115TH CONGRESS 1ST SESSION

H. R. 4329

To amend the Klamath Basin Water Supply Enhancement Act of 2000 to improve infrastructure, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 9, 2017

Mr. Walden introduced the following bill; which was referred to the Committee on Natural Resources

A BILL

To amend the Klamath Basin Water Supply Enhancement Act of 2000 to improve infrastructure, 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.
- This Act may be cited as the "Klamath Infrastruc-
- 5 ture Improvement Act".
- 6 SEC. 2. KLAMATH PROJECT.
- 7 (a) Addressing Water Management and Power
- 8 Costs for Irrigation.—The Klamath Basin Water
- 9 Supply Enhancement Act of 2000 (Public Law 106–114;
- 10 Stat. 2221) is amended—

| 1 | (1) by redesignating sections 4 through 6 as |
|----|--|
| 2 | sections 5 through 7, respectively; and |
| 3 | (2) by inserting after section 3 the following: |
| 4 | "SEC. 4. POWER AND WATER MANAGEMENT. |
| 5 | "(a) Definitions.—In this section: |
| 6 | "(1) COVERED POWER USE.—The term 'covered |
| 7 | power use' means a use of power to develop or man- |
| 8 | age water from any source for irrigation, wildlife |
| 9 | purposes, or drainage on land that is— |
| 10 | "(A) associated with the Klamath Project, |
| 11 | including land within a unit of the National |
| 12 | Wildlife Refuge System that receives water due |
| 13 | to the operation of Klamath Project facilities; |
| 14 | or |
| 15 | "(B) irrigated by the class of users covered |
| 16 | by the agreement dated April 30, 1956, be- |
| 17 | tween the California Oregon Power Company |
| 18 | and Klamath Basin Water Users Protective As- |
| 19 | sociation and within the Off Project Area (as |
| 20 | defined in the Upper Basin Comprehensive |
| 21 | Agreement entered into on April 18, 2014), |
| 22 | only if each applicable owner and holder of a |
| 23 | possessory interest of the land is a party to that |
| 24 | agreement (or a successor agreement that the |

1 Secretary determines provides a comparable 2 benefit to the United States). 3 "(2) Klamath Project.— "(A) IN GENERAL.—The term 'Klamath 4 Project' means the Bureau of Reclamation 6 project in the States of California and Oregon. 7 "(B) Inclusions.—The term 'Klamath Project' includes any dams, canals, and other 8 9 works and interests for water diversion, storage, delivery, and drainage, flood control, and simi-10 11 lar functions that are part of the project de-12 scribed in subparagraph (A). 13 "(3) Land associated with the klamath 14 PROJECT.—The term 'land associated with the 15 Klamath Project' means any land that receives or has received water diverted or stored by Klamath 16 17 Project facilities for all or part of its water supply. 18 "(4) Power cost benchmark.—The term 19 'power cost benchmark' means the average net deliv-20 ered cost of power for irrigation and drainage at 21 Reclamation projects in the area surrounding the 22 Klamath Project that are similarly situated to the 23 Klamath Project, including Reclamation projects

that—

| 1 | "(A) are located in the Pacific Northwest; |
|----|--|
| 2 | and |
| 3 | "(B) receive project-use power. |
| 4 | "(b) Water, Environmental, and Power Activi- |
| 5 | TIES.— |
| 6 | "(1) In general.—Pursuant to the reclama- |
| 7 | tion laws and subject to appropriations and required |
| 8 | environmental reviews, the Secretary may carry out |
| 9 | activities, including entering into contracts or mak- |
| 10 | ing financial assistance available through cooperative |
| 11 | agreements or otherwise— |
| 12 | "(A) to plan, implement, and administer |
| 13 | programs to align water supplies and demand |
| 14 | for irrigation water users associated with the |
| 15 | Klamath Project, with a primary emphasis on |
| 16 | programs developed or endorsed by local enti- |
| 17 | ties comprised of representatives of those water |
| 18 | users; |
| 19 | "(B) to plan and implement activities and |
| 20 | projects that— |
| 21 | "(i) avoid or mitigate environmental |
| 22 | effects of irrigation activities; or |
| 23 | "(ii) restore habitats in the Klamath |
| 24 | Basin watershed, including restoring tribal |
| 25 | fishery resources held in trust; and |

| 1 | "(C) to limit the net delivered cost of |
|----|---|
| 2 | power for covered power uses. |
| 3 | "(2) Effect.—Nothing in subparagraph (A) |
| 4 | or (B) of paragraph (1) authorizes the Secretary— |
| 5 | "(A) to develop or construct new facilities |
| 6 | for the Klamath Project without appropriate |
| 7 | approval from Congress under section 9 of the |
| 8 | Reclamation Projects Act of 1939 (43 U.S.C. |
| 9 | 485h); or |
| 10 | "(B) to carry out activities that have not |
| 11 | otherwise been authorized. |
| 12 | "(c) Reducing Power Costs.— |
| 13 | "(1) In general.—Not later than 180 days |
| 14 | after the date of the enactment of the Klamath In- |
| 15 | frastructure Improvement Act, the Secretary, in con- |
| 16 | sultation with interested irrigation interests that are |
| 17 | eligible for covered power use and representative or- |
| 18 | ganizations of those interests, shall submit to the |
| 19 | Committee on Energy and Natural Resources of the |
| 20 | Senate and the Committee on Natural Resources of |
| 21 | the House of Representatives a report that— |
| 22 | "(A) identifies the power cost benchmark; |
| 23 | and |
| 24 | "(B) recommends actions, excluding direct |
| 25 | payments to persons making covered power uses |

| 1 | or to other entities for purposes of subsidizing |
|----|--|
| 2 | power rates that, in the judgment of the Sec- |
| 3 | retary, are necessary and appropriate to ensure |
| 4 | that the net delivered power cost for covered |
| 5 | power use is equal to or less than the power |
| 6 | cost benchmark, including a description of— |
| 7 | "(i) actions to immediately reduce |
| 8 | power costs and to have the net delivered |
| 9 | power cost for covered power use be equal |
| 10 | to or less than the power cost benchmark |
| 11 | in the near term, while longer-term actions |
| 12 | are being implemented; |
| 13 | "(ii) to the extent actions involving |
| 14 | the development or acquisition of power |
| 15 | generation are included, actions that |
| 16 | prioritize renewable energy technologies |
| 17 | (including hydropower) and regional eco- |
| 18 | nomic development; |
| 19 | "(iii) the potential costs and timeline |
| 20 | for the actions recommended under this |
| 21 | subparagraph; |
| 22 | "(iv) provisions for modifying the ac- |
| 23 | tions and timeline to adapt to new infor- |
| 24 | mation or circumstances; and |

1 "(v) a description of public input re2 garding the proposed actions, including
3 input from water users that have covered
4 power use and the degree to which those
5 water users concur with the recommenda6 tions.

"(2) IMPLEMENTATION.—Not later than 180 days after the date of submission of the report under paragraph (1), the Secretary shall implement those recommendations described in the report that the Secretary determines will ensure that the net delivered power cost for covered power use is equal to or less than the power cost benchmark, subject to availability of appropriations, on the fastest practicable timeline both as to near-term actions and longer term actions. Implementation shall continue consistent with the report and any updates to the report developed under paragraph (3).

"(3) Subsequent reports.—The Secretary shall submit to each Committee described in paragraph (1) reports describing progress achieved in meeting the requirements of this subsection, and any modifications or updates to the actions developed under subsection (c)(1)(B). The reports shall be submitted annually in each of the four years following

| 1 | submission of the report under paragraph (1) and |
|----|--|
| 2 | triennially thereafter. |
| 3 | "(d) Treatment of Power Purchases.— |
| 4 | "(1) In general.—Any purchase of power by |
| 5 | the Secretary from the Bonneville Power Adminis- |
| 6 | tration under this section shall be considered to be |
| 7 | an authorized sale for purposes of section 5(b)(3) of |
| 8 | the Pacific Northwest Electric Power Planning and |
| 9 | Conservation Act (16 U.S.C. 839c(b)(3)). |
| 10 | "(2) Effect.—Nothing in this section author- |
| 11 | izes a sale of power from the Federal Columbia |
| 12 | River Power System at rates, terms, or conditions |
| 13 | better than those afforded preference customers of |
| 14 | the Bonneville Power Administration. |
| 15 | "(e) Goals.—The goals of activities under sub- |
| 16 | sections (b) and (c) shall include, as applicable— |
| 17 | "(1) the short-term and long-term reduction |
| 18 | and resolution of conflicts relating to water in the |
| 19 | Klamath Basin watershed; and |
| 20 | "(2) compatibility and utility for protecting nat- |
| 21 | ural resources throughout the Klamath Basin water- |
| 22 | shed, including the protection, preservation, and res- |
| 23 | toration of Klamath River tribal fishery resources, |
| 24 | particularly through collaboratively developed agree- |
| 25 | ments. |

| 1 | "(f) Pumping Plant D.—The Secretary may enter |
|----|--|
| 2 | into one or more agreements with the Tulelake Irrigation |
| 3 | District to reimburse the Tulelake Irrigation District for |
| 4 | not more than 69 percent of the cost incurred by the |
| 5 | Tulelake Irrigation District for the operation and mainte- |
| 6 | nance of Pumping Plant D, on the condition that the cost |
| 7 | benefits the United States. |
| 8 | "(g) Keno and Link River Dams.—The Secretary |
| 9 | is authorized and directed to comply with, and adhere to |
| 10 | the terms of, Attachment A to the 2016 Klamath Power |
| 11 | and Facilities Agreement.". |
| 12 | (b) Conveyance of Non-Project Water; Re- |
| 13 | PLACEMENT OF C CANAL.— |
| 14 | (1) Definition of Klamath Project.—In |
| 15 | this subsection: |
| 16 | (A) IN GENERAL.—The term "Klamath |
| 17 | Project" means the Bureau of Reclamation |
| 18 | project in the States of California and Oregon. |
| 19 | (B) Inclusions.—The term "Klamath |
| 20 | Project" includes any dams, canals, and other |
| 21 | works and interests for water diversion, storage, |
| 22 | delivery, and drainage, flood control, and simi- |
| 23 | lar functions that are part of the project de- |
| 24 | scribed in subparagraph (A). |
| 25 | (2) Conveyance of non-project water.— |

| 1 | (A) In GENERAL.—An entity operating |
|----|--|
| 2 | under a contract entered into with the United |
| 3 | States for the operation and maintenance of |
| 4 | Klamath Project works or facilities, and an en- |
| 5 | tity operating any work or facility not owned by |
| 6 | the United States that receives Klamath Project |
| 7 | water, may without further Federal contract, |
| 8 | permit, or other authorization, use any of the |
| 9 | Klamath Project works or facilities to convey |
| 10 | non-Klamath Project water for any authorized |
| 11 | purpose of the Klamath Project, subject to sub- |
| 12 | paragraphs (B) and (C). |
| 13 | (B) Permits; measurement.—An addi- |
| 14 | tion, conveyance, and use of water pursuant to |
| 15 | subparagraph (A) shall be subject to the re- |
| 16 | quirements that— |
| 17 | (i) the applicable entity shall secure |
| 18 | all permits required under State or local |
| 19 | laws; and |
| 20 | (ii) all water delivered into, or taken |
| 21 | out of, a Klamath Project facility pursuant |
| 22 | to that subparagraph shall be measured. |
| 23 | (C) Effect.—A use of non-Klamath |

Project water under this paragraph shall not—

| 1 | (i) adversely affect the delivery of |
|---|---|
| 2 | water to any water user or land served by |
| 3 | the Klamath Project; or |

- 4 (ii) result in any additional cost to the United States.
 - (3) Replacement of C canal flume.—The replacement of the C Canal flume within the Klamath Project shall be considered to be, and shall receive the treatment authorized for, qualified emergency extraordinary operation and maintenance work in accordance with 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.)). Accordingly, upon request from Klamath Irrigation District, the Secretary of the Interior shall, within 180 days of such request, enter into a contract with Klamath Irrigation District, amendatory of contract No. 16-WC-20–4838, providing that 35 percent of the total Repayment Obligation is non-reimbursable and the remaining 65 percent of the total Repayment Obligation shall be repaid over a period of 50 years. Although the Secretary of the Interior shall not condition its agreement to the amendatory contract upon any other term, the amendatory contract may in-

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

| 1 | clude, but is not required to include, other terms |
|----|---|
| 2 | that are no less favorable to the contractor than 16- |
| 3 | WC-20-4838. |
| 4 | (c) Administration.— |
| 5 | (1) Compliance.—In implementing this sec- |
| 6 | tion and the amendments made by this section, the |
| 7 | Secretary shall comply with— |
| 8 | (A) the National Environmental Policy Act |
| 9 | of 1969 (42 U.S.C. 4321 et seq.); |
| 10 | (B) the Endangered Species Act of 1973 |
| 11 | (16 U.S.C. 1531 et seq.); and |
| 12 | (C) all other applicable laws. |
| 13 | (2) Effect.—Nothing in this section— |
| 14 | (A) modifies the authorities or obligations |
| 15 | of the United States with respect to the tribal |
| 16 | trust and treaty obligations of the United |
| 17 | States; |
| 18 | (B) creates or determines water rights or |
| 19 | affects water rights or water right claims in ex- |
| 20 | istence on the date of the enactment of this |
| 21 | Act; or |
| 22 | (C) authorizes the use of Federal funds for |
| 23 | the physical deconstruction of the Iron Gate, |
| 24 | Copco 1, Copco 2, and John C. Boyle dams lo- |

- 1 cated on the Klamath River in California and
- 2 Oregon.

 \bigcirc