

118TH CONGRESS  
1ST SESSION

# S. 2162

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

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IN THE SENATE OF THE UNITED STATES

JUNE 22, 2023

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

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## A BILL

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

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

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

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

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

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

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

TITLE II—IMPROVED TECHNOLOGY AND DATA

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

TITLE III—ECOSYSTEM RESTORATION AND PROTECTION

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

TITLE IV—MISCELLANEOUS

- Sec. 401. Modifications to drought program under the Reclamation States Emergency Drought Relief Act of 1991.  
 Sec. 402. Offset.  
 Sec. 403. Environmental compliance.  
 Sec. 404. Effect.

1 **SEC. 2. DEFINITIONS.**

2 In this Act:

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

5 (2) AUTHORIZING COMMITTEES OF CON-  
 6 GRESS.—The term “authorizing committees of Con-  
 7 gress” means—

8 (A) the Committee on Energy and Natural  
 9 Resources of the Senate; and

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

12 (3) DISADVANTAGED COMMUNITY.—The term  
 13 “disadvantaged community” means a low-income

1 community (as defined in section 45D(e) of the In-  
2 ternal Revenue Code of 1986).

3 (4) ELIGIBLE DESALINATION PROJECT.—The  
4 term “eligible desalination project” has the meaning  
5 given the term in paragraph (2) of section 4(a) of  
6 the Water Desalination Act of 1996 (42 U.S.C.  
7 10301 note; Public Law 104–298) (as amended by  
8 section 104(a)).

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

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

14 (B) an Indian Tribe (as defined in section  
15 4 of the Indian Self-Determination and Edu-  
16 cation Assistance Act (25 U.S.C. 5304)) or an  
17 entity controlled by an Indian Tribe;

18 (C) a water users’ association;

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

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

23 (6) FEDERAL BENEFIT.—The term “Federal  
24 benefit”, with respect to a non-Federal storage

1 project, water recycling project, or eligible desalina-  
2 tion project, means—

3 (A) public benefits provided directly by a  
4 project;

5 (B) public benefits that—

6 (i) are—

7 (I) fish and wildlife benefits; or

8 (II) water quality benefits;

9 (ii) are provided by the implementa-  
10 tion of a watershed restoration plan ap-  
11 proved with the project; and

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

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

19 (D) water supply benefits identified in ac-  
20 cordance with the reclamation laws.

21 (7) FEDERAL STORAGE PROJECT.—The term  
22 “Federal storage project” means any project con-  
23 structed by the Bureau of Reclamation—

24 (A) that involves the construction or ex-  
25 pansion of—

- 1 (i) a surface water storage facility; or  
2 (ii) a facility conveying water to or  
3 from surface or groundwater storage; and  
4 (B) to which the United States holds or  
5 will hold title.

6 (8) NATURAL WATER RETENTION AND RE-  
7 LEASE PROJECT.—

8 (A) IN GENERAL.—The term “natural  
9 water retention and release project” means a  
10 non-Federal storage project designed and devel-  
11 oped to increase water availability for optimal  
12 management through aquifer recharge, flood-  
13 plain retention, the alteration of the timing of  
14 runoff to allow increased utilization of existing  
15 storage facilities, or another mechanism that—

16 (i) uses primarily natural materials  
17 appropriate to the specific site and land-  
18 scape setting; and

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

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

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

1 (ii) several distributed natural water  
2 retention and release projects across a wa-  
3 tershed; and

4 (iii) the redesign, modification, or re-  
5 placement of existing infrastructure to in-  
6 corporate natural water retention and re-  
7 lease elements.

8 (9) NON-FEDERAL STORAGE PROJECT.—The  
9 term “non-Federal storage project” means any  
10 project in a Reclamation State that—

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

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

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

18 (iii) a natural water retention and re-  
19 lease project; and

20 (B) provides a benefit in meeting any obli-  
21 gation under applicable Federal law (including  
22 regulations).

23 (10) PUBLIC BENEFIT.—The term “public ben-  
24 efit”, with respect to a non-Federal storage project

1 or extraordinary operation and maintenance work,  
2 means—

3 (A) a public benefit identified under the  
4 reclamation laws;

5 (B) a drinking water benefit for 1 or more  
6 disadvantaged communities, including through  
7 groundwater recharge, if—

8 (i) the drinking water meets applica-  
9 ble regulatory standards;

10 (ii) the drinking water benefit exceeds  
11 express mitigation or compliance require-  
12 ments under Federal or State law;

13 (iii) the modified project reduces the  
14 unit cost per volume, improves water qual-  
15 ity, or increases the reliability or quantity  
16 of the drinking water supply of the dis-  
17 advantaged community as compared to the  
18 condition of the drinking water or other  
19 sources of drinking water available before  
20 the modification of the project;

21 (iv) the drinking water benefit is  
22 quantified in a public process, including  
23 outreach to representatives of the affected  
24 disadvantaged community at the earliest

1 practicable opportunity, to determine the  
2 scope of funding; and

3 (v) negative impacts on water quality  
4 for other communities are not caused as  
5 part of the modified project;

6 (C) emergency drinking water supply used  
7 in response to a disaster declaration by a Gov-  
8 ernor; and

9 (D) energy savings benefits, including—

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

12 (ii) any reduction in energy costs for  
13 Federal taxpayers, such as reduced water  
14 delivery costs for water providing fish and  
15 wildlife benefits.

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

21 (12) RECLAMATION STATE.—The term “Rec-  
22 lamation State” has the meaning given the term in  
23 section 4014 of the Water Infrastructure Improve-  
24 ments for the Nation Act (43 U.S.C. 390b note;  
25 Public Law 114–322).

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

3           (14) STORAGE PROJECT.—The term “storage  
4 project” means a Federal storage project or a non-  
5 Federal storage project.

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

11          (16) WATERSHED.—The term “watershed” in-  
12 cludes—

13               (A) an entire watershed; or

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

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

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

24               (ii) water quality benefits; and

25               (B) water supply benefits.

1           **TITLE I—INFRASTRUCTURE**  
2                           **DEVELOPMENT**

3   **SEC. 101. STORAGE AND CONVEYANCE PROJECTS.**

4           (a) STORAGE PROJECTS.—

5                   (1) DEFINITIONS.—Section 4007 of the Water  
6           Infrastructure Improvements for the Nation Act (43  
7           U.S.C. 390b note; Public Law 114–322) is amend-  
8           ed—

9                           (A) by striking subsections (a) and (b) and  
10                           inserting the following:

11           “(a) DEFINITIONS.—In this section:

12                   “(1) DESIGN; STUDY.—

13                           “(A) IN GENERAL.—The terms ‘design’  
14                           and ‘study’ include any design, permitting,  
15                           study (including a feasibility study), materials  
16                           engineering or testing, surveying, or  
17                           preconstruction activity relating to a water stor-  
18                           age facility.

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

23                   “(2) ELIGIBLE ENTITY.—The term ‘eligible en-  
24           tity’ means—

1           “(A) a State, Indian Tribe, municipality,  
2           irrigation district, water district, wastewater  
3           district, or other organization with water or  
4           power delivery authority;

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

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

11          “(ii) a combination of entities described in  
12          subparagraphs (A) and (B); or

13          “(iii) with respect to a natural water reten-  
14          tion and release project, a qualified partner.

15          “(3) ELIGIBLE PROJECT.—The term ‘eligible  
16          project’ means a project described in subsection (b).

17          “(4) FEDERAL BENEFIT; NATURAL WATER RE-  
18          TENTION AND RELEASE PROJECT; NON-FEDERAL  
19          STORAGE PROJECT; PUBLIC BENEFIT; STORAGE  
20          PROJECT; WATERSHED; WATERSHED RESTORATION  
21          PLAN.—The terms ‘Federal benefit’, ‘natural water  
22          retention and release project’, ‘non-Federal storage  
23          project’, ‘public benefit’, ‘storage project’, ‘water-  
24          shed’, and ‘watershed restoration plan’ have the  
25          meanings given the terms in section 2 of the Sup-

1 port To Rehydrate the Environment, Agriculture,  
2 and Municipalities Act.

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

7 (B) by striking subsections (e), (f), and (i);

8 and

9 (C) by redesignating subsections (c), (d),  
10 (g), (h), (j), and (k) as subsections (b), (e), (d),  
11 (e), (f), and (g), respectively.

12 (2) NON-FEDERAL STORAGE PROJECTS.—Sec-  
13 tion 4007(b) of the Water Infrastructure Improve-  
14 ments for the Nation Act (43 U.S.C. 390b note;  
15 Public Law 114–322) (as redesignated by paragraph  
16 (1)(C)) is amended—

17 (A) in the subsection heading, by striking

18 “STATE-LED” and inserting “NON-FEDERAL”;

19 (B) by striking “State-led” each place it  
20 appears and inserting “non-Federal”;

21 (C) in paragraph (1), by striking “project  
22 in” and all that follows through the period at  
23 the end and inserting “project.”;

24 (D) in paragraph (2)—

1 (i) in the paragraph heading, by in-  
 2 sserting “OR INDIAN TRIBE” after “GOV-  
 3 ERNOR”;

4 (ii) in the matter preceding subpara-  
 5 graph (A), by striking “Participation” and  
 6 inserting “Subject to paragraph (5), in the  
 7 case of natural water retention and release  
 8 projects, participation”;

9 (iii) in subparagraph (A), by inserting  
 10 “or the sponsoring Indian Tribe, in the  
 11 case of a Tribal project” after “located”;  
 12 and

13 (iv) in subparagraph (B), in the mat-  
 14 ter preceding clause (i), by striking “State  
 15 or local sponsor” and inserting “State,  
 16 Tribal, or local”; and

17 (E) by adding at the end the following:

18 “(5) NATURAL WATER RETENTION AND RE-  
 19 LEASE PROJECTS.—Participation by the Secretary of  
 20 the Interior in a natural water retention and release  
 21 project under this subsection shall only occur if—

22 “(A) for a project that costs not more than  
 23 \$10,000,000, the eligible entity demonstrates  
 24 that the natural water retention and release  
 25 project would help optimize the storage or deliv-

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

3                   “(B) for a project that costs more than  
4           \$10,000,000—

5                           “(i) the requirements described in  
6           paragraph (2) have been met; and

7                           “(ii) the eligible entity determines,  
8           and the Secretary of the Interior concurs,  
9           that—

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

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

22                   “(6) OTHER AUTHORIZATION REQUIRED.—Non-  
23           Federal storage projects with a Federal cost-share  
24           exceeding \$250,000,000 may not be carried out  
25           under this subsection.

1 “(7) FEDERAL COST SHARE.—

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

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

13 “(8) REIMBURSABILITY OF FUNDS.—

14 “(A) NONREIMBURSABLE FUNDS.—

15 “(i) PUBLIC BENEFITS.—Subject to  
16 paragraph (7), any funds provided by the  
17 Secretary of the Interior to an eligible enti-  
18 ty under this subsection for the value of  
19 public benefits described in subparagraphs  
20 (A) and (B) of section 2(10) of the Sup-  
21 port To Rehydrate the Environment, Agri-  
22 culture, and Municipalities Act shall be  
23 considered nonreimbursable.

24 “(ii) WATER SUPPLY BENEFITS OF  
25 EQUAL VALUE TO PUBLIC BENEFITS.—

1           Subject to paragraph (7), any funds pro-  
2           vided by the Secretary of the Interior for  
3           the value of Federal benefits provided  
4           under section 2(6)(D) of the Support To  
5           Rehydrate the Environment, Agriculture,  
6           and Municipalities Act shall be considered  
7           nonreimbursable to the extent that the  
8           value of the Federal benefits does not ex-  
9           ceed the value of public benefits funded  
10          under clause (i) that are fish and wildlife  
11          or water quality benefits.

12           “(B) REIMBURSABLE FUNDS.—If funds  
13          provided to an eligible entity under subpara-  
14          graph (A) are less than the amount of the max-  
15          imum Federal cost share applicable to the eligi-  
16          ble project under paragraph (7), the Secretary  
17          may provide reimbursable funds to an eligible  
18          entity for any Federal benefits provided under  
19          section 2(6)(D) of the Support To Rehydrate  
20          the Environment, Agriculture, and Municipali-  
21          ties Act, subject to the limitation that the total  
22          amount of Federal funds provided to an eligible  
23          entity for the eligible project under this sub-  
24          section may not exceed the amount of the max-

1           imum Federal cost share applicable under para-  
2           graph (7).

3           “(9) PRIORITY.—In providing grants to eligible  
4           entities for eligible projects under this subsection,  
5           the Secretary of the Interior shall give funding pri-  
6           ority to an eligible project that directly or through  
7           watershed restoration plans approved with the  
8           project meets 2 or more of the following criteria:

9                   “(A) Provides multiple benefits, including  
10                   substantial quantities of each of the following:

11                           “(i) Water supply reliability benefits  
12                           for States and communities that are fre-  
13                           quently drought-stricken.

14                           “(ii) Fish and wildlife benefits.

15                           “(iii) Water quality improvements.

16                   “(B) Reduces impacts on environmental  
17                   resources from water projects owned or oper-  
18                   ated by Federal agencies and State agencies, in-  
19                   cluding through measurable reductions in water  
20                   diversions from imperiled ecosystems.

21                   “(C) Advances water management plans  
22                   across a multi-State area, such as drought con-  
23                   tingency plans in the Colorado River Basin.

24                   “(D) Is collaboratively developed or sup-  
25                   ported by multiple stakeholders.

1           “(E) Is located within a watershed for  
2           which an integrated, comprehensive watershed  
3           management plan has been developed to en-  
4           hance resilience of ecosystems, agricultural op-  
5           erations, and communities to chronic water  
6           scarcity, acute drought, and changing  
7           hydrological regimes.”.

8           (3) AUTHORIZATION OF APPROPRIATIONS.—

9           Section 4007(e) of the Water Infrastructure Im-  
10          provements for the Nation Act (43 U.S.C. 390b  
11          note; Public Law 114–322) (as redesignated by  
12          paragraph (1)(C)) is amended by striking para-  
13          graphs (1) and (2) and inserting the following:

14          “(1) IN GENERAL.—In addition to amounts  
15          made available under section 40901(1) of the Infra-  
16          structure Investment and Jobs Act (43 U.S.C.  
17          3201(1)), there is authorized to be appropriated to  
18          the Secretary of the Interior to carry out this section  
19          \$750,000,000 for the period of fiscal years 2025  
20          through 2029, of which \$50,000,000 is authorized to  
21          be appropriated during that period to carry out nat-  
22          ural water retention and release projects under sub-  
23          section (b)(5).

24          “(2) ALLOCATION.—Subject to paragraphs (3)  
25          and (4), the Secretary of the Interior shall allocate

1 amounts made available under paragraph (1)  
2 among—

3 “(A) the design and study of—

4 “(i) non-Federal storage projects, in-  
5 cluding natural water retention and release  
6 projects; and

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

15 “(B) construction of—

16 “(i) non-Federal storage projects, in-  
17 cluding natural water retention and release  
18 projects; and

19 “(ii) storage projects that have re-  
20 ceived construction funding in accordance  
21 with subsection (a)(2) of section 40902 of  
22 the Infrastructure Investment and Jobs  
23 Act (43 U.S.C. 3202), if the amounts  
24 made available to the storage projects  
25 under this clause are provided in accord-

1                   ance with subsections (b) and (c) of that  
2                   section.

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

7                   “(4) OTHER STORAGE PROJECTS.—The funds  
8                   appropriated under paragraph (1) may not be used  
9                   for storage projects other than the storage projects  
10                  described in paragraph (2) unless authorized by an  
11                  Act of Congress.

12                  “(5) USE OF FUNDING FOR PUBLIC BENE-  
13                  FITS.—

14                   “(A) IN GENERAL.—The Federal share of  
15                   the cost of public benefits provided by a storage  
16                   project described in paragraph (2) may be used  
17                   for the capital and operations, maintenance,  
18                   and replacement costs of public benefits.

19                   “(B) EFFECT.—Nothing in this paragraph  
20                   precludes the Secretary from using other au-  
21                   thorities or appropriations for the capital and  
22                   operations, maintenance, and replacement costs  
23                   of a non-Federal storage project to provide pub-  
24                   lic benefits.”.

1 (b) DURATION.—Section 4013(2) of the Water Infra-  
2 structure Improvements for the Nation Act (43 U.S.C.  
3 390b note; Public Law 114–322) is amended by striking  
4 “projects under construction in”.

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

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

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

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

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

3 (e) CALFED REAUTHORIZATION.—The Calfed Bay-  
4 Delta Authorization Act (Public Law 108–361; 118 Stat.  
5 1681; 136 Stat. 221) is amended by striking “2022” each  
6 place it appears and inserting “2028”.

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

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

13 (1) each Federal storage project that the Sec-  
14 retary—

15 (A) has found to be feasible; and

16 (B) recommends that Congress authorize  
17 for construction;

18 (2) each non-Federal storage project that re-  
19 quires congressional authorization for which the Sec-  
20 retary—

21 (A) has approved feasibility determina-  
22 tions; and

23 (B) recommends that Congress authorize  
24 the project for construction; and



1           “(i) are likely to provide a more-reli-  
2           able water supply for a unit of State or  
3           local government;

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

7           “(iii) provide multiple benefits, includ-  
8           ing water supply reliability, ecosystem ben-  
9           efits, system reliability benefits, ground-  
10          water management and enhancements, and  
11          water quality improvements; and

12          “(B) take into consideration selecting a di-  
13          versity of project types, including projects that  
14          serve—

15                 “(i) a region or more than 1 commu-  
16                 nity;

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

18                 “(iii) an urban community or city.

19          “(g) AUTHORIZATION OF APPROPRIATIONS.—In ad-  
20          dition to amounts made available under section  
21          40901(4)(A) of the Infrastructure Investment and Jobs  
22          Act (43 U.S.C. 3201(4)(A)), there is authorized to be ap-  
23          propriated to the Secretary to carry out subsections (e)  
24          and (f) \$300,000,000 for the period of fiscal years 2025  
25          through 2029.”.

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

4 (1) in paragraph (1)—

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

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

10 (2) in paragraph (2)—

11 (A) in subparagraph (B)—

12 (i) by striking “(B) In the case” and  
13 inserting the following:

14 “(B) SAN GABRIEL BASIN.—In the case”;

15 and

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

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

20 “(2) PROJECTS FUNDED AS OF 2021.—The Fed-  
21 eral share of the cost of any single project author-  
22 ized under this title shall be \$20,000,000 (October  
23 1996 prices) if the project has received that amount  
24 as of December 31, 2021.

25 “(3) OLDER PROJECTS.—

1                   “(A) IN GENERAL.—Subject to”.

2 **SEC. 104. ELIGIBLE DESALINATION PROJECT DEVELOP-**  
 3 **MENT.**

4           (a) ELIGIBLE DESALINATION PROJECTS AUTHORIZA-  
 5 TION.—Section 4(a) of the Water Desalination Act of  
 6 1996 (42 U.S.C. 10301 note; Public Law 104–298) is  
 7 amended by striking paragraph (2) and inserting the fol-  
 8 lowing:

9                   “(2) PROJECTS.—

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

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

20                   “(I) involves an ocean or brack-  
 21 ish water desalination facility—

22                   “(aa) constructed, operated,  
 23 and maintained by a State, In-  
 24 dian Tribe, irrigation district,  
 25 water district, or other organiza-

1 tion with water or power delivery  
2 authority; or

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

9 “(AA) direct sponsor-  
10 ship or funding; or

11 “(BB) indirect sponsor-  
12 ship or funding, such as by  
13 paying for the water pro-  
14 vided by the facility;

15 “(II) provides a Federal benefit;

16 and

17 “(III) is consistent with applica-  
18 ble Federal and State resource protec-  
19 tion laws, including any law relating  
20 to the protection of marine protected  
21 areas.

22 “(ii) AUTHORIZING COMMITTEES OF  
23 CONGRESS; FEDERAL BENEFIT; RECLAMA-  
24 TION STATE.—The terms ‘authorizing com-  
25 mittees of Congress’, ‘Federal benefit’, and

1           ‘Reclamation State’ have the meaning  
2           given the terms in section 2 of the Support  
3           To Rehydrate the Environment, Agri-  
4           culture, and Municipalities Act.

5           “(iii)       RURAL       DESALINATION  
6           PROJECT.—The term ‘rural desalination  
7           project’ means an eligible desalination  
8           project that is designed to serve a commu-  
9           nity or group of communities, each of  
10          which has a population of not more than  
11          25,000 inhabitants.

12          “(B) COST-SHARING REQUIREMENT.—

13               “(i) IN GENERAL.—Subject to the re-  
14               quirements of this subsection and notwith-  
15               standing section 7, the Federal share of an  
16               eligible desalination project carried out  
17               under this subsection shall be—

18                       “(I) not more than 25 percent of  
19                       the total cost of the eligible desalina-  
20                       tion project; or

21                       “(II) in the case of a rural de-  
22                       salination project, the applicable per-  
23                       centage determined in accordance  
24                       with clause (ii).

1                   “(ii)       RURAL       DESALINATION  
2 PROJECTS.—

3                   “(I)    COST-SHARING   REQUIRE-  
4                   MENT FOR APPRAISAL STUDIES.—

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

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

14                   “(bb) if the total costs of  
15 the appraisal studies are more  
16 than \$200,000, 50 percent of any  
17 amounts over \$200,000.

18                   “(II)   COST-SHARING   REQUIRE-  
19                   MENT FOR FEASIBILITY STUDIES.—

20                   Subject to subclause (IV), in the case  
21 of a rural desalination project carried  
22 out under this subsection, the Federal  
23 share of the cost of feasibility studies  
24 for the rural desalination project shall  
25 be not more than 50 percent.

1                   “(III) COST-SHARING REQUIRE-  
2                   MENT FOR CONSTRUCTION COSTS.—  
3                   Subject to subclause (IV), in the case  
4                   of a rural desalination project carried  
5                   out under this subsection, the Federal  
6                   share of the cost of construction of  
7                   the rural desalination project shall be  
8                   not more than 75 percent.

9                   “(IV) REDUCTION IN NON-FED-  
10                  ERAL SHARE.—The Secretary may re-  
11                  duce the non-Federal share of a rural  
12                  desalination project required under  
13                  subclause (I), (II), or (III) by not  
14                  more than 10 percent if the Secretary  
15                  determines, after consultation with  
16                  the heads of any other Federal agen-  
17                  cies that are partners in the rural de-  
18                  salination project and in accordance  
19                  with applicable Reclamation stand-  
20                  ards, that the reduction is appropriate  
21                  due to—

22                               “(aa) an overwhelming Fed-  
23                               eral interest in the rural desali-  
24                               nation project; and

1                   “(bb) the sponsor of the  
2                   rural desalination project dem-  
3                   onstrating financial hardship.

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

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

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

16                       “(II) the participation has been re-  
17                       quested by the Governor of the State in  
18                       which the eligible desalination project is lo-  
19                       cated;

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

23                               “(I) the eligible desalination  
24                               project—

1                   “(aa) is technically and fi-  
2                   nancially feasible;

3                   “(bb) provides a Federal  
4                   benefit; and

5                   “(cc) is consistent with ap-  
6                   plicable Federal and State laws  
7                   (including regulations);

8                   “(II) sufficient non-Federal fund-  
9                   ing is available to complete the eligible  
10                  desalination project; and

11                  “(III) the non-Federal project  
12                  sponsor is financially capable of fund-  
13                  ing the non-Federal share of the  
14                  project costs; and

15                  “(iii) the Secretary submits to the au-  
16                  thorizing committees of Congress and  
17                  makes publicly available on the internet a  
18                  written notification of the determinations  
19                  under clause (ii) by not later than 30 days  
20                  after the date of the determinations.

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

24                         “(i) applicable Federal environmental  
25                         laws, including the National Environ-

1 mental Policy Act of 1969 (42 U.S.C.  
2 4321 et seq.); and

3 “(ii) applicable State environmental  
4 laws.

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

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

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

16 “(F) FUNDING.—

17 “(i) AUTHORIZATION OF APPROPRIA-  
18 TIONS.—In addition to amounts made  
19 available under section 40901(5) of the In-  
20 frastructure Investment and Jobs Act (43  
21 U.S.C. 3201(5)), there is authorized to be  
22 appropriated to carry out this paragraph  
23 \$150,000,000 for the period of fiscal years  
24 2025 through 2029, of which not less than  
25 \$10,000,000 shall be made available dur-

1           ing the period for rural desalination  
2           projects.

3                   “(ii) FUNDING OPPORTUNITY AN-  
4                   NOUNCEMENT.—The Commissioner of Rec-  
5                   lamation shall release a funding oppor-  
6                   tunity announcement for a grant program  
7                   under this paragraph by not later than 75  
8                   days after the date of enactment of an Act  
9                   that provides funding for the program.”.

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

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

17                   “(1) for the benefit of drought-stricken States  
18                   and communities;

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

22                   “(3) that demonstrably improve self-reliance on  
23                   local or regional water supplies in the case of any  
24                   project sponsors that rely on imported water sup-  
25                   plies that have an impact on species listed under the

1 Endangered Species Act of 1973 (16 U.S.C. 1531 et  
2 seq.);

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

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

7 “(B) nonprofit water research foundations  
8 or institutions with expertise in technology in-  
9 novation to advance sustainable desalination  
10 processes or brine management;

11 “(5) located in a region that—

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

14 “(B) has agricultural production of na-  
15 tional importance;

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

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

23 “(8) that maximize energy efficiency so that the  
24 lifecycle energy demands of desalination are mini-  
25 mized;

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

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

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

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

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

16                     “(i) is not discharged in a manner  
17 that increases salinity levels in Federal or  
18 State marine protected areas; and

19                     “(ii) achieves ambient salinity levels  
20 within a reasonable distance from the dis-  
21 charge point;

22                 “(C) are sited, designed, and operated in a  
23 manner that maintains indigenous marine life  
24 and a healthy and diverse marine community

1           within a reasonable distance from the discharge  
2           point;

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

5           “(E) include a construction and operation  
6           plan designed to minimize loss of coastal habi-  
7           tat as well as aesthetic, noise, and air quality  
8           impacts.”.

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

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

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

4 (1) in the first sentence, by striking “2021”  
5 and inserting “2028”; and

6 (2) in the second sentence, by striking  
7 “\$1,000,000” and inserting “\$3,000,000”.

8 **SEC. 105. DRINKING WATER ASSISTANCE FOR DISADVAN-**  
9 **TAGED COMMUNITIES.**

10 (a) IN GENERAL.—In addition to any amounts ap-  
11 propriated under section 50231 of Public Law 117–169  
12 (commonly known as the “Inflation Reduction Act of  
13 2022”) (136 Stat. 2053) or any amounts made available  
14 to carry out that section under any other law, there is  
15 authorized to be appropriated to the Secretary to carry  
16 out that section \$100,000,000 for the period of fiscal  
17 years 2025 through 2029.

18 (b) MULTIPLE BENEFIT PROJECTS.—The Secretary  
19 is encouraged to use all or a portion of the funds made  
20 available under subsection (a) to incorporate into multiple  
21 benefit projects features or facilities to assist in providing  
22 domestic water supplies to disadvantaged communities.

1 **SEC. 106. EXTRAORDINARY OPERATION AND MAINTENANCE WORK; PROJECT MODIFICATION.**  
2

3 (a) **DEFINITIONS.**—Section 9601 of the Omnibus  
4 Public Land Management Act of 2009 (43 U.S.C. 510)  
5 is amended—

6 (1) by redesignating paragraphs (1), (2), (3),  
7 (4), (5), (6), and (7) as paragraphs (4), (7), (9),  
8 (10), (11), (12), and (3), respectively, and moving  
9 the paragraphs so as to appear in numerical order;  
10 (2) by inserting before paragraph (3) (as so re-  
11 designated) the following:

12 “(1) **ADVERSE IMPACT.**—The term ‘adverse im-  
13 pact’ means, with respect to a project modification,  
14 a reduction in water quantity or quality or a change  
15 in the timing of water deliveries available to a  
16 project beneficiary from the modified project as com-  
17 pared to the water quantity or quality or timing of  
18 water deliveries from—

19 “(A) the project with the restored capacity,  
20 if the extraordinary operation and maintenance  
21 work under section 9603 is intended to restore  
22 lost project capacity;

23 “(B) the project prior to undertaking the  
24 extraordinary operation and maintenance work  
25 under section 9603, if the extraordinary oper-

1           ation and maintenance work is for any purpose  
2           other than to restore lost project capacity; or

3           “(C) project operations of the modified  
4           project without an increase in benefits for a  
5           new project beneficiary under section  
6           9603(e)(1)(E).

7           “(2) DISADVANTAGED COMMUNITY.—The term  
8           ‘disadvantaged community’ has the meaning given  
9           the term ‘low-income community’ in section 45D(e)  
10          of the Internal Revenue Code of 1986.”;

11          (3) in paragraph (3) (as so redesignated)—

12           (A) in subparagraph (A), by striking  
13           “and” at the end;

14           (B) in subparagraph (B), by striking the  
15           period at the end and inserting “; and”; and

16           (C) by adding at the end the following:

17           “(C) inclusive of any modifications to the  
18           facilities or facility components authorized  
19           under section 9603(e).”;

20          (4) by inserting after paragraph (4) (as so re-  
21          designated) the following:

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

1           “(A) the project with restored capacity, if  
2           the extraordinary operation and maintenance  
3           work under section 9603 is intended to restore  
4           lost project capacity; or

5           “(B) the project as the project existed  
6           prior to undertaking the extraordinary oper-  
7           ation and maintenance work under section  
8           9603, if the extraordinary operation and main-  
9           tenance work is for any purpose other than to  
10          restore lost project capacity.

11          “(6) PROJECT BENEFICIARY.—The term  
12          ‘project beneficiary’ means any entity that has a re-  
13          payment, long-term water service, or other form of  
14          long-term contract or agreement executed pursuant  
15          to the Act of June 17, 1902 (32 Stat. 388, chapter  
16          1093), and Acts supplemental to and amendatory of  
17          that Act (43 U.S.C. 371 et seq.), for water supply  
18          from the project.”; and

19          (5) by inserting after paragraph (7) (as so re-  
20          designated) the following:

21          “(8) PUBLIC BENEFIT.—The term ‘public ben-  
22          efit’ has the meaning given the term in section 2 of  
23          the Support To Rehydrate the Environment, Agri-  
24          culture, and Municipalities Act.”.

1 (b) REIMBURSEMENT OF COSTS.—Section 9603(b) of  
2 the Omnibus Public Land Management Act of 2009 (43  
3 U.S.C. 510b(b)) is amended—

4 (1) in paragraph (2), by striking “the costs”  
5 and inserting “from the Aging Infrastructure Ac-  
6 count established by subsection (d)(1) or any other  
7 applicable available account the costs, including re-  
8 imburseable costs and nonreimbursable costs,”; and

9 (2) by adding at the end the following:

10 “(4) DETERMINATION OF NONREIMBURSABLE  
11 COSTS.—Any costs advanced under paragraph (2)  
12 that are allocated to nonreimbursable purposes of  
13 the project, including public benefits described in  
14 section 2(10)(B) of the Support To Rehydrate the  
15 Environment, Agriculture, and Municipalities Act,  
16 shall be considered to be nonreimbursable costs.”.

17 (c) AGING INFRASTRUCTURE ACCOUNT CONFORMING  
18 AMENDMENTS.—Section 9603(d) of the Omnibus Public  
19 Land Management Act of 2009 (43 U.S.C. 510b(d)) is  
20 amended—

21 (1) in paragraph (1), in the matter preceding  
22 subparagraph (A), by striking “the funds” and in-  
23 serting “reimbursable funds”;

24 (2) in paragraph (2)—

1 (A) by striking “to fund” and inserting “to  
2 fund,”; and

3 (B) by striking “the funds for” and insert-  
4 ing “reimbursable funds for,”;

5 (3) in paragraph (3)(A), by striking “the  
6 amounts” and inserting “the reimbursable  
7 amounts”; and

8 (4) in paragraph (4)(B)(i), by inserting “, in-  
9 cluding projects under subsection (e)” after “this  
10 section”.

11 (d) AUTHORIZATION TO MODIFY TRANSFERRED  
12 WORKS TO INCREASE PUBLIC BENEFITS AND OTHER  
13 PROJECT BENEFITS AS PART OF EXTRAORDINARY OPER-  
14 ATION AND MAINTENANCE WORK.—Section 9603 of the  
15 Omnibus Public Land Management Act of 2009 (43  
16 U.S.C. 510b) is amended by adding at the end the fol-  
17 lowing:

18 “(e) AUTHORIZATION TO MODIFY TRANSFERRED  
19 WORKS TO INCREASE PUBLIC BENEFITS AND OTHER  
20 PROJECT BENEFITS AS PART OF EXTRAORDINARY OPER-  
21 ATION AND MAINTENANCE WORK.—

22 “(1) AUTHORIZATION; REQUIREMENTS.—

23 “(A) IN GENERAL.—The Secretary, in con-  
24 sultation with any transferred works operating  
25 entity and any project beneficiaries and as part

1 of extraordinary operation and maintenance  
2 work under this section, may develop and carry  
3 out a proposal to modify project features for  
4 transferred works to increase public benefits  
5 and other project benefits, including carrying  
6 out a feasibility study and conducting any ap-  
7 plicable environmental analysis required for the  
8 proposal, subject to subparagraphs (B) through  
9 (F).

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

14 “(i) an amount equal to 25 percent of  
15 the original cost of the planned extraor-  
16 dinary operation and maintenance work, in  
17 the case of a project for which the original  
18 cost of the planned extraordinary operation  
19 and maintenance work exceeds  
20 \$100,000,000; or

21 “(ii) \$25,000,000, in the case of a  
22 project for which the original cost of the  
23 planned extraordinary operation and main-  
24 tenance work is not more than  
25 \$100,000,000.

1           “(C) PUBLIC BENEFITS.—In the case of a  
2 project modification under subparagraph (A),  
3 not less than 50 percent of the new benefits  
4 provided by the modification of the project, as  
5 compared to the original planned extraordinary  
6 operation and maintenance work, shall be public  
7 benefits.

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

13                   “(i) the transferred works operating  
14 entity; and

15                   “(ii) consistent with paragraph (2),  
16 any project beneficiary that would experi-  
17 ence an adverse impact as a result of the  
18 modification of the project.

19           “(E) ADVERSE IMPACT.—Any benefits that  
20 accrue to a new project beneficiary resulting  
21 from operations of the modified project shall  
22 not be increased without the consent of existing  
23 project beneficiaries that would experience an  
24 adverse impact as a result of the modification  
25 of the project.

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

11           “(G) ELIGIBILITY OF CERTAIN PROJECT  
12 MODIFICATIONS.—If a project modification that  
13 is otherwise eligible under subparagraph (A)  
14 was in the planning, design, or construction  
15 phase as of December 31, 2022, the project  
16 modification shall remain eligible to be devel-  
17 oped under that subparagraph.

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

20           “(A) INITIAL DETERMINATION.—The Sec-  
21 retary shall initially determine whether the con-  
22 sent of a project beneficiary is required prior to  
23 construction under paragraph (1)(D) based on  
24 whether the modification or subsequent oper-

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

3           “(B) WRITTEN REQUEST FOR CONSENT.—

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

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

10                   “(ii)(I) a request for consent under  
11                   paragraph (1)(D); or

12                   “(II)(aa) an explanation that the Sec-  
13                   retary has determined that no consent is  
14                   required under paragraph (1)(D); and

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

25           “(C) FINAL DETERMINATION.—

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

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

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

22          “(D) TIME PERIOD FOR CONSENT.—

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

1 date on which written consent is requested  
2 under subparagraph (B)(ii), the trans-  
3 ferred works operating entity shall proceed  
4 with extraordinary operation and mainte-  
5 nance work of the project without the  
6 modification, unless the Secretary extends  
7 the time for consent under clause (ii).

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

12 “(3) REALLOCATION OF COSTS BASED ON  
13 PROJECT CHANGES AND INCREASED PUBLIC BENE-  
14 FITS.—The Secretary shall allocate costs, including  
15 capital repayment costs and operation and mainte-  
16 nance costs, for a project modification under para-  
17 graph (1), to provide that—

18 “(A) annual operation and maintenance  
19 costs associated with nonreimbursable purposes  
20 of the project shall be nonreimbursable; and

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

1           “(4) INCENTIVE FOR BENEFITTING ENTITIES  
2 TO PARTICIPATE IN PROJECTS WITH INCREASED  
3 PUBLIC BENEFITS.—

4           “(A) IN GENERAL.—The total amount of  
5 reimbursable capital costs, as determined under  
6 paragraph (3), for extraordinary operation and  
7 maintenance work described in subparagraph  
8 (B) shall be reduced by 15 percent, with each  
9 project beneficiary to be responsible for 85 per-  
10 cent of the reimbursable costs that would other-  
11 wise be allocated to the project beneficiary.

12           “(B) DESCRIPTION OF EXTRAORDINARY  
13 OPERATION AND MAINTENANCE WORK.—The  
14 extraordinary operation and maintenance work  
15 referred to in subparagraph (A) is extraor-  
16 dinary operation and maintenance work involv-  
17 ing a project modification that would increase  
18 nonreimbursable public benefits without in-  
19 creasing reimbursable municipal, industrial, or  
20 irrigation benefits from the original design of  
21 the planned extraordinary operation and main-  
22 tenance work.

23           “(5) REIMBURSABLE FUNDS.—All reimbursable  
24 costs under this subsection shall be repaid in accord-  
25 ance with subsection (b).”.

1 **SEC. 107. USE OF REVENUE TO IMPROVE DROUGHT RESIL-**  
2 **IENCE OR DAM SAFETY.**

3 (a) DEFINITIONS.—In this section:

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

7 (A) under the Federal Guidelines for Dam  
8 Safety issued by the Federal Emergency Man-  
9 agement Agency or the Interagency Committee  
10 on Dam Safety;

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

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

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

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

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

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

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

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

8           (4) ELIGIBLE TEMPORARY TRANSFER.—The  
9           term “eligible temporary transfer” means the tem-  
10          porary and voluntary selling, leasing, or exchanging  
11          of water or water rights among individuals or agen-  
12          cies that is allowable under the reclamation laws and  
13          the water law of the applicable State.

14          (5) TRANSFEROR.—The term “transferor”  
15          means the holder of a water service, transferred  
16          works, water repayment, or other contract that enti-  
17          tles the holder to water from a Bureau of Reclama-  
18          tion project or facility that undertakes an eligible  
19          temporary transfer.

20          (b) USE OF REVENUE FOR DROUGHT RESILIENCE  
21          INVESTMENTS OR DAM SAFETY INVESTMENTS.—

22                   (1) IN GENERAL.—Notwithstanding the Act of  
23                   February 25, 1920 (41 Stat. 451, chapter 86; 43  
24                   U.S.C. 521), or subsection J of section 4 of the Act  
25                   of December 5, 1924 (43 Stat. 703, chapter 4; 43

1 U.S.C. 526), all amounts derived from an eligible  
2 temporary transfer that would otherwise be depos-  
3 ited in the reclamation fund established by the first  
4 section of the Act of June 17, 1902 (32 Stat. 388,  
5 chapter 1093; 43 U.S.C. 391), shall remain available  
6 to the transferor.

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

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

11 (B) placed in the reserve account of the  
12 transferor, to be used for future drought resil-  
13 ience investments or dam safety investments,  
14 subject to paragraph (3).

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

24 (4) REPORTING.—The transferor shall report to  
25 the Commissioner of Reclamation on the use of any

1 uses of funds derived from an eligible temporary  
2 transfer.

3 (5) EFFECT OF SECTION.—

4 (A) IN GENERAL.—Nothing in this sec-  
5 tion—

6 (i) affects any other authority of the  
7 Secretary to use amounts derived from rev-  
8 enues from a Bureau of Reclamation  
9 project; or

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

12 (B) APPLICABLE LAW.—Any eligible tem-  
13 porary transfer shall comply with all applica-  
14 ble—

15 (i) State water laws;

16 (ii) Federal laws and policies; and

17 (iii) interstate water compacts.

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

1                   **TITLE II—IMPROVED**  
2                   **TECHNOLOGY AND DATA**

3   **SEC. 201. REAUTHORIZATION OF THE TRANSBOUNDARY AQ-**  
4                   **UIFER ASSESSMENT PROGRAM.**

5           (a) DESIGNATION OF PRIORITY TRANSBOUNDARY  
6   AQUIFERS.—Section 4(c)(2) of the United States-Mexico  
7   Transboundary Aquifer Assessment Act (42 U.S.C. 1962  
8   note; Public Law 109–448) is amended by striking “New  
9   Mexico or Texas” and inserting “New Mexico, Texas, or  
10   Arizona (other than an aquifer underlying Arizona and  
11   Sonora, Mexico, that is partially within the Yuma ground-  
12   water basin designated by the order of the Director of the  
13   Arizona Department of Water Resources dated June 21,  
14   1984)”.

15           (b) REAUTHORIZATION.—

16               (1) AUTHORIZATION OF APPROPRIATIONS.—

17           Section 8(a) of the United States-Mexico Trans-  
18           boundary Aquifer Assessment Act (42 U.S.C. 1962  
19           note; Public Law 109–448) is amended by striking  
20           “\$50,000,000 for the period of fiscal years 2007  
21           through 2016” and inserting “\$50,000,000 for the  
22           period of fiscal years 2025 through 2029”.

23               (2) SUNSET OF AUTHORITY.—Section 9 of the  
24           United States-Mexico Transboundary Aquifer As-  
25           sessment Act (42 U.S.C. 1962 note; Public Law

1 109–448) is amended by striking “enactment of this  
 2 Act” and inserting “enactment of the Support To  
 3 Rehydrate the Environment, Agriculture, and Mu-  
 4 nicipalities Act”.

5 **TITLE III—ECOSYSTEM RES-**  
 6 **TORATION AND PROTECTION**

7 **SEC. 301. ECOSYSTEM RESTORATION.**

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

11 “(a) DEFINITIONS.—In this section:

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

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

18 “(A) a State;

19 “(B) a Tribal or local government;

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

22 “(D) a regional authority; or

23 “(E) a nonprofit conservation organization.

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

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

3           “(B) construction, construction manage-  
4           ment, replacement, and other similar activities;

5           “(C) management activities, including the  
6           acquisition of an interest in land or water, in-  
7           cluding the acquisition of a conservation ease-  
8           ment;

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

12          “(E) project administration activities, in-  
13          cluding the payment of fees associated with im-  
14          plementing the project or activity.”.

15          (b) REQUIREMENTS.—Section 40907(c)(1) of the In-  
16          frastructure Investment and Jobs Act (43 U.S.C.  
17          3207(c)(1)) is amended by striking subparagraph (B) and  
18          inserting the following:

19                 “(B) may not provide a grant to carry out  
20                 a habitat restoration project the purpose of  
21                 which is to meet existing environmental mitiga-  
22                 tion or compliance obligations that are express  
23                 requirements of a permit or order issued under  
24                 Federal or State law, unless such requirements

1 expressly contemplate reliance on Federal fund-  
2 ing in performance of the requirements.”; and

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

6 “(e) OTHER ACTIONS.—

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

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

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

17 “(2) REIMBURSABILITY.—The expenditures of  
18 the Secretary under this subsection and subsection  
19 (f) shall be nonreimbursable.

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

21 “(1) PURPOSE.—The purpose of this subsection  
22 is to authorize the Secretary to address habitat  
23 needs and promote collaborative, multi-benefit water  
24 management through water sharing arrangements

1 that incorporate habitat and other public benefits  
2 into voluntary crop idling water transfers.

3 “(2) AUTHORIZATION OF ACQUISITION.—In ap-  
4 proving a water transfer within a Federal reclama-  
5 tion project that results in voluntary fallowing of  
6 crop land in the Sacramento Valley or Sacramento-  
7 San Joaquin River Delta, the Secretary may acquire  
8 a portion of the volume of water made available for  
9 transfer if the Secretary determines that crop land  
10 idled because of the transfer would create temporary  
11 wildlife habitat with the application of the acquired  
12 water, subject to paragraph (3).

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

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

17 “(B) only acquire a portion of the volume  
18 of water made available for transfer if the  
19 transferor and the transferee agree to the ac-  
20 quisition;

21 “(C) negotiate a mutually agreeable vol-  
22 ume of water for acquisition with the transferor  
23 and the transferee;

24 “(D) pay not more per volume of water  
25 than the price negotiated between the trans-

1           feror and transferee for the water to be trans-  
2           ferred;

3           “(E) compensate the transferor for any  
4           reasonable incremental costs associated with  
5           managing the water acquired to create tem-  
6           porary wildlife habitat; and

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

9           “(4) PRIORITIZATION.—The Secretary shall  
10          give priority to approving and facilitating transfers  
11          under this subsection that incorporate voluntary  
12          habitat and other public benefits that exceed the  
13          benefits provided under regulatory requirements.

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

18                 “(A) the Central Valley Project Improve-  
19                 ment Act (title XXXIV of Public Law 102–575;  
20                 106 Stat. 4706); and

21                 “(B) the Endangered Species Act of 1973  
22                 (16 U.S.C. 1531 et seq.).

23          “(6) REPORTING.—The Secretary shall annu-  
24          ally submit to the authorizing committees of Con-  
25          gress (as defined in section 2 of the Support To Re-

1 hydrate the Environment, Agriculture, and Munici-  
2 palities Act) a report that describes, for the period  
3 covered by the report—

4 “(A) the volume of water acquired under  
5 paragraph (2); and

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

8 “(g) INTEGRATED WATER MANAGEMENT FEDERAL  
9 LEADERSHIP COMMITTEE FOR ASSISTING PROJECTS AT  
10 THE REQUEST OF A SPONSOR.—

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

20 “(2) CHAIRPERSON.—The Assistant Secretary  
21 for Water and Science of the Department of the In-  
22 terior shall—

23 “(A) serve as the chairperson of the Com-  
24 mittee; and

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

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

7           “(A) the Bureau of Reclamation;

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

10          “(C) the National Marine Fisheries Serv-  
11          ice;

12          “(D) the Corps of Engineers;

13          “(E) the Environmental Protection Agen-  
14          cy; and

15          “(F) the Department of Agriculture.

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

19          “(A) facilitating communication and col-  
20          laboration among Federal agencies to support  
21          and advance any projects for which an eligible  
22          entity or qualified partner requests the assist-  
23          ance of the Committee;

24          “(B) ensuring the effective coordination  
25          among relevant Federal agencies and depart-

1           ments to ensure accelerated implementation of  
2           any projects for which an eligible entity or  
3           qualified partner requests the assistance of the  
4           Committee; and

5                   “(C) making policy and budgetary rec-  
6           ommendations, if determined to be appropriate  
7           by the Committee, to support the implementa-  
8           tion of projects.

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

14          “(h) AUTHORIZATION OF APPROPRIATIONS.—In ad-  
15          dition to amounts made available under section  
16          40901(11), there is authorized to be appropriated to the  
17          Secretary \$250,000,000 to carry out this section for the  
18          period of fiscal years 2025 through 2029, of which—

19                   “(1) \$150,000,000 shall be made available for  
20          the competitive grant program described in sub-  
21          section (b); and

22                   “(2) \$100,000,000 shall be made available for  
23          other actions described in subsection (e) and to  
24          carry out subsection (f).

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

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

4                       “(A) the reclamation laws; or

5                       “(B) Federal environmental laws, includ-  
6 ing—

7                               “(i) the Central Valley Project Im-  
8 provement Act (title XXXIV of Public Law  
9 102–575; 106 Stat. 4706); and

10                              “(ii) the Endangered Species Act of  
11 1973 (16 U.S.C. 1531 et seq.); or

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

14 **SEC. 302. PERFORMANCE-BASED RESTORATION AUTHOR-**  
15 **ITY.**

16       (a) DEFINITIONS.—In this section:

17               (1) ELIGIBLE PROJECT.—The term “eligible  
18 project” means a habitat or ecosystem restoration,  
19 mitigation, or enhancement project or activity au-  
20 thorized individually or through an existing Federal  
21 program.

22               (2) ELIGIBLE RESTORATION PROVIDER.—The  
23 term “eligible restoration provider” means a non-  
24 Federal for-profit or nonprofit organization, com-  
25 pany, or corporation, or a State, Tribal, or local gov-

1 ernment, that is bonded, insured, and experienced in  
2 financing and completing successful habitat and res-  
3 toration, mitigation, and enhancement activities.

4 (3) PERFORMANCE-BASED.—The term “per-  
5 formance-based” means, with respect to a contract,  
6 grant agreement, cooperative agreement, or fixed  
7 amount award, a pay-for-performance, pay-for-suc-  
8 cess, pay-for-results, or similar model by which the  
9 restoration provider agrees to finance and complete  
10 habitat or ecosystem restoration, mitigation, or en-  
11 hancement activities, with payment to the restora-  
12 tion provider linked to delivery of verifiable and suc-  
13 cessful ecological performance, based on metrics and  
14 the timeframe established in advance by the Sec-  
15 retary.

16 (4) RESTORATION PROVIDER.—The term “res-  
17 toration provider” means a non-Federal organization  
18 that performs restoration services contracted for,  
19 agreed to, or awarded under a contract or agreement  
20 entered into under subsection (b)(1).

21 (b) AUTHORIZATION.—

22 (1) IN GENERAL.—Subject to subsection (j), in  
23 implementing existing authorities under Federal law  
24 related to habitat and ecosystem restoration, mitiga-  
25 tion, or enhancement, the Secretary may enter into

1 performance-based contracts, grant agreements, and  
2 cooperative agreements, including providing funding  
3 through fixed amount awards, with eligible restora-  
4 tion providers for the conduct of eligible projects for  
5 which ecological targets and outcomes are—

6 (A) clearly defined;

7 (B) agreed to in advance; and

8 (C) capable of being successfully achieved.

9 (2) PERFORMANCE-BASED CONTRACTS.—For  
10 purposes of paragraph (1), the Secretary may enter  
11 into performance-based contracts with eligible res-  
12 toration providers experienced in financing and com-  
13 pleting successful ecological habitat and restoration,  
14 mitigation, and enhancement activities.

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

17 (A) may provide funding through grant  
18 agreements and cooperative agreements, includ-  
19 ing fixed amount awards, for eligible projects;  
20 and

21 (B) shall allow for the use of performance-  
22 based tools in the agreements and awards de-  
23 scribed in subparagraph (A).

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

1           (A) may allow funding provided to States,  
2           local governments, Indian Tribes, and nonprofit  
3           organizations to be passed through to third-  
4           party eligible restoration providers under a con-  
5           tract or agreement entered into under that  
6           paragraph; and

7           (B) shall allow for the use of performance-  
8           based tools in grant and cooperative agreements  
9           entered into with eligible restoration providers  
10          under that paragraph.

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

18          (c) GUIDELINES.—

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

25               (2) CONSULTATION REQUIRED.—

1 (A) IN GENERAL.—In developing the  
2 guidelines under paragraph (1), the Secretary  
3 shall consult with external organizations and  
4 other appropriate entities with experience in  
5 performance-based contracts, agreements, or  
6 awards, consistent with sections 6302 through  
7 6305 of title 31, United States Code.

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

14 (3) REQUIREMENTS.—At a minimum, guide-  
15 lines developed under paragraph (1) shall include  
16 guidance on—

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

19 (B) eligibility criteria for restoration pro-  
20 viders;

21 (C) criteria for defining achievable ecologi-  
22 cal outcomes; and

23 (D) determination of restoration provider  
24 financial assurances sufficient to ensure ecologi-  
25 cal outcomes will be successfully achieved.

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

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

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

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

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

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

1           (2) obtaining permits necessary for the eligible  
2 project.

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

5           (1) the obligations of the Secretary under—

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

8               (B) the Endangered Species Act of 1973  
9 (16 U.S.C. 1531 et seq.);

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

12              (D) any other provision of Federal environ-  
13 mental law; or

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

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

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

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

7 (k) REPORT.—

8 (1) IN GENERAL.—Not later than 3 years after  
9 the date of enactment of this Act, the Secretary  
10 shall—

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

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

1           (2) ADDRESSING IMPEDIMENTS.—Not later  
 2 than 1 year after the date on which the Secretary  
 3 identifies impediments, if any, under paragraph  
 4 (1)(B), the Secretary shall develop and implement  
 5 programmatic procedures and approaches, including  
 6 recommendations to the authorizing committees of  
 7 Congress on legislation, that would—

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

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

## 13           **TITLE IV—MISCELLANEOUS**

### 14           **SEC. 401. MODIFICATIONS TO DROUGHT PROGRAM UNDER** 15                   **THE RECLAMATION STATES EMERGENCY** 16                   **DROUGHT RELIEF ACT OF 1991.**

17           (a) ASSISTANCE DURING DROUGHT; WATER PUR-  
 18 CHASES.—Section 101 of the Reclamation States Emer-  
 19 gency Drought Relief Act of 1991 (43 U.S.C. 2211) is  
 20 amended—

21                   (1) in subsection (a)—

22                           (A) in the first sentence, by striking “Con-  
 23 sistent” and inserting the following:

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

1 (B) in paragraph (1) (as so designated), in  
2 the second sentence, by striking “Any construc-  
3 tion activities” and inserting the following:

4 “(2) LIMITATION.—Any construction activi-  
5 ties”; and

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

11 “(A) A construction project—

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

14 “(ii) that is supported by—

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

17 “(II) if the construction project  
18 is on a reservation, by the affected In-  
19 dian Tribe.

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

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

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

6                   (2) by adding at the end the following:

7                   “(e) FUNDING FOR FEE-BASED ENVIRONMENTAL  
8 PROGRAMS.—

9                   “(1) IN GENERAL.—For any fiscal year for  
10                  which, due to a drought, as determined by the Sec-  
11                  retary, there are insufficient funds to carry out any  
12                  environmental program that is funded in whole or in  
13                  part by fees based on the water volume of water de-  
14                  livered by a Federal reclamation project (including  
15                  fees collected under section 3407(c) of the Reclama-  
16                  tion Projects Authorization and Adjustment Act of  
17                  1992 (Public Law 102–575; 106 Stat. 4726)), the  
18                  Secretary may use other unobligated amounts made  
19                  available to the Secretary to carry out the environ-  
20                  mental program for the fiscal year.

21                  “(2) NONREIMBURSABLE FUNDS.—Notwith-  
22                  standing any other provision of law, amounts made  
23                  available under paragraph (1) shall be nonreimburs-  
24                  able.

1           “(3) EFFECT.—Nothing in this subsection af-  
2       fects—

3           “(A) the authority of the Secretary to ad-  
4       dress insufficient funding for an environmental  
5       program described in paragraph (1) that is not  
6       a result of a drought; or

7           “(B) the obligations of the Secretary to the  
8       environment under Federal law.”.

9       (b) APPLICABLE PERIOD OF DROUGHT PROGRAM.—  
10      Section 104 of the Reclamation States Emergency  
11      Drought Relief Act of 1991 (43 U.S.C. 2214) is amend-  
12      ed—

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

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

19           “(1)(A) the Governor of the affected State, and  
20      the governing body of the affected Indian Tribe with  
21      respect to a reservation, has made a request for tem-  
22      porary drought assistance; and

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

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

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

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

8           (c) MUNICIPAL WELLS; FUNDING UNDER THE IN-  
9           FRASTRUCTURE INVESTMENT AND JOBS ACT.—Section  
10          9504(a)(3) of the Omnibus Public Land Management Act  
11          of 2009 (42 U.S.C. 10364(a)(3)) is amended by adding  
12          at the end the following:

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

24                         “(i) the groundwater well is for the  
25                         purpose of supplying drinking water for a

1           disadvantaged community (as defined in  
2           section 2 of the Support To Rehydrate the  
3           Environment, Agriculture, and Municipalities  
4           Act) or Indian Tribe; or

5                   “(ii) the new groundwater use is partially  
6           offset by aquatic habitat enhancement—  
7           ment—

8                           “(I) during the drought period;

9                           or

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

12                   “(H) FUNDING UNDER THE INFRASTRUCTURE  
13           INVESTMENT AND JOBS ACT.—For purposes of amounts made available to carry out  
14           this section under paragraph (7) of section  
15           40901 of the Infrastructure Investment and  
16           Jobs Act (43 U.S.C. 3201) for each of fiscal  
17           years 2025 and 2026, projects or activities eligible for funding under that paragraph may include  
18           a combination of proposed planning activities, actions, or projects within a basin, with  
19           the maximum amount of the combined activities not to exceed the maximum amount established  
20           under subparagraph (E)(iii).”.

1 **SEC. 402. OFFSET.**

2 Section 4013 of the Water Infrastructure Improve-  
3 ments for the Nation Act (43 U.S.C. 390b note; Public  
4 Law 114–322) is amended—

5 (1) in paragraph (1), by striking “and” at the  
6 end;

7 (2) in paragraph (2), by striking the period at  
8 the end and inserting “; and”; and

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

10 “(3) subsections (a), (b), (c), (d), and (f) of  
11 section 4011, which shall expire on December 31,  
12 2028.”.

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

14 No water recycling project, non-Federal storage  
15 project, eligible desalination project, or a project eligible  
16 for amounts made available under section 105 shall receive  
17 Federal funding under this Act unless the applicable  
18 project complies with—

19 (1) applicable Federal environmental laws; and

20 (2) applicable State environmental laws.

21 **SEC. 404. EFFECT.**

22 Nothing in this Act or an amendment made by this  
23 Act shall be interpreted or implemented in a manner that  
24 interferes with any obligation of a State under the Rio  
25 Grande Compact or any other compact approved by Con-  
26 gress under the Act of May 31, 1939 (53 Stat. 785, chap-

1 ter 155), or any litigation relating to the Rio Grande Com-  
2 pact or other compact.

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