

graph (2) have been met; and

(ii) the eligible entity determines, and

the Secretary concurs, that—

(I) the natural water retention

and release project would produce or

allow additional retention or delivery

of water in a watershed in which a

Bureau of Reclamation facility is lo-
cated; and

(II) there is a credible estimate

of the quantity of the storage benefit

of the natural water retention and re-
lease project during each of a “wet”
year, a “normal” year, and a “dry”
year.

(e) PRIORITY.—In providing grants to eligible entities

for eligible projects under the program, the Secretary shall
give funding priority to an eligible project that directly or
through watershed restoration plans approved with the
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.—
(A) IN GENERAL.—Except as provided in subparagraph (B), the Federal share of the cost of any eligible project provided a grant under the program shall not exceed 25 percent of the total cost of the eligible project.

(B) EXCEPTION.—The Federal share of the cost of a natural water retention and release project provided a grant under the program shall not exceed 90 percent of the total cost of the natural water retention and release project.

(2) REIMBURSABILITY OF FUNDS.—

(A) NONREIMBURSABLE FUNDS.—

(i) PUBLIC BENEFITS.—Subject to paragraph (1), any funds provided by the Secretary to an eligible entity under the program for the value of public benefits described in subparagraphs (A) and (B) of section 2(8) shall be considered nonreimbursable.

(ii) WATER SUPPLY BENEFITS OF EQUAL VALUE TO PUBLIC BENEFITS.—Subject to paragraph (1), any funds provided by the Secretary for the value of Federal benefits provided under section...
2(8)(D) shall be considered nonreimbursable to the extent that the value of the Federal benefits does not exceed the value of public benefits funded under clause (i) that are fish and wildlife or water quality benefits.

(B) REIMBURSABLE FUNDS.—If any funding provided under subparagraph (A) is less than 25 percent of the total cost of the eligible project, the Secretary may provide reimbursable funds to an eligible entity for any Federal benefits provided under section 2(8)(D) for not more than 25 percent of the total cost of the eligible project.

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

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

(i) REPORTS.—
(1) **Annual Report.**—At the end of each fiscal year, the Secretary shall make available on the website of the Department of the Interior an annual report that lists each eligible project for which a grant has been awarded under this section during the fiscal year.

(2) **Comptroller General Assessment.**—
The Comptroller General of the United States shall conduct an assessment of the administrative establishment, solicitation, selection, and justification process with respect to the funding of grants under this section.

(j) **Treatment of Conveyance.**—The planning, design, and construction of a conveyance system for an eligible project shall be eligible for grant funding under the program.

(k) **Funding.**—

(1) **Authorization of Appropriations.**—In addition to amounts made available under section 40901(1) of the Infrastructure Investment and Jobs Act (43 U.S.C. 3201(1)), there is authorized to be appropriated to the Secretary to carry out this section $750,000,000 for the period of fiscal years 2024 through 2028, of which $50,000,000 is authorized to be appropriated during that period to carry
out natural water retention and release projects under subsection (d)(3).

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

(A) the design and study of—

(i) non-Federal storage projects, including natural water retention and release projects; and

(ii) storage projects that are eligible for study funding under subsection (a)(1) of section 40902 of the Infrastructure Investment and Jobs Act (43 U.S.C. 3202), if the amounts made available to the storage projects under this clause are provided in accordance with subsections (b) and (e) of that section; and

(B) construction of—

(i) non-Federal storage projects, including natural water retention and release projects; and

(ii) storage projects that have received construction funding in accordance with subsection (a)(2) of section 40902 of the Infrastructure Investment and Jobs Act
(43 U.S.C. 3202), if the amounts made available to the storage projects under this clause are provided in accordance with subsections (b) and (c) of that section.

(3) **Preliminary Studies.**—Of the amounts made available under paragraph (1), not more than 25 percent shall be provided for appraisal studies, feasibility studies, or other preliminary studies.

(4) **WIIN Act Storage Funding.**—The Secretary may award funding made available under section 4007(h) of the Water Infrastructure Improvements for the Nation Act (43 U.S.C. 390b note; Public Law 114–322) to—

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

(B) storage projects that are eligible for study funding under subsection (a)(1) of section 40902 of the Infrastructure Investment and Jobs Act (43 U.S.C. 3202), if the amounts made available under this subparagraph to storage projects is provided in accordance with subsections (b) and (c) of that section; and

(C) storage projects that have received construction funding in accordance with subsection (a)(2) of section 40902 of the Infra-
structure Investment and Jobs Act (43 U.S.C. 3202), if the amounts made available to storage projects under this subparagraph is provided in accordance with subsections (b) and (c) of that section.

(5) Other Storage Projects.—The funds appropriated under paragraph (1) may not be used for storage projects other than those described in paragraph (2) unless authorized by an Act of Congress.

(6) Use of Funding for Public Benefits.—

(A) In General.—The Federal share of the cost of public benefits provided by a storage project described in paragraph (2) may be used for—

(i) the capital and operations, maintenance, and replacement costs of public benefits; and

(ii) the operations, maintenance, and replacement costs of public benefits described in section 2(12)(A), the capital costs of which are funded by the applicable Reclamation State.

(B) Effect.—Nothing in this paragraph precludes the Secretary from using other au-
authorities or appropriations for the capital and
operations, maintenance, and replacement costs
of a non-Federal storage project to provide pub-
lic benefits.

(l) Amendment to the Infrastructure Jobs
And Investment Act.—Section 40902(a)(2)(C)(i) of the
Infrastructure Investment and Jobs Act (43 U.S.C.
3202(a)(2)(C)(i)) is amended by striking “clause (i) or
(ii)” and inserting “clause (i), (ii), or (iii)”.

(m) Authorization To Complete Storage
Projects That Receive Construction Funding.—

(1) Definition of Construction.—In this
subsection, the term “construction” has the meaning
given the term in section 4011(f) of the Water In-
frastucture Improvements for the Nation Act (Pub-
lic Law 114–322; 130 Stat. 1881).

(2) Extension of Existing Require-
ments.—A storage project that has received fund-
ing for construction activities in accordance with sec-
tion 40901(1) of the Infrastructure Investment and
Jobs Act (43 U.S.C. 3201(1)) shall be eligible for
funding (including funding authorized under this
section or an amendment made by this section), to
complete construction of the project in accordance
with the standards under section 40902 of that Act
(43 U.S.C. 3202).

(n) CALFED REAUTHORIZATION.—Title I of Public
164; 128 Stat. 2312; 129 Stat. 2407; 130 Stat. 1866; 133
Stat. 2669; 134 Stat. 1363), is amended by striking
“2021” each place it appears and inserting “2027”.

SEC. 104. ELIGIBLE DESALINATION PROJECT DEVELOP-
MENT.

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

“(2) PROJECTS.—

“(A) DEFINITIONS.—In this paragraph:

“(i) ELIGIBLE DESALINATION

PROJECT.—The term ‘eligible desalination

project’ means any project located in a

Reclamation State, or for which the con-

struction, operation, sponsorship, or fund-

ing is the responsibility of, and the pri-

mary water supply benefit accrues to, 1 or

more entities in a Reclamation State,

that—
“(I) involves an ocean or brackish water desalination facility—

“(aa) constructed, operated, and maintained by a State, Indian Tribe, irrigation district, water district, or other organization with water or power delivery authority; or

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

“(AA) direct sponsorship or funding; or

“(BB) indirect sponsorship or funding, such as by paying for the water provided by the facility;

“(II) provides a Federal benefit; and

“(III) is consistent with applicable Federal and State resource protection laws, including any law relating
to the protection of marine protected areas.

“(ii) AUTHORIZING COMMITTEES OF CONGRESS; FEDERAL BENEFIT; RECLAMATION STATE.—The terms ‘authorizing committees of Congress’, ‘Federal benefit’, and ‘Reclamation State’ have the meaning given the terms in section 2 of the Support To Rehydrate the Environment, Agriculture, and Municipalities Act.

“(iii) RURAL DESALINATION PROJECT.—The term ‘rural desalination project’ means an eligible desalination project that is designed to serve a community or group of communities, each of which has a population of not more than 25,000 inhabitants.

“(B) COST-SHARING REQUIREMENT.—

“(i) IN GENERAL.—Subject to the requirements of this subsection and notwithstanding section 7, the Federal share of an eligible desalination project carried out under this subsection shall be—
“(I) not more than 25 percent of the total cost of the eligible desalination project; or

“(II) in the case of a rural desalination project, the applicable percentage determined in accordance with clause (ii).

“(ii) Rural Desalination Projects.—

“(I) Cost-sharing Requirement for Appraisal Studies.—

Subject to subclause (IV), in the case of a rural desalination project carried out under this subsection, the Federal share of the cost of appraisal studies for the rural desalination project shall be—

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

“(bb) if the total costs of the appraisal studies are more than $200,000, 50 percent of any amounts over $200,000.
“(II) Cost-sharing requirement for feasibility studies.—
Subject to subclause (IV), in the case of a rural desalination project carried out under this subsection, the Federal share of the cost of feasibility studies for the rural desalination project shall be not more than 50 percent.

“(III) Cost-sharing requirement for construction costs.—
Subject to subclause (IV), in the case of a rural desalination project carried out under this subsection, the Federal share of the cost of construction of the rural desalination project shall be not more than 75 percent.

“(IV) Reduction in non-Federal share.—The Secretary may reduce the non-Federal share of a rural desalination project required under subclause (I), (II), or (III) by not more than 10 percent if the Secretary determines, after consultation with the heads of any other Federal agencies that are partners in the rural de-
salination project and in accordance with applicable Reclamation standards, that the reduction is appropriate due to—

“(aa) an overwhelming Federal interest in the rural desalination project; and

“(bb) the sponsor of the rural desalination project demonstrating financial hardship.

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

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

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

“(II) the participation has been requested by the Governor of the State in
which the eligible desalination project is located;

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

“(I) the eligible desalination project—

“(aa) is technically and financially feasible;

“(bb) provides a Federal benefit; and

“(cc) is consistent with applicable Federal and State laws (including regulations);

“(II) sufficient non-Federal funding is available to complete the eligible desalination project; and

“(III) the non-Federal project sponsor is financially capable of funding the non-Federal share of the project costs; and

“(iii) the Secretary submits to the authorizing committees of Congress and makes publicly available on the internet a written notification of the determinations
under clause (ii) by not later than 30 days
after the date of the determinations.

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

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

“(ii) applicable State environmental
laws.

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

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

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

“(F) FUNDING.—

“(i) AUTHORIZATION OF APPROPRIA-
tions.—In addition to amounts made
available under section 40901(5) of the Infrastructure Investment and Jobs Act (43 U.S.C. 3201(5)), there is authorized to be appropriated to carry out this paragraph $150,000,000 for the period of fiscal years 2024 through 2028, of which not less than $10,000,000 shall be made available during the period for rural desalination projects.

“(ii) FUNDING OPPORTUNITY ANNOUNCEMENT.—The Commissioner of Reclamation shall release a funding opportunity announcement for a grant program under this paragraph by not later than 75 days after the date of enactment of an Act that provides funding for the program.”.

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

“(c) PRIORITIZATION.—In carrying out demonstration and development activities under this section, the Secretary shall prioritize projects—

“(1) for the benefit of drought-stricken States and communities;
“(2) for the benefit of States that have authorized funding for research and development of desalination technologies and projects;

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

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

“(A) international entities with considerable expertise in desalination, such as Israel; or

“(B) nonprofit water research foundations or institutions with expertise in technology innovation to advance sustainable desalination processes or brine management;

“(5) located in a region that—

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

“(B) has agricultural production of national importance;

“(6) that support regional stakeholder-based planning and implementation efforts to manage brine and salinity for sustainability and improve-
ment of groundwater quality within an approved basin plan;

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

“(8) that maximize energy efficiency so that the lifecycle energy demands of desalination are minimized;

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

“(10) that, in the case of ocean desalination facilities—

“(A)(i) use a subsurface intake; or

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

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

“(i) is not discharged in a manner that increases salinity levels in Federal or State marine protected areas; and
“(ii) achieves ambient salinity levels within a reasonable distance from the discharge point;

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

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

“(E) include a construction and operation plan designed to minimize loss of coastal habitat as well as aesthetic, noise, and air quality impacts.”.

(c) PRIORITY SCORING SYSTEM.—As soon as practicable after the date of enactment of this Act, for purposes of making recommendations to Congress for projects to be carried out under section 4 of the Water Desalination Act of 1996 (42 U.S.C. 10301 note; Public Law 104–298), the Commissioner of Reclamation shall establish a priority scoring system that provides for the assignment of priority scores for the projects based on the prioritization criteria established under subsection (c) of that section.
(d) **Other Requirements.**—Non-Federal entities that receive Federal assistance for projects or facilities authorized under this Act shall implement the projects or facilities consistent with the standards for activities assisted under section 401 of the Safe Drinking Water Act Amendments of 1996 (42 U.S.C. 300j–3c).

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

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

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

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

(a) **Establishment.**—The Secretary shall establish and carry out a pilot program under which the Secretary shall provide to eligible entities described in subsection (c) loans and technical assistance in accordance with this section to carry out eligible projects described in subsection (b).

(b) **Eligible Projects.**—

(1) in general.—A project eligible to receive 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 (including 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 assistance under the pilot program under this section if—
(A) the project meets the criteria described in paragraph (1);

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

(C) the eligible entity retains or secures, through a long-term Federal property lease, operation and maintenance transfer agreement that provides for self-funding, or easement agreement with the Secretary, substantial control over the assets, operation, management, and maintenance of the project; and

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

(3) SMALL COMMUNITY PROJECTS.—For projects eligible for assistance under this section and section 5028(a)(2)(B) of the Water Resources Reform and Development Act of 2014 (33 U.S.C. 3907(a)(2)(B)), the Secretary may assist applicants in combining 1 or more projects into a single application in order to meet the minimum project cost of $5,000,000 required under that section.
(c) **Eligible Applicants.**—The following entities are eligible to receive assistance under this section:

2. A conservancy district, Reclamation district, irrigation district, or water district.
3. A canal company or mutual water company.
4. A water users’ association.
5. An agency established by an interstate compact.
6. An agency established under State law for the joint exercise of powers.
7. Any other individual or entity that has the capacity to contract with the United States under the reclamation laws.

(d) **Requirements.**—

1. **Project Selection.**—In selecting eligible projects to receive assistance under the pilot program under this section, the Secretary shall ensure diversity with respect to—
   1. (A) project type; and
   2. (B) geographical location within the States referred to in subsection (b)(1)(A).
(2) IMPORTATION OF OTHER REQUIREMENTS.—

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

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

(i) any reference contained in those sections to the Secretary of the Army shall be considered to be a reference to the Secretary;

(ii) any reference contained in those sections to an eligible project shall be considered to be a reference to an eligible project described in subsection (b);

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

and

(iv) subsections (e) and (f) of section 5030 of that Act (33 U.S.C. 3909) shall not apply with respect to this section.
(B) The agreement between the Administrator of the Environmental Protection Agency and the Commissioner of Reclamation required under section 4301 of the America’s Water Infrastructure Act of 2018 (33 U.S.C. 3909 note; Public Law 115–270), pursuant to which the Administrator shall retain responsibility for administering any loans under this section.

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

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

(B) applicable State environmental laws.

(e) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There is authorized to be appropriated to the Secretary to carry out the pilot program under this section $150,000,000 for the period of fiscal years 2024 through 2028, to remain available until expended.

(2) ADMINISTRATIVE COSTS.—Of the funds made available pursuant to paragraph (1), the Secretary may use for administrative costs of carrying out the pilot program under this section (including
for the provision of technical assistance to project
sponsors pursuant to paragraph (3), to obtain any
necessary approval, and for transfer to the Adminis-
trator of the Environmental Protection Agency to
provide assistance in administering and servicing
Federal credit instruments under the pilot program)
not more than $5,000,000 for each applicable fiscal
year.

(3) SMALL COMMUNITY PROJECTS.—

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

(B) LIMITATION.—Assistance provided to
a project sponsor under subparagraph (A) may
not exceed an amount equal to 75 percent of
the total administrative costs incurred by the
project sponsor in securing financial assistance under this section.

SEC. 106. DRINKING WATER ASSISTANCE FOR DISADVANTAGED COMMUNITIES.

(a) IN GENERAL.—The Secretary (acting through the Commissioner of Reclamation) may provide grants or enter into contracts or financial assistance agreements that provide not more than 100 percent of the cost of the planning, design, or construction of water projects or facilities or features of water projects, the primary purpose of which is to improve the domestic water supplies of communities or households that do not have reliable access to domestic water supplies in sufficient quantities or of sufficient quality in 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) AUTHORIZATION OF APPROPRIATIONS.—

(1) AMOUNT.—There is authorized to be appropriated to the Secretary to carry out this section $100,000,000 for the period of fiscal years 2024 through 2028.

(2) MULTIPLE BENEFIT PROJECTS.—The Secretary shall use all or a portion of the funds made available under subsection (a) to incorporate into multiple benefit projects features or facilities to as-
assist in providing domestic water supplies to dis-
advantaged communities.

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

(a) Reimbursement of Costs.—Section 9603(b) of the Omnibus Public Land Management Act of 2009 (43 U.S.C. 510b(b)) is amended—

(1) in paragraph (1), by striking “reimbursable purposes” and inserting “reimbursable and nonreimbursable purposes of the project and costs allocated to a reimbursable purpose”;

(2) in paragraph (2), by striking “costs” and inserting “costs, including reimbursable and nonreimbursable costs”; and

(3) by adding at the end the following:

“(4) Determination of Reimbursable Costs.—Any costs expended under paragraph (1) or advanced under paragraph (2) that are allocated to existing nonreimbursable purposes of the project, including costs to restore or add a public benefit (as defined in section 2 of the Support To Rehydrate the Environment, Agriculture, and Municipalities Act), shall be considered to be nonreimbursable costs for purposes of this subsection.”.
(b) Authorization To Modify Projects To Increase Public Benefits and Other Project Benefits.—Section 9603 of the Omnibus Public Land Management Act of 2009 (43 U.S.C. 510b) is amended by adding at the end the following:

“(e) Authorization To Modify Projects To Increase Public Benefits and Other Project Benefits.—

“(1) Definitions.—In this subsection:

“(A) Adverse impact.—The term ‘adverse impact’ means, with respect to a project modification, a reduction in water quantity or quality or a change in the timing of water deliveries available to a project beneficiary from the modified project as compared to the water quantity or quality or timing of water deliveries from—

“(i) the project with the original capacity restored, if the extraordinary operation and maintenance work under this section is intended to restore lost project capacity;

“(ii) the project prior to undertaking the planning and design, if the extraordinary operation and maintenance work
under this section is for any purpose other
than to restore lost project capacity; or

“(iii) project operations of the modified project without an increase in benefits
for a new project beneficiary under paragraph (2)(E).

“(B) NEW BENEFIT.—The term ‘new benefit’ means the increase in benefits of the modified project compared to the benefits provided by—

“(i) the project with the original capacity restored, if the extraordinary operation and maintenance work under this section is intended to restore lost project capacity; or

“(ii) the project prior to undertaking the planning and design, if the extraordinary operation and maintenance work under this section is for any purpose other than to restore lost project capacity.

“(C) PROJECT BENEFICIARY.—The term ‘project beneficiary’ means any entity that has a repayment, long-term water service, or other form of long-term contract or agreement executed pursuant to the Act of June 17, 1902 (32
Stat. 388, chapter 1093), and Acts supplemental to and amendatory of that Act (43 U.S.C. 371 et seq.), for water service from the project.

“(D) PUBLIC BENEFIT.—The term ‘public benefit’ has the meaning given the term in section 2 of the Support To Rehydrate the Environment, Agriculture, and Municipalities Act.

“(2) AUTHORIZATION; REQUIREMENTS.—

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

“(B) MAXIMUM COST.—The maximum amount that may be added to the original
project cost as a result of a project modification under subparagraph (A) shall not exceed—

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

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

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

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

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

“(ii) consistent with paragraph (3), any project beneficiary that would experience an adverse impact as a result of the modification of the project.
“(E) Adverse Impact.—Any benefits that accrue to a new project beneficiary resulting from operations of the modified project shall not be increased without the consent of existing project beneficiaries that would experience an adverse impact as a result of the modification of the project.

“(F) Reimbursement of Costs.—The costs of planning, design, and environmental compliance for a project modification under subparagraph (A) shall be reimbursed in accordance with subsection (b), except that any of the costs that would otherwise be allocated to a project beneficiary shall be considered nonreimbursable if the project beneficiary does not receive any increase in long-term average annual water deliveries as a result of the modification.

“(3) Procedure for Obtaining Consent and Time Limitation.—

“(A) Initial Determination.—The Secretary shall initially determine whether the consent of a project beneficiary is required prior to construction under paragraph (2)(D) based on whether the modification or subsequent oper-
ations of the modified project would have any adverse impacts on a project beneficiary.

“(B) WRITTEN REQUEST FOR CONSENT.—The Secretary shall provide to the transferred works operating entity, if any, and any project beneficiaries, in writing—

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

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

“(II)(aa) an explanation that the Secretary has determined that no consent is required under paragraph (2)(D); and

“(bb) a statement that if the project beneficiary believes that the consent of the project beneficiary is required, the project beneficiary shall send to the Secretary a reply not later than 30 days after the date of receipt of the notice that includes an explanation of the reasons that the project beneficiary would experience adverse impacts as a result of the project modification.

“(C) FINAL DETERMINATION.—
“(i) Written Response.—The Secretary shall respond in writing to any reply from a project beneficiary under subparagraph (B)(ii)(II)(bb) stating whether or not the Secretary determines that the project beneficiary would experience adverse impacts as a result of the project modification.

“(ii) Final Agency Action.—A written determination by the Secretary under clause (i) shall be considered to be a final agency action for purposes of section 704 of title 5, United States Code.

“(iii) Written Request.—If the Secretary determines under clause (i) that the project beneficiary would experience adverse impacts as a result of the project modification, the Secretary shall send to the project beneficiary a written request for consent in accordance with subparagraph (B)(ii).

“(D) Time Period for Consent.—

“(i) In General.—If written consent required under paragraph (2)(D) is not obtained by the date that is 1 year after the
date on which written consent is requested under subparagraph (B)(ii), the Secretary or the transferred works operating entity, as applicable, shall proceed with extraor-
dinary operation and maintenance work of the project without the modification, unless the Secretary extends the time for consent under clause (ii).

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

“(4) Reallocation of Costs Based on Project Changes and Increased Public Bene-
fits.—The Secretary shall allocate costs, including capital repayment costs and operation and mainte-
nance costs, for a project modification under para-
graph (2), to provide that—

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

“(B) the cost allocation of reimbursable costs to each project beneficiary reflects any
changes in the benefits that the modified project is providing to the project beneficiary.

“(5) INCENTIVE FOR BENEFITTING ENTITIES TO PARTICIPATE IN PROJECTS WITH INCREASED PUBLIC BENEFITS.—The total amount of reimbursable capital costs, as determined under paragraph (4), for a project modification that would increase public benefits without increasing municipal, industrial, or irrigation benefits of a project, shall be reduced by 15 percent, with each project beneficiary to be responsible for 85 percent of the reimbursable costs that would otherwise be allocated to the project beneficiary.

“(6) REIMBURSABLE FUNDS.—All reimbursable costs under this subsection shall be repaid in accordance with subsection (b).”.

SEC. 108. USE OF REVENUE TO IMPROVE DROUGHT RESILIENCE OR DAM SAFETY.

(a) DEFINITIONS.—In this section:

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

(A) under the Federal Guidelines for Dam 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

(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.
(4) **Eligible Temporary Transfer.**—The term “eligible temporary transfer” means the temporary and voluntary selling, leasing, or exchanging of water or water rights among individuals or agencies that is allowable under the reclamation laws and the water law of the applicable State.

(5) **Transferor.**—The term “transferor” means the holder of a water service, transferred works, water repayment, or other contract that entitles the holder to water from a Bureau of Reclamation project or facility that undertakes an eligible temporary transfer.

(b) **Use of Revenue for Drought Resilience Investments or Dam Safety Investments.**—

(1) **In General.**—Notwithstanding the Act of February 25, 1920 (41 Stat. 451, chapter 86; 43 U.S.C. 521), or subsection J of section 4 of the Act of December 5, 1924 (43 Stat. 703, chapter 4; 43 U.S.C. 526), all amounts derived from an eligible temporary transfer that would otherwise be deposited in the reclamation fund established by the first section of the Act of June 17, 1902 (32 Stat. 388, chapter 1093; 43 U.S.C. 391), shall remain available to the transferor.
(2) USE OF FUNDS.—Any funds retained by a transferor under paragraph (1) may be—

(A) used for a drought resilience investment or dam safety investment; or

(B) placed in the reserve account of the transferor, to be used for future drought resilience investments or dam safety investments, subject to paragraph (3).

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

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

(5) EFFECT OF SECTION.—

(A) IN GENERAL.—Nothing in this section—
(i) affects any other authority of the Secretary to use amounts derived from revenues from a Bureau of Reclamation project; or

(ii) creates, impairs, alters, or supersedes a State water right.

(B) APPLICABLE LAW.—Any eligible temporary transfer shall comply with all applicable—

(i) State water laws;

(ii) Federal laws and policies; and

(iii) interstate water compacts.

(e) RECLAMATION LAWS.—This section supplements and amends the Act of June 17, 1902 (32 Stat. 388, chapter 1093), and Acts supplemental to and amendatory of that Act (43 U.S.C. 371 et seq.).

TITLE II—IMPROVED TECHNOLOGY AND DATA

SEC. 201. REAUTHORIZATION OF THE TRANSBOUNDARY AQUIFER ASSESSMENT PROGRAM.

(a) DESIGNATION OF PRIORITY TRANSBOUNDARY AQUIFERS.—Section 4(c)(2) of the United States-Mexico Transboundary Aquifer Assessment Act (42 U.S.C. 1962 note; Public Law 109–448) is amended by striking “New Mexico or Texas” and inserting “New Mexico, Texas, or
Arizona (other than an aquifer underlying Arizona and Sonora, Mexico, that is partially within the Yuma groundwater basin designated by the order of the Director of the Arizona Department of Water Resources dated June 21, 1984)”.

(b) Reauthorization.—

(1) Authorization of Appropriations.—Section 8(a) of the United States-Mexico Transboundary Aquifer Assessment Act (42 U.S.C. 1962 note; Public Law 109–448) is amended by striking “$50,000,000 for the period of fiscal years 2007 through 2016” and inserting “$50,000,000 for the period of fiscal years 2024 through 2028”.

(2) Sunset of Authority.—Section 9 of the United States-Mexico Transboundary Aquifer Assessment Act (42 U.S.C. 1962 note; Public Law 109–448) is amended by striking “enactment of this Act” and inserting “enactment of the Support To Rehydrate the Environment, Agriculture, and Municipalities Act”.

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VerDate Sep 11 2014 15:45 May 24, 2022 Jkt 029200 PO 00000 Frm 00069 Fmt 6652 Sfmt 6201
TITLE III—ECOSYSTEM RESTORATION AND PROTECTION

SEC. 301. ECOSYSTEM RESTORATION.

(a) DEFINITIONS.—Section 40907 of the Infrastructure Investment and Jobs Act (43 U.S.C. 3207) is amended by striking subsection (a) and inserting the following:

“(a) DEFINITIONS.—In this section:

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

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

“(A) a State;

“(B) a Tribal or local government;

“(C) an organization with power, water delivery, or water storage authority;

“(D) a regional authority; or

“(E) a nonprofit conservation organization.

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

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

“(B) construction, construction management, replacement, and other similar activities;
“(C) management activities, including the acquisition of an interest in land or water, including the acquisition of a conservation easement;

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

“(E) project administration activities, including the payment of fees associated with implementing the project or activity.”.

(b) REQUIREMENTS.—Section 40907(e)(1) of the Infrastructure Investment and Jobs Act (43 U.S.C. 3207(e)(1)) is amended by striking subparagraph (B) and inserting the following:

“(B) may not provide a grant to carry out a habitat restoration project the purpose of which is to meet existing environmental mitigation or compliance obligations that are express requirements of a permit or order issued under Federal or State law, unless such requirements expressly contemplate reliance on Federal funding in performance of the requirements.”.

(e) OTHER AMENDMENTS.—Section 40907 of the Infrastructure Investment and Jobs Act (43 U.S.C. 3207) is amended by adding at the end the following:
“(e) Other Actions.—

“(1) In General.—In addition to other activities authorized under this section, the Secretary may undertake actions and enter into contracts and agreements to implement projects that implement watershed health, including projects described in subsection (b)(3), that—

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

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

“(2) Reimbursability.—The expenditures of the Secretary under this subsection and subsection (f) shall be nonreimbursable.

“(f) ‘Leave Behind’ Water Transfers.—

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

“(2) Authorization of Acquisition.—In approving a water transfer within a Federal reclamation project that results in voluntary fallowing of crop land in the Sacramento Valley or Sacramento-
San Joaquin River Delta, the Secretary may acquire a portion of the volume of water made available for transfer if the Secretary determines that crop land idled because of the transfer would create temporary wildlife habitat with the application of the acquired water, subject to paragraph (3).

“(3) REQUIREMENTS.—In acquiring water pursuant to paragraph (2), the Secretary shall—

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

“(B) only acquire a portion of the volume of water made available for transfer if the transferor and the transferee agree to the acquisition;

“(C) negotiate a mutually agreeable volume of water for acquisition with the transferor and the transferee;

“(D) pay not more per volume of water than the price negotiated between the transferor and transferee for the water to be transferred;

“(E) compensate the transferor for any reasonable incremental costs associated with managing the water acquired to create temporary wildlife habitat; and
“(F) apply the acquired water to idled crop land to create temporary wildlife habitat.

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

“(5) **Treatment.**—Water acquired by the Secretary under paragraph (2) shall be in addition to, and not a substitute for, actions required to meet obligations under existing law, including—

“(A) the Central Valley Project Improvement Act (title XXXIV of Public Law 102–575; 106 Stat. 4706); and


“(6) **Reporting.**—The Secretary shall annually submit to the authorizing committees of Congress (as defined in section 2 of the Support To Rehydrate the Environment, Agriculture, and Municipalities Act) a report that describes, for the period covered by the report—

“(A) the volume of water acquired under paragraph (2); and
“(B) the extent and duration of temporary
wildlife habitat created under that paragraph.
“(g) INTEGRATED WATER MANAGEMENT FEDERAL
LEADERSHIP COMMITTEE FOR ASSISTING PROJECTS AT
THE REQUEST OF A SPONSOR.—
“(1) ESTABLISHMENT.—Not later than 180
days after the date on which an eligible entity or
qualified partner sponsoring a habitat restoration
project that receives a grant under this section sub-
mits to the Secretary a request for the establishment
of the Integrated Water Management Federal Lead-
ership Committee, the Secretary shall establish the
Integrated Water Management Federal Leadership
Committee.
“(2) CHAIRPERSON.—The Assistant Secretary
for Water and Science of the Department of the In-
terior shall—
“(A) serve as the chairperson of the Com-
mittee; and
“(B) coordinate the activities of, and com-
munication among, members of the Committee.
“(3) MEMBERSHIP.—The Committee shall in-
clude representatives of Federal agencies with re-
ponsibility for water and natural resource issues,
including representatives of—
“(A) the Bureau of Reclamation;

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

“(C) the National Marine Fisheries Service;

“(D) the Corps of Engineers;

“(E) the Environmental Protection Agency; and

“(F) the Department of Agriculture.

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

“(A) facilitating communication and collaboration among Federal agencies to support and advance any projects for which an eligible entity or qualified partner requests the assistance of the Committee;

“(B) ensuring the effective coordination among relevant Federal agencies and departments to ensure accelerated implementation of any projects for which an eligible entity or qualified partner requests the assistance of the Committee; and

“(C) making policy and budgetary recommendations, if determined to be appropriate
by the Committee, to support the implementation of projects.

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

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

“(1) $150,000,000 shall be made available for the competitive grant program described in subsection (b); and

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

“(i) APPLICABLE LAW.—Nothing in this section affects or modifies—

“(1) the obligations of the Secretary under—

“(A) the reclamation laws; or

“(B) Federal environmental laws, including—
“(i) the Central Valley Project Improvement Act (title XXXIV of Public Law 102–575; 106 Stat. 4706); and
“(ii) the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.); or
“(2) the obligations of a non-Federal party to comply with applicable Federal and State laws.”.

SEC. 302. PERFORMANCE-BASED RESTORATION AUTHORITY.

(a) DEFINITIONS.—In this section:

(1) ELIGIBLE PROJECT.—The term “eligible project” means a habitat or ecosystem restoration, mitigation, or enhancement project or activity authorized individually or through an existing Federal program.

(2) ELIGIBLE RESTORATION PROVIDER.—The term “eligible restoration provider” means a non-Federal for-profit or nonprofit organization, company, or corporation, or a State, Tribal, or local government, that is bonded, insured, and experienced in financing and completing successful habitat and restoration, mitigation, and enhancement activities.

(3) PERFORMANCE-BASED.—The term “performance-based” means, with respect to a contract, grant agreement, cooperative agreement, or fixed
amount award, a pay-for-performance, pay-for-success, pay-for-results, or similar model by which the restoration provider agrees to finance and complete habitat or ecosystem restoration, mitigation, or enhancement activities, with payment to the restoration provider linked to delivery of verifiable and successful ecological performance, based on metrics and the timeframe established in advance by the Secretary.

(4) Restoration provider.—The term “restoration provider” means a non-Federal organization that performs restoration services contracted for, agreed to, or awarded under a contract or agreement entered into under subsection (b)(1).

(b) Authorization.—

(1) In general.—Subject to subsection (j), in implementing existing authorities under Federal law related to habitat and ecosystem restoration, mitigation, or enhancement, the Secretary may enter into performance-based contracts, grant agreements, and cooperative agreements, including providing funding through fixed amount awards, with eligible restoration providers for the conduct of eligible projects for which ecological targets and outcomes are—

(A) clearly defined;
(B) agreed to in advance; and

(C) capable of being successfully achieved.

(2) PERFORMANCE-BASED CONTRACTS.—For purposes of paragraph (1), the Secretary may enter into performance-based contracts with eligible restoration providers experienced in financing and completing successful ecological habitat and restoration, mitigation, and enhancement activities.

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

(A) may provide funding through grant agreements and cooperative agreements, including fixed amount awards, for eligible projects; and

(B) shall allow for the use of performance-based tools in the agreements and awards described in subparagraph (A).

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

(A) may allow funding provided to States, local governments, Indian Tribes, and nonprofit organizations to be passed through to third-party eligible restoration providers under a contract or agreement entered into under that paragraph; and
(B) shall allow for the use of performance-based tools in grant and cooperative agreements entered into with eligible restoration providers under that paragraph.

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

(c) GUIDELINES.—

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

(2) CONSULTATION REQUIRED.—

(A) IN GENERAL.—In developing the guidelines under paragraph (1), the Secretary shall consult with external organizations and other appropriate entities with experience in performance-based contracts, agreements, or
awards, consistent with sections 6302 through 6305 of title 31, United States Code.

(B) LIMITATION.—Consultation with the organizations and entities described in subparagraph (A) shall not constitute or necessitate establishment of an advisory committee under the Federal Advisory Committee Act (5 U.S.C. App.).

(3) REQUIREMENTS.—At a minimum, guidelines developed under paragraph (1) shall include guidance on—

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

(B) eligibility criteria for restoration providers;

(C) criteria for defining achievable ecological outcomes; and

(D) determination of restoration provider financial assurances sufficient to ensure ecological outcomes will be successfully achieved.

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

(1) identify eligible projects for the use of contracts and agreements under subsection (b)(1); and
(2) issue a request for proposals from eligible restoration providers to meet the ecological requirements of habitat and ecosystem restoration, mitigation, and enhancement for the eligible projects identified under paragraph (1).

(e) CERTIFICATION.—After the date on which an eligible project identified under subsection (d)(1) is completed, the Secretary shall certify that the work on the eligible project was completed in accordance with the ecological requirements and outcomes defined in advance in the applicable contract or agreement.

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

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

(2) obtaining permits necessary for the eligible project.

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

(1) the obligations of the Secretary under—
(A) the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.);
(B) the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.);
(C) the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.); or
(D) any other provision of Federal environmental law; or

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

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

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

(j) MITIGATION.—Nothing in this section authorizes Federal funding to meet existing environmental mitigation or compliance obligations that are express requirements of a permit or order issued under Federal or State law,
unless the requirements expressly contemplate reliance on Federal funding for the performance of the requirements.

(k) Report.—

(1) In general.—Not later than 3 years after the date of enactment of this Act, the Secretary shall—

(A) submit to the authorizing committees of Congress and make publicly available a report describing the results of activities carried out under the authority established under subsection (b)(1), including any recommendations of the Secretary on whether the authority or any component of the authorized activities should be implemented on a national basis; and

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

(2) Addressing impediments.—Not later than 1 year after the date on which the Secretary identifies impediments, if any, under paragraph (1)(B), the Secretary shall develop and implement 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 In-
dian 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 Munici-
palities Act) or Indian Tribe.”; and

(2) by adding at the end the following:
“(e) FUNDING FOR FEE-BASED ENVIRONMENTAL PROGRAMS.—

“(1) IN GENERAL.—For any fiscal year for which, due to a drought, as determined by the Secretary, there are insufficient funds to carry out any environmental program that is funded in whole or in part by fees based on the water volume of water delivered by a Federal reclamation project (including fees collected under section 3407(c) of the Reclamation Projects Authorization and Adjustment Act of 1992 (Public Law 102–575; 106 Stat. 4726)), the Secretary may use other unobligated amounts made available to the Secretary to carry out the environmental program for the fiscal year.

“(2) NONREIMBURSABLE FUNDS.—Notwithstanding any other provision of law, amounts made available under paragraph (1) shall be nonreimbursable.

“(3) EFFECT.—Nothing in this subsection affects—

“(A) the authority of the Secretary to address insufficient funding for an environmental program described in paragraph (1) that is not a result of a drought; or
“(B) the obligations of the Secretary to the environment under Federal law.”.

(b) APPLICABLE PERIOD OF DROUGHT PROGRAM.—Section 104 of the Reclamation States Emergency Drought Relief Act of 1991 (43 U.S.C. 2214) is amended—

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

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

“(1)(A) the Governor of the affected State, and the governing body of the affected Indian Tribe with respect to a reservation, has made a request for temporary drought assistance; and

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

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

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

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

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(c) Municipal Wells; Funding Under the Infrastructure Investment and Jobs Act.—Section 9504(a)(3) of the Omnibus Public Land Management Act of 2009 (42 U.S.C. 10364(a)(3)) is amended by adding at the end the following:

“(G) Municipal wells.—A grant or agreement entered into by the Secretary with any eligible applicant under paragraph (1) to drill a groundwater well for municipal supply to minimize losses and damages from drought conditions, including construction activities to transport or otherwise convey groundwater pumped from the well, shall not contribute to an increase in the net water use of the eligible applicant beyond the period of any drought emergency, except if—

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

“(ii) the new groundwater use is partially offset by aquatic habitat enhancement—
“(I) during the drought period;

or

“(II) over the long-term, including a future drought period.

“(H) FUNDING UNDER THE INFRASTRUCTURE INVESTMENT AND JOBS ACT.—For purposes of amounts made available to carry out this section under paragraph (7) of section 40901 of the Infrastructure Investment and Jobs Act (43 U.S.C. 3201) for each of fiscal years 2025 and 2026, projects or activities eligible for funding under that paragraph may include a combination of proposed planning activities, actions, or projects within a basin, with the maximum amount of the combined activities not to exceed the maximum amount established under subparagraph (E)(iii).”.

SEC. 402. CLARIFICATION OF AUTHORITY TO USE CORONAVIRUS FISCAL RECOVERY FUNDS TO MEET A NON-FEDERAL MATCHING REQUIREMENT FOR AUTHORIZED WATER PROJECTS.

(a) Coronavirus State Fiscal Recovery Fund.—Section 602(c)(4) of the Social Security Act (42 U.S.C. 802(c)(4)) is amended—
(1) in the paragraph heading, by striking “Bureau of Reclamation”; and

(2) by striking “an authorized Bureau of Reclamation project” and inserting “a project undertaken or funded by the Bureau of Reclamation pursuant to an Act of Congress”.

(b) Coronavirus Local Fiscal Recovery Fund.—Section 603(c)(5) of the Social Security Act (42 U.S.C. 803(c)(5)) is amended by striking “an authorized Bureau of Reclamation project” and inserting “a project undertaken or funded by the Bureau of Reclamation pursuant to an Act of Congress”.

SEC. 403. ENVIRONMENTAL COMPLIANCE.

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

(1) applicable Federal environmental laws; and

(2) applicable State environmental laws.

SEC. 404. EFFECT.

Nothing in this Act or an amendment made by this Act shall be interpreted or implemented in a manner that interferes with any obligation of a State under the Rio
Grande Compact or any other compact approved by Congress under the Act of May 31, 1939 (53 Stat. 785, chapter 155), or any litigation relating to the Rio Grande Compact or other compact.