

116TH CONGRESS
1ST SESSION

S. 1932

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

IN THE SENATE OF THE UNITED STATES

JUNE 20, 2019

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

A BILL

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

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Drought Resiliency
5 and Water Supply Infrastructure Act”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act:

8 (1) DESIGN; STUDY.—The terms “design” and
9 “study” include any design, permitting, materials

1 engineering or testing, surveying, or preconstruction
 2 activity relating to a water storage facility.

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

5 **SEC. 3. SURFACE AND GROUNDWATER STORAGE AND SUP-**
 6 **PORTING PROJECTS.**

7 (a) DEFINITIONS.—In this section:

8 (1) APPROPRIATE COMMITTEES OF CON-
 9 GRESS.—The term “appropriate committees of Con-
 10 gress” means—

11 (A) the Committee on Appropriations of
 12 the Senate;

13 (B) the Committee on Energy and Natural
 14 Resources of the Senate;

15 (C) the Committee on Appropriations of
 16 the House of Representatives; and

17 (D) the Committee on Natural Resources
 18 of the House of Representatives.

19 (2) ELIGIBLE ENTITY.—The term “eligible enti-
 20 ty” means—

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

24 (B) an Indian tribe (as defined in section
 25 4 of the Indian Self-Determination and Edu-

cation Assistance Act (25 U.S.C. 5304)) or an entity controlled by an Indian tribe;

(C) a water users' association;

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

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

(3) FEDERALLY OWNED STORAGE PROJECT.—

The term “federally owned storage project” means any project in a Reclamation State—

(A) that involves the construction, expansion, upgrade, or capital repair of—

(i) a surface water storage facility; or

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

(B) to which the United States holds title;

and

(C) that was authorized to be constructed, operated, and maintained pursuant to—

(i) the reclamation laws; or

(ii) the Act of August 11, 1939 (commonly known as the “Water Conservation and Utilization Act”) (16 U.S.C. 590y et seq.).

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

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

7 (i) a surface or groundwater storage
8 facility that is not federally owned; or

9 (ii) a facility that is not federally
10 owned conveying water to or from a sur-
11 face or groundwater storage facility; and

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

15 (5) RECLAMATION LAWS.—The term “reclama-
16 tion laws” means Federal reclamation law (the Act
17 of June 17, 1902 (32 Stat. 388, chapter 1093), and
18 Acts supplemental to and amendatory of that Act.

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

1 (b) GRANT PROGRAM.—The Secretary may provide
2 a grant under this section to an eligible entity to carry
3 out, within a Reclamation State—

4 (1) a federally owned storage project in accord-
5 ance with subsection (c); or

6 (2) a non-Federal storage project in accordance
7 with subsection (d).

8 (c) FEDERALLY OWNED STORAGE PROJECTS.—

9 (1) AGREEMENTS.—On request of an eligible
10 entity, the Secretary may negotiate and enter into
11 an agreement on behalf of the United States for the
12 design, study, construction, expansion, upgrade, or
13 capital repair of a federally owned storage project lo-
14 cated in a Reclamation State in accordance with this
15 subsection.

16 (2) FEDERAL SHARE.—Subject to the require-
17 ments of this subsection, the Secretary may partici-
18 pate in a federally owned storage project in an
19 amount equal to not more than 50 percent of the
20 total cost of the federally owned storage project.

21 (3) CONDITIONS FOR FEDERAL CONSTRUCTION
22 FUNDING.—The construction of a federally owned
23 storage project that is the subject of an agreement
24 under this subsection shall not commence until the
25 Secretary—

1 (A) determines that the proposed federally
2 owned storage project is feasible in accordance
3 with the reclamation laws;

4 (B) determines that—

5 (i) the federally owned storage project
6 provides a Federal benefit in accordance
7 with the reclamation laws; and

8 (ii) not less than a proportionate
9 share of the benefits of the federally owned
10 storage project are Federal benefits, in-
11 cluding water supplies dedicated to specific
12 purposes, such as water quality improve-
13 ments or fish and wildlife protection and
14 restoration, including a wildlife refuge; and

15 (C) secures an agreement providing such
16 upfront funding as is necessary to pay the non-
17 Federal share of the capital costs of the feder-
18 ally owned storage project.

19 (4) NOTIFICATION.—The Secretary shall sub-
20 mit to the appropriate committees of Congress a
21 written notification of the determinations under
22 paragraph (3) by not later than 30 days after the
23 date of the determinations.

24 (5) ENVIRONMENTAL LAWS.—In participating
25 in a federally owned storage project under this sub-

1 section, the Secretary shall comply with all applica-
2 ble environmental laws, including the National Envi-
3 ronmental Policy Act of 1969 (42 U.S.C. 4321 et
4 seq.).

5 (6) EXPANSION OR UPGRADE.—The Secretary
6 shall require, as a condition for design, study, or any
7 other participation in the expansion or upgrade of a
8 federally owned storage project—

9 (A) the agreement of any single entity that
10 has an existing water service contract or repay-
11 ment contract for more than 60 percent of the
12 capacity or yield of the federally owned storage
13 project that the expansion will not adversely af-
14 fect any right or interest of the entity under the
15 water service contract or repayment contract,
16 as applicable; and

17 (B) the agreement of the non-Federal enti-
18 ty that, pursuant to a formal operations and
19 maintenance transfer contract or other legal
20 agreement with the Secretary, acting through
21 the Commissioner of Reclamation, carries out
22 the operations and maintenance of the federally
23 owned storage project, if applicable.

24 (d) NON-FEDERAL STORAGE PROJECTS.—

1 (1) IN GENERAL.—Subject to the requirements
 2 of this subsection, the Secretary may participate in
 3 the design, study, construction, expansion, upgrade,
 4 or capital repair of a non-Federal storage project in
 5 an amount equal to not more than 25 percent of the
 6 total cost of the non-Federal storage project.

7 (2) CONDITIONS FOR FEDERAL DESIGN AND
 8 STUDY FUNDING.—The Secretary shall only fund a
 9 design or study activity for a non-Federal storage
 10 project under this subsection if—

11 (A) Federal participation has been re-
 12 quested by the Governor of the State in which
 13 the non-Federal storage project is located; and

14 (B) the Secretary has identified the poten-
 15 tial for Federal benefit sufficient to proceed.

16 (3) CONDITIONS FOR FEDERAL CONSTRUCTION
 17 FUNDING.—Participation by the Secretary in the
 18 construction of a non-Federal storage project under
 19 this subsection shall not occur unless—

20 (A) the Governor of the State in which the
 21 non-Federal storage project is located has re-
 22 quested Federal participation at the time con-
 23 struction was initiated; and

24 (B) the applicable non-Federal sponsor de-
 25 termines, and the Secretary concurs, that—

1 (i) the non-Federal storage project is
2 technically and financially feasible;

3 (ii) the non-Federal storage project
4 provides a Federal benefit in accordance
5 with the reclamation laws;

6 (iii) not less than a proportionate
7 share of the benefits of the non-Federal
8 storage project are Federal benefits, in-
9 cluding water supplies dedicated to specific
10 purposes, such as water quality improve-
11 ments or fish and wildlife protection and
12 restoration, including a wildlife refuge; and

13 (iv) each sponsor of the non-Federal
14 project is financially capable of funding the
15 non-Federal share of the project costs.

16 (4) NOTIFICATION.—The Secretary shall sub-
17 mit to the appropriate committees of Congress a
18 written notification of the determinations under
19 paragraphs (2) and (3) by not later than 30 days
20 after the date of the determinations.

21 (5) ENVIRONMENTAL LAWS.—In participating
22 in a non-Federal storage project under this sub-
23 section, the Secretary shall comply with all applica-
24 ble environmental laws, including the National Envi-

ronmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

(6) INFORMATION.—

(A) IN GENERAL.—In participating in a non-Federal storage project under this subsection, the Secretary—

(i) shall—

(I) generally, rely on reports prepared by the sponsor of the non-Federal storage project, including feasibility or equivalent studies, environmental analyses, and other pertinent reports and analyses; but

(II) retain responsibility for making the independent determinations described in paragraphs (2) and (3); and

(ii) may prepare studies supplementary to the studies described in clause (i)(I), on—

(I) request of the sponsor of the non-Federal storage project; and

(II) agreement by the Secretary.

(B) GUIDELINES.—

1 (i) DRAFT.—Not later than 180 days
2 after the date of enactment of this Act, the
3 Secretary shall issue draft guidelines for
4 feasibility or equivalent studies for non-
5 Federal storage projects prepared by a
6 project sponsor that shall be consistent
7 with requirements for a title XVI Feasi-
8 bility Study Report, including the economic
9 analysis, contained in the Reclamation
10 Manual Directives and Standards num-
11 bered WTR 11–01, subject to—

12 (I) any additional requirements
13 necessary to provide sufficient infor-
14 mation for making the independent
15 determinations described in para-
16 graphs (2)(B) and (3); and

17 (II) the condition that the Bu-
18 reau of Reclamation shall not bear re-
19 sponsibility for the technical adequacy
20 of any design, cost estimate, or con-
21 struction relating to a non-Federal
22 storage project.

23 (ii) FINAL.—The Secretary shall final-
24 ize the guidelines under clause (i) by not

1 later than 1 year after the date of enact-
2 ment of this Act.

3 (e) RIGHTS TO USE CAPACITY.—Subject to compli-
4 ance with applicable Reclamation State water rights laws,
5 the right to use the capacity of a federally owned storage
6 project or non-Federal storage project with respect to
7 which the Secretary has entered into an agreement under
8 this subsection shall be allocated in such manner as may
9 be mutually agreed to by the Secretary and each other
10 party to the agreement, including any party described in
11 subsection (c)(6)(B).

12 (f) FEDERAL BENEFITS.—In making a determina-
13 tion relating to a Federal benefit under this section, the
14 Secretary may include any benefit realized from the exist-
15 ence of operational flexibility to optimize the achievement
16 of an authorized project purpose (whether reimbursable or
17 nonreimbursable), taking into consideration the hydrology
18 of a given water year, including through the coordinated
19 management of Federal and non-Federal facilities.

20 (g) FUNDING.—

21 (1) AUTHORIZATION OF APPROPRIATIONS.—
22 There is authorized to be appropriated to the Sec-
23 retary to carry out this section \$670,000,000 for the
24 period of fiscal years 2020 through 2024.

1 (2) CONGRESSIONAL APPROVAL INITIALLY RE-
2 QUIRED.—

3 (A) DESIGN AND STUDY FUNDING.—Each
4 initial award under this section for design and
5 study of a federally owned storage project or a
6 non-Federal storage project shall be approved
7 in an appropriations Act.

8 (B) CONSTRUCTION FUNDING.—Each ini-
9 tial award under this section for construction of
10 a federally owned storage project or a non-Fed-
11 eral storage project shall be approved in an ap-
12 propriations Act.

13 (C) RECLAMATION RECOMMENDATIONS.—

14 (i) IN GENERAL.—Subject to clause
15 (ii), the Commissioner of Reclamation shall
16 submit to the appropriate committees of
17 Congress recommendations regarding the
18 initial award of design and study funding,
19 and of construction funding, for each fed-
20 erally owned storage project and non-Fed-
21 eral storage project subject to consider-
22 ation under subparagraphs (A) and (B).

23 (ii) REQUIREMENT.—The Commis-
24 sioner of Reclamation shall confer with the
25 appropriate committees of Congress before

1 submitting the recommendations under
2 clause (i).

3 (3) SUBSEQUENT FUNDING AWARDS.—

4 (A) DESIGN AND STUDY FUNDING.—After
5 approval by Congress of an initial award of de-
6 sign and study funding for a federally owned
7 storage project or a non-Federal storage project
8 under paragraph (2), the Secretary may award
9 additional design and study funding for the fed-
10 erally owned storage project or non-Federal
11 storage project without further congressional
12 approval.

13 (B) CONSTRUCTION FUNDING.—After ap-
14 proval by Congress of an initial award of con-
15 struction funding for a federally owned storage
16 project or a non-Federal storage project under
17 paragraph (2), the Secretary may award addi-
18 tional construction funding for the federally
19 owned storage project or non-Federal storage
20 project without further congressional approval.

21 (4) PRELIMINARY STUDIES.—Of the amounts
22 made available under paragraph (1), not more than
23 25 percent shall be provided for appraisal studies,
24 feasibility studies, or other preliminary studies.

25 (5) WIIN ACT STORAGE FUNDING.—

1 (A) APPROPRIATIONS.—Each federally
 2 owned storage project and non-Federal storage
 3 project shall be eligible to receive any amounts
 4 made available pursuant to section 4007(h) of
 5 the Water Infrastructure Improvements for the
 6 Nation Act (43 U.S.C. 390b note; Public Law
 7 114–322) (as in effect on the day before the
 8 date of enactment of this Act), in accordance
 9 with paragraphs (2) and (3).

10 (B) INDIVIDUAL PROJECTS.—

11 (i) FEDERALLY OWNED STORAGE
 12 PROJECTS.—If the Secretary determines
 13 that a federally owned storage project is el-
 14 igible for funding under section 4007(b) of
 15 the Water Infrastructure Improvements for
 16 the Nation Act (43 U.S.C. 390b note; Pub-
 17 lic Law 114–322), the federally owned
 18 storage project shall remain eligible for
 19 funding under subsection (c).

20 (ii) NON-FEDERAL STORAGE
 21 PROJECTS.—If the Secretary determines
 22 that a non-Federal storage project is eligi-
 23 ble for funding as a State-led storage
 24 project under section 4007(c) the Water
 25 Infrastructure Improvements for the Na-

1 tion Act (43 U.S.C. 390b note; Public Law
2 114–322), the non-Federal storage project
3 shall remain eligible for funding under sub-
4 section (d).

5 (h) CONSISTENCY WITH STATE LAW.—Nothing in
6 this section preempts or modifies any obligation of the
7 United States or an eligible entity to act in accordance
8 with applicable State law.

9 (i) PARTNERSHIP AND AGREEMENTS RELATING TO
10 CERTAIN WATER STORAGE PROJECTS.—The Secretary,
11 acting through the Commissioner of Reclamation, may
12 enter into a partnership or other agreement relating to
13 a water storage project described in section 103 of the
14 Calfed Bay-Delta Authorization Act (Public Law 108–
15 361; 118 Stat. 1683) with a local joint-powers authority
16 established pursuant to State law by 1 or more irrigation
17 districts or other local water districts or units of local gov-
18 ernment within the applicable hydrologic region, to ad-
19 vance the project.

20 (j) CALFED REAUTHORIZATION.—Title I of Public
21 Law 108–361 (118 Stat. 1681; 123 Stat. 2860; 128 Stat.
22 164; 128 Stat. 2312; 129 Stat. 2407; 130 Stat. 1866)
23 is amended by striking “2019” each place it appears and
24 inserting “2024”.

1 (k) CONFORMING AMENDMENT.—Section 4007 of the
 2 Water Infrastructure Improvements for the Nation Act
 3 (43 U.S.C. 390b note; Public Law 114–322) is repealed.

4 **SEC. 4. WATER RECYCLING AND REUSE.**

5 (a) AUTHORIZATION OF NEW WATER RECYCLING
 6 AND REUSE PROJECTS.—Section 1602 of the Reclamation
 7 Wastewater and Groundwater Study and Facilities Act
 8 (43 U.S.C. 390h) is amended by striking paragraph (2)
 9 of subsection (f) and all that follows through the end of
 10 subsection (g) and inserting the following:

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

14 “(A) give priority to projects that—

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

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

21 “(iii) provide multiple benefits, includ-
 22 ing water supply reliability, ecosystem ben-
 23 efits, groundwater management and en-
 24 hancements, and water quality improve-
 25 ments; and

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

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

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

7 “(iii) an urban community or city.

8 “(g) FUNDING.—

9 “(1) AUTHORIZATION OF APPROPRIATIONS.—

10 There is authorized to be appropriated to the Sec-
 11 retary to carry out subsections (e) and (f)
 12 \$100,000,000 for the period of fiscal years 2020
 13 through 2024.

14 “(2) FUNDING OPPORTUNITY ANNOUNCE-
 15 MENT.—The Commissioner of Reclamation shall re-
 16 lease a funding opportunity announcement for the
 17 competitive grant program under subsection (f) by
 18 not later than 75 days after the date of enactment
 19 of an Act that provides funding for the program.

20 “(3) CONGRESSIONAL APPROVAL INITIALLY RE-
 21 QUIRED.—

22 “(A) IN GENERAL.—Each initial award
 23 under this section for design and study, or for
 24 construction, of a project under subsection (e)

1 or (f) shall be approved in an appropriations
2 Act.

3 “(B) RECLAMATION RECOMMENDA-
4 TIONS.—The Commissioner of Reclamation
5 shall submit recommendations regarding the
6 initial award of design and study funding and
7 construction funding for consideration under
8 subparagraph (A) to—

9 “(i) the Committee on Appropriations
10 of the Senate;

11 “(ii) the Committee on Energy and
12 Natural Resources of the Senate;

13 “(iii) the Committee on Appropria-
14 tions of the House of Representatives; and

15 “(iv) the Committee on Natural Re-
16 sources of the House of Representatives.

17 “(4) SUBSEQUENT FUNDING AWARDS.—After
18 approval by Congress of an initial award of design
19 and study funding or construction funding for a
20 project under paragraph (3), the Commissioner of
21 Reclamation may award additional design and study
22 funding or construction funding, respectively, for the
23 project without further congressional approval.”.

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 “\$30,000,000 (in prices
 9 as determined for January 2019)”; 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 2020.—The Fed-
 21 eral share of the cost of any single project author-
 22 ized under this title shall be \$20,000,000 if the
 23 project has received that amount as of December 31,
 24 2020.

25 “(3) OLDER PROJECTS.—

1 “(A) IN GENERAL.—Subject to”.

2 **SEC. 5. DESALINATION.**

3 Section 4(a) of the Water Desalination Act of 1996
 4 (42 U.S.C. 10301 note; Public Law 104–298) is amended
 5 by striking the second paragraph (1) (relating to projects)
 6 and inserting the following:

7 “(2) PROJECTS.—

8 “(A) DEFINITION OF ELIGIBLE DESALINA-
 9 TION PROJECT.—In this paragraph, the term
 10 ‘eligible desalination project’ means any project
 11 located in a Reclamation State, or for which the
 12 construction, operation, sponsorship, or funding
 13 is the responsibility of, and the primary water
 14 supply benefit accrues to, 1 or more entities in
 15 a Reclamation State, that—

16 “(i) involves an ocean or brackish
 17 water desalination facility—

18 “(I) constructed, operated, and
 19 maintained by a State, Indian Tribe,
 20 irrigation district, water district, or
 21 other organization with water or
 22 power delivery authority; or

23 “(II) sponsored or funded by any
 24 State, department of a State, political
 25 subdivision of a State, or public agen-

1 cy organized pursuant to State law,
2 including through—

3 “(aa) direct sponsorship or
4 funding; or

5 “(bb) indirect sponsorship or
6 funding, such as by paying for
7 the water provided by the facility;
8 and

9 “(ii) provides a Federal benefit in ac-
10 cordance with the reclamation laws.

11 “(B) FEDERAL SHARE.—Subject to the re-
12 quirements of this paragraph, the Secretary
13 may participate in an eligible desalination
14 project in an amount equal to not more than 25
15 percent of the total cost of the eligible desalina-
16 tion project.

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

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

22 “(II) the participation has been re-
23 quested by the Governor of the State in
24 which the eligible desalination project is lo-
25 cated; and

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

4 “(I) the eligible desalination
5 project—

6 “(aa) is technically and fi-
7 nancially feasible; and

8 “(bb) provides a Federal
9 benefit in accordance with the
10 reclamation laws; and

11 “(II) 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 Con-
16 gress a written notification of the deter-
17 minations under clause (ii) by not later
18 than 30 days after the date of the deter-
19 minations.

20 “(D) ENVIRONMENTAL LAWS.—In partici-
21 pating in an eligible desalination project under
22 this paragraph, the Secretary shall comply with
23 all applicable environmental laws, including the
24 National Environmental Policy Act of 1969 (42
25 U.S.C. 4321 et seq.).

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

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

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

12 “(F) FUNDING.—

13 “(i) AUTHORIZATION OF APPROPRIA-
14 TIONS.—There is authorized to be appro-
15 priated to carry out this paragraph
16 \$60,000,000 for the period of fiscal years
17 2020 through 2024.

18 “(ii) FUNDING OPPORTUNITY AN-
19 NOUNCEMENT.—The Commissioner of Rec-
20 lamation shall release a funding oppor-
21 tunity announcement for a grant program
22 under this paragraph by not later than 75
23 days after the date of enactment of an Act
24 that provides funding for the program.

1 “(iii) CONGRESSIONAL APPROVAL INI-
2 Tially REQUIRED.—

3 “(I) IN GENERAL.—Each initial
4 award under this paragraph for de-
5 sign and study, or for construction, of
6 an eligible desalination project shall
7 be approved in an appropriations Act.

8 “(II) RECLAMATION REC-
9 OMMENDATIONS.—The Commissioner
10 of Reclamation shall submit rec-
11 ommendations regarding the initial
12 award of design and study funding
13 and construction funding for consider-
14 ation under subclause (I) to—

15 “(aa) the Committee on Ap-
16 propriations of the Senate;

17 “(bb) the Committee on En-
18 ergy and Natural Resources of
19 the Senate;

20 “(cc) the Committee on Ap-
21 propriations of the House of Rep-
22 resentatives; and

23 “(dd) the Committee on
24 Natural Resources of the House
25 of Representatives.

1 “(iv) SUBSEQUENT FUNDING
2 AWARDS.—After approval by Congress of
3 an initial award of design and study fund-
4 ing or construction funding for an eligible
5 desalination project under clause (iii), the
6 Commissioner of Reclamation may award
7 additional design and study funding or
8 construction funding, respectively, for the
9 eligible desalination project without further
10 congressional approval.”.

11 **SEC. 6. RECLAMATION INFRASTRUCTURE FINANCE AND IN-**
12 **NOVATION PILOT PROGRAM.**

13 (a) ESTABLISHMENT.—The Secretary shall establish
14 and carry out a pilot program under which the Secretary
15 shall provide to eligible entities described in subsection (c)
16 financial assistance in accordance with this section to
17 carry out eligible projects described in subsection (b).

18 (b) ELIGIBLE PROJECTS.—

19 (1) IN GENERAL.—A project eligible to receive
20 assistance under the pilot program under this sec-
21 tion is a water supply project that, as determined by
22 the Secretary—

23 (A) is located in—

24 (i) the State of Alaska;

25 (ii) the State of Hawaii; or

1 (iii) a State or territory described in
2 the first section of the Act of June 17,
3 1902 (32 Stat. 388, chapter 1093; 43
4 U.S.C. 391);

5 (B) would contribute directly or indirectly
6 (including through groundwater recharge) to a
7 safe, adequate water supply for domestic, agri-
8 cultural, environmental, or municipal or indus-
9 trial use; and

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

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

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

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

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

(D) the project meets such other criteria as the Secretary may establish.

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

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

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

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

(3) A canal company or mutual water company.

1 (4) A water users' association.

2 (5) An agency established by an interstate com-
3 pact.

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

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

9 (d) REQUIREMENTS.—

10 (1) PROJECT SELECTION.—In selecting eligible
11 projects to receive assistance under the pilot pro-
12 gram under this section, the Secretary shall ensure
13 diversity with respect to—

14 (A) project type; and

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

17 (2) IMPORTATION OF OTHER REQUIREMENTS.—

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

20 (A) Sections 5022, 5024, 5027, 5028,
21 5029, 5030, 5031, 5032, and 5034(a) of the
22 Water Resources Reform and Development Act
23 of 2014 (33 U.S.C. 3901, 3903, 3906, 3907,
24 3908, 3909, 3910, 3911, 3913(a)), except
25 that—

1 (i) any reference contained in those
2 sections to the Secretary of the Army shall
3 be considered to be a reference to the Sec-
4 retary;

5 (ii) any reference contained in those
6 sections to an eligible project shall be con-
7 sidered to be a reference to an eligible
8 project described in subsection (b);

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

14 (iv) subsections (e) and (f) of section
15 5030 of that Act (33 U.S.C. 3909) shall
16 not apply with respect to this section.

17 (B) The agreement between the Adminis-
18 trator of the Environmental Protection Agency
19 and the Commissioner of Reclamation required
20 under section 4301 of the America's Water In-
21 frastructure Act of 2018 (Public Law 115–
22 270), pursuant to which the Administrator shall
23 retain responsibility for administering any loans
24 under this section.

1 (C) Other applicable environmental laws,
2 including the National Environmental Policy
3 Act of 1969 (42 U.S.C. 4321 et seq.).

4 (e) AUTHORIZATION OF APPROPRIATIONS.—

5 (1) IN GENERAL.—There is authorized to be
6 appropriated to the Secretary to carry out the pilot
7 program under this section \$150,000,000 for the pe-
8 riod of fiscal years 2021 through 2025, to remain
9 available until expended.

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

22 (3) SMALL COMMUNITY PROJECTS.—

23 (A) IN GENERAL.—Subject to subsection
24 (b), the Commissioner may use the funds made
25 available under paragraph (2) to provide assist-

1 ance, including assistance to pay the costs of
 2 acquiring the rating opinion letters under para-
 3 graph (1)(D) of section 5028(a) of the Water
 4 Resources Reform and Development Act of
 5 2014 (33 U.S.C. 3907(a)), to assist project
 6 sponsors in obtaining the necessary approvals
 7 for small community projects that are eligible
 8 for assistance under paragraph (2)(B) of that
 9 section or subsection (b)(3).

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

16 **SEC. 7. RESTORATION AND ENVIRONMENTAL COMPLIANCE.**

17 (a) IN GENERAL.—The Secretary may participate
 18 in—

19 (1) environmental restoration activities benefit-
 20 ting species—

21 (A) listed as threatened or endangered
 22 under the Endangered Species Act of 1973 (16
 23 U.S.C. 1531 et seq.) that are adversely affected
 24 by the operation of water projects of the Bu-
 25 reau of Reclamation; or

1 (B) through water delivery from a Rec-
2 lamation project to a wildlife refuge;

3 (2) environmental compliance activities, includ-
4 ing stream gauging, monitoring, and other data col-
5 lection activities, to assist water projects of the Bu-
6 reau of Reclamation in—

7 (A) achieving the purposes of the projects;
8 and

9 (B) fulfilling the duties of the Bureau
10 under section 7 of the Endangered Species Act
11 of 1973 (16 U.S.C. 1536); and

12 (3) a forest, meadow, or watershed restoration
13 activity on Federal land—

14 (A) that has the potential—

15 (i) to restore healthy forest or water-
16 shed conditions that improve the quality,
17 timing, or other attributes of runoff to—

18 (I) a Bureau of Reclamation fa-
19 cility or project; or

20 (II) a surface or groundwater
21 storage facility that is operated in
22 conjunction with a Bureau of Rec-
23 lamation facility or project;

24 (ii) to reduce the rate of sedimenta-
25 tion of a Bureau of Reclamation facility; or

1 (iii) to reduce the threat of wildfire
2 that could affect runoff to, or sedimenta-
3 tion or structural integrity of, a Bureau of
4 Reclamation facility; and
5 (B) with respect to which—

6 (i) the proportion that the amount of
7 Federal funding under this section bears to
8 the total cost of the project is approxi-
9 mately equal to, or less than, the propor-
10 tion that water-related benefits bears to
11 the total benefits of the project, as cal-
12 culated by the Secretary using a method-
13 ology at the discretion of the Secretary;
14 and

15 (ii) Federal water contractors are like-
16 ly to receive at least part of the water sup-
17 ply or water quality benefits of the project.

18 (b) PRIORITY.—In carrying out this section, the Sec-
19 retary shall give priority to restoration or environmental
20 compliance activities that—

21 (1) implement congressional direction, such as
22 projects described in—

23 (A) subsection (a)(3);

1 (B) section 4001 or 4010 of the Water In-
 2 frastructure Improvements for the Nation Act
 3 (Public Law 114–322; 130 Stat. 1851); or

4 (C) congressionally authorized species re-
 5 covery programs on the Colorado River;

6 (2) are recommended by collaborative processes
 7 or plans developed by Federal agencies in conjunc-
 8 tion with States, water contractors, environmental or
 9 fishing interests, or other stakeholders; or

10 (3) implement settlements with State agencies
 11 or requirements under State water laws to restore
 12 species listed as threatened or endangered under the
 13 Endangered Species Act of 1973 (16 U.S.C. 1531 et
 14 seq.) or other species adversely affected by the oper-
 15 ation of water projects of the Bureau of Reclama-
 16 tion.

17 (c) COST-SHARE.—

18 (1) IN GENERAL.—The Federal share of the
 19 cost of any individual program, activity, or project
 20 carried out using funds made available pursuant to
 21 this section—

22 (A) shall be not more than 50 percent; and

23 (B) shall be nonreimbursable.

24 (2) PROGRAM-LEVEL CALCULATION.—The Fed-
 25 eral cost-share described in paragraph (1) shall be

1 calculated at the program level, at which a group of
 2 activities or projects are considered to be a part of
 3 a broader, cohesive program.

4 (d) AUTHORIZATION OF APPROPRIATIONS.—There
 5 are authorized to be appropriated to the Secretary—

6 (1) \$20,000,000 to carry out subsection (a)(3)
 7 for the period of fiscal years 2020 and 2021; and

8 (2) \$120,000,000 to carry out this section for
 9 the period of fiscal years 2022 through 2024.

10 (e) APPLICABLE LAW.—Nothing in this section shall
 11 be interpreted or implemented in a manner that—

12 (1) preempts or modifies any obligation of the
 13 United States under Federal law to act in accord-
 14 ance with applicable State law, including applicable
 15 State water law; or

16 (2) affects or modifies any obligation under
 17 Federal environmental law.

18 **SEC. 8. DEAUTHORIZATION OF CERTAIN WATER RECY-**
 19 **CLING PROJECTS.**

20 (a) PURPOSE; DEFINITION.—

21 (1) PURPOSE.—The purpose of this section is
 22 to establish an efficient and transparent 1-time proc-
 23 ess for deauthorizing Bureau of Reclamation title
 24 XVI projects that have failed—

1 (A) to receive a minimum level of Federal
 2 investment; or

3 (B) to initiate construction.

4 (2) DEFINITION OF TITLE XVI PROJECT.—In
 5 this section, the term “title XVI project” means a
 6 project authorized by title XVI of Public Law 102–
 7 575 (43 U.S.C. 390h et seq.).

8 (b) BACKLOG LIST.—Not later than 180 days after
 9 the date of enactment of this Act, the Secretary shall sub-
 10 mit to the Committee on Energy and Natural Resources
 11 of the Senate and the Committee on Natural Resources
 12 of the House of Representatives, and make available on
 13 a publicly accessible internet website in a manner that is
 14 downloadable, searchable, and sortable, a list of—

15 (1) title XVI projects—

16 (A) that are authorized; and

17 (B) for which, during the fiscal year in
 18 which this Act is enacted and each of the pre-
 19 ceding 10 fiscal years—

20 (i) no application for Federal funding
 21 has been received; and

22 (ii) no construction has occurred; and

23 (2) for each title XVI project listed under para-
 24 graph (1)—

1 (A) the date of authorization of the title
 2 XVI project, including any subsequent modi-
 3 fications to the original authorization;

4 (B) a brief description of the title XVI
 5 project; and

6 (C) any amounts appropriated for the title
 7 XVI project that remain unobligated.

8 (c) INTERIM DEAUTHORIZATION LIST.—

9 (1) IN GENERAL.—The Secretary shall develop
 10 and make publicly available an interim deauthoriza-
 11 tion list that identifies each title XVI project de-
 12 scribed in subsection (b)(1).

13 (2) PUBLIC COMMENT AND CONSULTATION.—

14 (A) IN GENERAL.—The Secretary shall so-
 15 licit and accept, for a period of not less than 90
 16 days, comments relating to the interim de-
 17 authorization list under paragraph (1) from—

18 (i) the public; and

19 (ii) the Governor of each applicable
 20 State.

21 (B) PROJECT SPONSORS.—As part of the
 22 public comment period under subparagraph (A),
 23 the Secretary shall provide to title XVI project
 24 sponsors the opportunity to provide to the Sec-
 25 retary a notice of the intent to initiate construc-

tion of the title XVI project by not later than the date that is 2 years after the date of publication of the preliminary final deauthorization list under subsection (d).

(3) SUBMISSION TO CONGRESS; PUBLICATION.—Not later than 90 days after the date of submission of the backlog list under subsection (b), the Secretary shall—

(A) submit the interim deauthorization list under paragraph (1) to the Committee on Energy and Natural Resources of the Senate and the Committee on Natural Resources of the House of Representatives; and

(B) publish the interim deauthorization list in the Federal Register.

(d) PRELIMINARY FINAL DEAUTHORIZATION LIST.—

(1) IN GENERAL.—The Secretary shall develop a preliminary final deauthorization list that includes each title XVI project identified pursuant to paragraph (2).

(2) IDENTIFICATION OF PROJECTS.—

(A) EXCLUSIONS.—The Secretary may identify a title XVI project described in subsection (b)(1) for exclusion from the preliminary final deauthorization list if the Secretary

determines, on a case-by-case basis following receipt of public comments, that the title XVI project is critical for interests of the United States, based on the practicable impact of the title XVI project on—

(i) public health and safety;

(ii) the national economy; or

(iii) the environment.

(B) SUBJECT TO DEAUTHORIZATION DESIGNATION.—Any title XVI project the sponsor of which has provided to the Secretary a notice of the intent to initiate construction by not later than 2 years after the date of publication of the preliminary final deauthorization list under this subsection shall be designated on that list as “subject to deauthorization”.

(C) APPENDIX.—The Secretary shall include as part of the preliminary final deauthorization list under this subsection an appendix that—

(i) identifies each title XVI project included on the interim deauthorization list under subsection (c) that is not included on the preliminary final deauthorization list; and

1 (ii) describes the reasons why each
2 title XVI project identified under clause (i)
3 is not included on the preliminary final de-
4 authorization list.

5 (3) SUBMISSION TO CONGRESS; PUBLICA-
6 TION.—Not later than 120 days after the date of ex-
7 piration of the public comment period under sub-
8 section (c)(2)(A), the Secretary shall—

9 (A) submit to the Committee on Energy
10 and Natural Resources of the Senate and the
11 Committee on Natural Resources of the House
12 of Representatives the preliminary final de-
13 authorization list and the appendix required
14 under this subsection; and

15 (B) publish the preliminary final deauthor-
16 ization list and appendix in the Federal Reg-
17 ister.

18 (e) DEAUTHORIZATION; CONGRESSIONAL REVIEW.—
19 Effective beginning on the date that is 180 days after the
20 date of submission to Congress of the preliminary final
21 deauthorization list under subsection (d)(3)(A), each title
22 XVI project included on that list is deauthorized, unless—

23 (1) the title XVI project is designated as “sub-
24 ject to deauthorization” pursuant to subsection
25 (d)(2)(B); or

1 (2) Congress has enacted a joint resolution dis-
2 approving the preliminary final deauthorization list.

3 (f) UPDATED FINAL DEAUTHORIZATION LIST.—

4 (1) PUBLICATION.—Not later than the date
5 that is 2 years after the date of publication of the
6 preliminary final deauthorization list under sub-
7 section (d)(3)(B), the Secretary shall publish an up-
8 dated final deauthorization list.

9 (2) PROJECTS SUBJECT TO DEAUTHORIZA-
10 TION.—On the updated final deauthorization list
11 under this subsection, the Secretary shall describe
12 any title XVI project designated as “subject to de-
13 authorization” on the preliminary final deauthoriza-
14 tion list pursuant to subsection (d)(2)(B) as—

15 (A) authorized, if the Secretary has re-
16 ceived evidence that the sponsor of the title
17 XVI project has substantially initiated construc-
18 tion on the title XVI project; or

19 (B) deauthorized, if the Secretary has not
20 received the evidence described in subparagraph
21 (A).

22 (3) DEAUTHORIZATION.—Any project described
23 as deauthorized pursuant to paragraph (2)(B) shall
24 be deauthorized on the date that is 180 days after
25 the date of submission of the updated final de-

1 authorization list under paragraph (1), unless Con-
 2 gress has enacted a joint resolution disapproving
 3 that list.

4 (g) TREATMENT OF PROJECT MODIFICATIONS.—For
 5 purposes of this section, if a title XVI project has been
 6 modified by an Act of Congress, the date of authorization
 7 of the title XVI project shall be considered to be the date
 8 of the most recent modification.

9 **SEC. 9. OFFSETS.**

10 (a) DEFINITION OF WATER USERS' ASSOCIATION.—
 11 In this section:

12 (1) IN GENERAL.—The term “water users’ as-
 13 sociation” means an entity that is—

14 (A) organized and recognized under appli-
 15 cable State law; and

16 (B) eligible to enter into contracts with the
 17 Bureau of Reclamation—

18 (i) to receive contract water for deliv-
 19 ery to end users of the water; and

20 (ii) to pay applicable charges relating
 21 to that water.

22 (2) INCLUSIONS.—The term “water users’ asso-
 23 ciation” includes—

24 (A) an association;

25 (B) a conservancy district;

- 1 (C) an irrigation district;
- 2 (D) a municipality;
- 3 (E) a water project contract unit; and
- 4 (F) any similar entity described in para-
- 5 graph (1).

6 (b) PREPAYMENT OF CERTAIN REPAYMENT CON-
7 TRACTS.—

8 (1) CONVERSION AND PREPAYMENT.—On re-
9 ceipt of a request from a party to the contract, the
10 Secretary shall convert any water service contract in
11 effect on the date of enactment of this Act between
12 the United States and a water users' association to
13 allow for prepayment of the contract pursuant to
14 paragraph (2) under mutually agreeable terms and
15 conditions, subject to the conditions that—

16 (A) a water service contract entered into
17 under subsection (e) of section 9 of the Act of
18 August 4, 1939 (53 Stat. 1193, chapter 418),
19 proposed to be converted under this subsection
20 shall be converted to a repayment contract
21 under subsection (d) of that section; and

22 (B) a water service contract entered into
23 under subsection (c)(2) of section 9 of the Act
24 of August 4, 1939 (53 Stat. 1193, chapter
25 418), proposed to be converted under this sub-

1 section shall be converted to a contract under
2 subsection (c)(1) of that section.

3 (2) PREPAYMENT.—Except for a repayment
4 contract under which the contractor has previously
5 negotiated for prepayment, on request of a party to
6 the contract, a repayment contract under section
7 9(d) of the Act of August 4, 1939 (53 Stat. 1195,
8 chapter 418), in effect on the date of enactment of
9 this Act, and all contracts converted pursuant to
10 paragraph (1)(A), shall—

11 (A) provide for the repayment, in lump
12 sum or by accelerated prepayment, of the re-
13 maining construction costs identified in water
14 project-specific irrigation rate repayment sched-
15 ules, as adjusted to reflect payments not re-
16 flected in those schedules, and properly assign-
17 able for ultimate return by the contractor, or if
18 made in approximately equal installments, not
19 later than 3 years after the effective date of the
20 repayment contract, subject to the conditions
21 that—

22 (i) the amount shall be discounted by
23 $\frac{1}{2}$ the Treasury rate; and

24 (ii) an estimate of the remaining con-
25 struction costs, as adjusted, shall be pro-

1 vided by the Secretary to the contractor by
2 not later than 90 days after the date of re-
3 ceipt of a request from the contractor;

4 (B) require that construction costs or
5 other capitalized costs incurred after the effec-
6 tive date of the contract or not reflected in the
7 rate schedule referred to in subparagraph (A),
8 and properly assignable to the contractor, shall
9 be repaid—

10 (i) by not later than 5 years after the
11 date of notification of the allocation if the
12 amount is a result of a collective annual al-
13 location of capital costs to the contractors
14 exercising contract conversion under this
15 subsection of less than \$5,000,000; or

16 (ii) if the amount is equal to
17 \$5,000,000 or more, in accordance with
18 applicable reclamation laws;

19 (C) provide that power revenues will not be
20 available to aid in repayment of construction
21 costs allocated to irrigation under the contract;
22 and

23 (D) continue in effect for the period during
24 which the contractor pays applicable charges, in
25 accordance with section 9(d) of the Act of Au-

gust 4, 1939 (53 Stat. 1195, chapter 418), and
other applicable law.

(3) COVERED CONTRACT REQUIREMENTS.—

(A) DEFINITION OF COVERED CONTRACT.—In this paragraph:

(i) IN GENERAL.—The term “covered contract” means—

(I) on request of the contractor,
a repayment contract under subsection (c)(1) of section 9 of the Act of August 4, 1939 (53 Stat. 1193, chapter 418), that is in effect on the date of enactment of this Act; and

(II) a contract converted pursuant to paragraph (1)(B).

(ii) EXCLUSION.—The term “covered contract” does not include a repayment contract under which the contractor has previously negotiated for prepayment.

(B) REQUIREMENTS.—Each covered contract shall—

(i) provide for the repayment, in lump sum, of the remaining construction costs identified in water project-specific irrigation rate repayment schedules, as adjusted

1 to reflect payments not reflected in those
 2 schedules, and properly assignable for ultimate
 3 return by the contractor, subject to
 4 the condition that the contractor shall submit
 5 to the Secretary an estimate of any remaining
 6 construction costs, as adjusted, by
 7 not later than 90 days after the date of
 8 submission of the initial request of the contractor;
 9

10 (ii) require that construction costs or
 11 other capitalized costs incurred after the
 12 effective date of the contract or not reflected
 13 in the rate schedule referred to in
 14 clause (i), and properly assignable to the
 15 contractor, shall be repaid—

16 (I) by not later than 5 years
 17 after the date of notification of the allocation,
 18 if the amount is a result of
 19 a collective annual allocation of capital costs
 20 to the exercising contract
 21 conversion under this subsection of
 22 less than \$5,000,000; or

23 (II) in accordance with applicable
 24 reclamation laws, if the amount is
 25 \$5,000,000 or more; and

1 (iii) continue in effect for the period
 2 during which the contractor pays applica-
 3 ble charges, in accordance with section
 4 9(c)(1) of the Act of August 4, 1939 (53
 5 Stat. 1194, chapter 418), and other appli-
 6 cable law.

7 (4) CONDITIONS.—A contract entered into pur-
 8 suant to paragraph (1), (2), or (3)—

9 (A) shall not be adjusted on the basis of
 10 the type of prepayment financing used by the
 11 applicable water users' association;

12 (B) shall conform to any other agreements,
 13 such as applicable settlement agreements and
 14 newly constructed appurtenant facilities agree-
 15 ments; and

16 (C) shall not modify any other water serv-
 17 ice, repayment, exchange, or transfer contrac-
 18 tual right between the applicable water users'
 19 association and the Bureau of Reclamation, or
 20 any right, obligation, or relationship of the
 21 water users' association and any affected land-
 22 owner in accordance with applicable State law.

23 (c) ACCOUNTING.—

24 (1) FINAL COST ALLOCATION.—Any amount
 25 paid pursuant to subsection (b) shall be subject to

adjustment after a final cost allocation by the Secretary.

(2) CONTRACTOR RESPONSIBILITY.—

(A) IN GENERAL.—If a final cost allocation under paragraph (1) indicates that a cost properly assignable to a contractor covered by this section is greater than the amount paid by the contractor, the contractor shall be obligated to pay the remaining allocated costs in accordance with an additional repayment contract under subparagraph (B).

(B) ADDITIONAL REPAYMENT CONTRACTS.—Subject to any other provision mutually agreed to by all affected parties, the term of an additional repayment contract under subparagraph (A) shall be—

(i) not less than 1 year; and

(ii) not more than 10 years.

(3) CREDIT.—If a final cost allocation under paragraph (1) indicates that a cost properly assignable to a contractor are less than the amount paid by the contractor, the Secretary shall credit the amount of the overpayment as an offset against any outstanding or future obligation of the contractor, with the exception of any Central Valley Project

1 Restoration Fund charge assessed pursuant to sec-
2 tion 3407(d) of Public Law 102-575 (106 Stat.
3 4727).

4 (d) APPLICABILITY OF CERTAIN PROVISIONS.—

5 (1) EFFECT OF EXISTING LAW.—On compliance
6 by a contract or with, and discharge of, an obliga-
7 tion of repayment of construction costs pursuant to
8 a contract under subsection (b)(2)(A), subsections
9 (a) and (b) of section 213 of the Reclamation Re-
10 form Act of 1982 (43 U.S.C. 390mm) shall apply to
11 any affected land.

12 (2) EFFECT OF OTHER OBLIGATIONS.—On pay-
13 ment by a contractor of any amount required under
14 a repayment contract under subsection (b)(2)(A),
15 the obligation of a contractor to repay construction
16 costs or other capitalized costs described in sub-
17 section (b)(2)(B), (b)(3)(B), or (c) shall not affect—

18 (A) the status of the contractor as having
19 repaid all construction costs assignable to the
20 contractor; or

21 (B) the applicability of subsections (a) and
22 (b) of section 213 of the Reclamation Reform
23 Act of 1982 (43 U.S.C. 390mm).

24 (e) EFFECT ON EXISTING LAW.—Nothing in this sec-
25 tion alters—

1 (1) any repayment obligation of a water service
 2 or repayment contractor receiving water from the
 3 same water project, or shifts any cost that would
 4 otherwise have been properly assignable to—

5 (A) a water users' association identified in
 6 paragraph (1), (2), or (3) of subsection (b), in-
 7 cluding—

8 (i) operation and maintenance costs;

9 (ii) construction costs; or

10 (iii) any other capitalized cost in-
 11 curred after the date of enactment of this
 12 Act; or

13 (B) another contractor;

14 (2) any specific requirement for the disposition
 15 of amounts received as repayment by the Secretary
 16 under Federal reclamation law (the Act of June 17,
 17 1902 (32 Stat. 388, chapter 1093), and Acts supple-
 18 mental to and amendatory of that Act (43 U.S.C.
 19 371 et seq.));

20 (3) the priority of a water service or repayment
 21 contractor to receive water; or

22 (4) except as expressly provided in this section,
 23 any obligation under the reclamation laws, including
 24 the continuation of any Central Valley Project Res-
 25 toration Fund charge assessed pursuant to section

1 3407(d) of Public Law 102–575 (106 Stat. 4727),
2 of a water service or repayment contractor making
3 a prepayment pursuant to this section.

4 (f) CONFORMING AMENDMENT.—Section 4011 of the
5 Water Infrastructure Improvements for the Nation Act
6 (Public Law 114–322; 130 Stat. 1878) is repealed.

7 **SEC. 10. SAVINGS CLAUSE.**

8 Nothing in this Act or an amendment made by this
9 Act shall be interpreted or implemented in a manner
10 that—

11 (1) preempts or modifies any obligation of the
12 United States or an eligible entity under Federal law
13 to act in accordance with applicable State law, in-
14 cluding applicable State water law; or

15 (2) affects or modifies any obligation under
16 Federal environmental law.

○