[DISCUSSION DRAFT]

114TH CONGRESS
1ST SESSION

H. R. ______

To provide drought assistance and improved water supply reliability to the State of California and other western States.

________________________

IN THE HOUSE OF REPRESENTATIVES

Mr. HUFFMAN introduced the following bill; which was referred to the Committee on ________________________

________________________

A BILL

To provide drought assistance and improved water supply reliability to the State of California and other western States.

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; FINDINGS.
4 (a) Short Title.—This Act may be cited as the
5 “___________ Act of 2015”.
6 (b) Table of Contents.—The table of contents of
7 this Act is as follows:

Sec. 1. Short title; table of contents; findings.

TITLE I—EMERGENCY DROUGHT RESPONSE APPROPRIATIONS
FROM RECLAMATION FUND
Sec. 101. Appropriations to be derived from Reclamation Fund.
Sec. 102. Supplemental appropriations for drought relief.
Sec. 103. Supplemental appropriations for the Environmental Protection Agency.
Sec. 104. Supplemental appropriations for the Water Infrastructure Finance and Innovation Act program.

TITLE II—NEW WATER INFRASTRUCTURE PROGRAM
AUTHORIZATIONS

Subtitle A—New Water Recycling and Reclamation Program Through EPA
Sec. 201. Short title; findings; purposes.

Subtitle B—Reclamation Infrastructure Finance and Innovation Act (RIFIA)
Sec. 210. Short title; purposes; definitions.

CHAPTER 1—INNOVATIVE FINANCING
Sec. 211. Purposes.
Sec. 212. Authority to provide assistance.
Sec. 213. Applications.
Sec. 214. Eligibility for assistance.
Sec. 215. Determination of eligibility and project selection.
Sec. 216. Secured loans.
Sec. 217. Program administration.
Sec. 218. State and local permits.
Sec. 219. Regulations.
Sec. 220. Funding.
Sec. 221. Report to Congress.

CHAPTER 2—INTEGRATED REGIONAL WATER MANAGEMENT, RECLAMATION, AND RECYCLING PROJECTS
Sec. 231. Water storage projects.
Sec. 232. Authorization of appropriations.

CHAPTER 3—RECLAMATION TITLE TRANSFER ACT
Sec. 241. Short title; definitions.
Sec. 242. Authorization of title transfer program.
Sec. 243. Compliance with environmental and historic preservation laws.
Sec. 244. Eligibility criteria.
Sec. 245. Liability.
Sec. 246. Benefits.
Sec. 247. Compliance with other laws.
Sec. 248. Authorization of appropriations.
Sec. 249. Termination of authority.

Subtitle C—Innovative Stormwater Capture Program
Sec. 251. Short title.
Sec. 252. Purposes and Findings.
Sec. 253. Definitions.
Sec. 254. Centers of Excellence for innovative stormwater control infrastructure.
Sec. 255. Innovative stormwater control infrastructure project grants.
Sec. 256. Environmental Protection Agency innovative stormwater control infrastructure promotion.
Sec. 257. Report to Congress.
Sec. 258. Authorization of appropriations.

TITLE III—IMPROVED INFRASTRUCTURE AND WATER MANAGEMENT

Subtitle A—Restoring America's Watersheds and Increasing Water Yields
Sec. 301. Short title.
Sec. 302. Findings.
Sec. 303. Water Source Protection Program.
Sec. 304. Watershed Condition Framework.
Sec. 305. Forest Service Legacy Roads and Trails Remediation Program.
Sec. 306. Reauthorization of the Collaborative Forest Landscape Restoration Fund.

Subtitle B—Reservoir Operation Improvement
Sec. 311. Short title.
Sec. 312. Projects, plans, and reports.

Subtitle C—Reclamation Projects for Renewable Energy to Reduce Evaporation Loss
Sec. 320. Findings and purpose.
Sec. 321. Definitions.
Sec. 322. Evaluation and report.
Sec. 323. Development of solar and wind energy on covered land.
Sec. 324. Royalties.
Sec. 325. Disposition of royalty revenue.

Subtitle D—Improved Reclamation Crop Data
Sec. 331. Definitions.
Sec. 332. Determination of planting of water-intense permanent crops.
Sec. 333. Report related to water-intense permanent crops.

Subtitle E—Improved Oversight of State Injection Wells
Sec. 341. Amendment to the Safe Drinking Water Act.

Subtitle F—Combating Water Theft for Illegal Marijuana Cultivation
Sec. 351. Policy directive on illegal water diversion for marijuana cultivation.
Sec. 352. Environmental reporting requirements for Domestic Cannabis Eradication program.
Sec. 353. Trespass marijuana location registry.
Sec. 354. Funding for remediation of trespass marijuana sites.
Sec. 355. Voluntary guidelines.
Sec. 356. Research program.

TITLE IV—PLANNING FOR THE FUTURE

Subtitle A—X–Prize for Desalination Breakthroughs
Sec. 401. Short title.
Sec. 402. Water technology award program.

Subtitle B—Drought Planning Assistance Through NRCS and Reclamation

Sec. 411. Drought Planning Assistance through NRCS and Reclamation.
Sec. 412. Protecting and prioritizing high-value agricultural land.

Subtitle C—Drought Preparedness for Fisheries

Sec. 421. Drought Preparedness for Fisheries.

Subtitle D—National Emergency Planning Response


Subtitle E—Military Preparedness for Desalination

Sec. 441. Report on desalinization technology.

(c) FINDINGS.—Congress finds the following:

(1) That, as expressed in the Water Supply Act of 1958, Congress has recognized the primary responsibilities of the States and local interests in developing water supplies for domestic, municipal, industrial, and other purposes, and that the Federal Government should participate and cooperate in these projects.

(2) That there is a long and robust legal precedent of Federal deference to State primacy in water law and the legal system that States establish for resolving disputes over water use, with the Supreme Court finding in *Kansas v. Colorado* that “Congress cannot enforce either rule upon any state” in matters of the right regulation of water rights.

(3) That, as established in the Proclamation of a State of Emergency issued by the Governor of the State of California on January 17, 2014, California
is experiencing record dry conditions, all regions of
the State are impacted by the drought, and these ex-
tremely dry conditions have persisted since 2012 and
are likely to persist beyond this year and more regu-
larly into the future.

(4) That the State of California is not alone in
the prospects for long-term drought, and that the
entire American West and Southwest are facing
forecasts of prolonged droughts that will leave States
facing major water shortages and catastrophic
wildfires.

(5) That the prolonged period of drought in the
American West has also occurred with higher tem-
peratures throughout the State of California, reduc-
ing snowpack and leading to what climate scientists
conclude may be the most severe drought in over
1,200 years.

(6) That the Colorado River has been under
drought conditions since 2000, and that the chances
of a “megadrought” striking the Southwest and cen-
tral Great Plains are on the rise according to fore-
casts from climate scientists.

(7) That the United States should utilize all ex-
isting authorities and resources made available by
the Agricultural Act of 2014, that over $500 million
in assistance has already been dedicated to assisting
agricultural users and rural communities in Cali-
ifornia and other drought-impacted areas, and that
the United States Department of Agriculture should
continue to prioritize such assistance to bring relief
to drought-impacted areas.

(8) That this drought emergency requires an
immediate and credible response that respects State,
local, and tribal law, and that the policies that re-
pond to the drought should not pit State against
State, region against region, or stakeholders against
one another.

(9) That Federal agencies should continue to
operate the Bureau of Reclamation’s Central Valley
Project in California in compliance with all Federal
and State laws, including biological opinions, while
working with the State to maximize operational
flexibility in order to deliver as much water as rea-
sonably possible to drought-impacted areas and min-
imize the harm suffered by fish and wildlife as a re-
result of the drought.

(10) That Congress recognizes the range of sep-
arate, distinct Federal agencies with authorities and
resources that play a role in water supply, including
treatment and remediation of groundwater, surface
water storage, water recycling and reuse, and other clean water infrastructure, and that to avoid duplication and ensure the efficiency and effectiveness of these various Federal roles, there is a need for improved coordination, streamlining, and collaboration, both among Federal agencies and with drought-impacted States and localities.

(11) That it is the policy of the United States to respect California’s coequal goals, established by the Delta Reform Act of 2009, of providing a more reliable water supply for California and protecting, restoring, and enhancing the Delta ecosystem, and that these coequal goals shall be achieved in a manner that protects and enhances the unique cultural, recreational, natural resource, and agricultural values of the Delta as an evolving place.

(12) That the State of California, in CA Water Code Section 85021, has established a policy to reduce reliance on the Delta in meeting California’s future water supply needs through a statewide strategy of investing in improved regional supplies, conservation, and water use efficiency, that California law directs each region that depends on water from the Delta watershed to improve its regional self-reliance for water through investment in water use effi-
ciency, water recycling, advanced water technologies, local and regional water supply projects, and improved regional coordination of local and regional water supply efforts, and that it is the intent of Congress to ensure that Federal programs, policies, and investments respect and compliment, and do not undermine or conflict with, California’s policy of reducing reliance on Delta diversions.

(13) That the Reclamation Fund was established in 1902 with the expressed purpose of providing for the construction and maintenance of water infrastructure for the economic development of the western States and territories, with revenues deposited into the fund out of public land sales within these western States and territories.

(14) That since 1902, the Reclamation Fund has been supplemented with additional revenues from Federal water resources development and mineral and natural resource leases on Federal lands, such that the surplus within the Reclamation Fund now exceeds $10 billion.

(15) That the Reclamation Fund represents a transfer of a portion of receipts from Federal lands and Federal natural resources in the West back to the West for water development, and that in this
time of drought the Reclamation Fund’s surplus
should be used to assist the West in meeting its
water needs for public health and safety, for expand-
ing water recycling, reuse, and reclamation, for
meeting the emergency needs of communities im-
pacted by the drought, and for developing long term
solutions to meet the impacts of climate change on
this already arid region of the country.

TITLE I—EMERGENCY DROUGHT
RESPONSE APPROPRIATIONS
FROM RECLAMATION FUND

SEC. 101. APPROPRIATIONS TO BE DERIVED FROM RECL-
AMATION FUND.

Amounts made available under this title shall be de-
\-rived from the reclamation fund established by section 1
of the Act of June 17, 1902 (42 U.S.C. 391; popularly
known as the “Reclamation Act”), and shall remain avail-
able until expended.

SEC. 102. SUPPLEMENTAL APPROPRIATIONS FOR
DROUGHT RELIEF.

(a) In General.—Subject to subsection (b), the fol-
\-lowing sums are appropriated, out of any money in the
Treasury not otherwise appropriated, for fiscal year 2015:

(1) Water and related resources.—For
an additional amount for “Department of the Inte-
rior—Bureau of Reclamation—Water and Related Resources”, $200,000,000, of which not less than $50,000,000 shall be for water reclamation and reuse projects authorized under title XVI of Public Law 102–575; of which not less than $50,000,000 shall be for WaterSMART for assistance under the Reclamation States Emergency Drought Relief Act of 1991 (43 U.S.C. 2201 et seq.); and of which not less than $50,000,000 shall be for water acquisition, water conveyance, and facilities construction under the Refuge Water Supply Program: Provided, That funds provided under this heading may be used for recycled water projects without regard to whether such projects are otherwise authorized under law: Provided further, That sufficient funds are spent on the completion of CALFED feasibility studies described in section 103(d)(1)(A) of Public Law 108–361 (118 Stat. 1684) that have the financing and feasibility to be under construction within 10 years, and that for the purposes of this Act the Federal cost share of such feasibility studies shall be no less than 75% and that the cost share waiver for such feasibility studies shall extend to December 31, 2017.
(2) HAZARDOUS SUBSTANCE SUPERFUND.—For an additional amount for “Environmental Protection Agency—Hazardous Substance Superfund”, $300,000,000 for the cleanup of polluted groundwater supplies.

(3) RURAL WATER AND WASTE DISPOSAL PROGRAM ACCOUNT.—For an additional amount for “Department of Agriculture—Rural Utilities Service—Rural Water and Waste Disposal Program Account”, $5,000,000 for the cost of direct and guaranteed loans and grants for the rural water, wastewater, and waste disposal programs authorized by sections 306 and 310B or described in section 381E(d)(2) of the Consolidated Farm and Rural Development Act.

(4) DRUG ENFORCEMENT ADMINISTRATION.—For an additional amount for “Department of Justice—Drug Enforcement Administration”, $3,000,000 for the Domestic Cannabis Eradication and Suppression Program to assist State or local law enforcement agencies in the suppression of cannabis operations that are conducted on public lands or that intentionally trespass on the property of another that also divert, redirect, obstruct, drain, or impound water supply.
(5) ARMY CORPS OF ENGINEERS.—For an additional amount for the Army Corps of Engineers, $40,000,000 to carry out section 5039 of the Water Resources and Development Act of 2007 (33 U.S.C. 2201 et seq.).

(6) LAND AND WATER CONSERVATION FUND.—For an additional amount for “Land and Water Conservation Fund”, $100,000,000 for the implementation of projects under the Land and Water Conservation Fund Act of 1965 in drought-affected States that reduce fire risk, improve water quality or downstream water quantity, or expand ground water recharge capacity.

(7) LOW-INCOME MIGRANT AND SEASONAL FARMWORKERS.—For an additional amount for the Department of Agriculture, $25,000,000 for emergency grants to assist low-income migrant and seasonal farmworkers under section 2281 of the Food, Agriculture, Conservation, and Trade Act of 1990 (42 U.S.C. 5177a) to address impacts of drought upon declaration of a natural disaster under section 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961(a)) or for the same purposes in counties that are contiguous to a designated natural disaster area.
(b) Drought Prioritization.—Each amount appropriated under subsection (a) shall be used in States impacted by drought, with an emphasis on projects that will provide additional water supplies most expeditiously to areas at risk of having an inadequate supply of water for public health and safety purposes or to improve resiliency to drought, or projects that provide relief to drought-affected communities facing unemployment and economic dislocation.

(c) Emergency Designation.—Each amount appropriated under subsection (a) is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985.

(d) GAO Study.—

(1) In General.—The Comptroller General shall conduct a comprehensive study on Federal investments in clean water and wastewater infrastructure, addressing duplicative and fragmented programs. The report shall include—

(A) a description of how Federal agencies, including the Army Corps of Engineers, the Environmental Protection Agency, the Bureau of Reclamation, the Rural Utilities Service, and other relevant agencies, coordinate their efforts
to address nationally, regionally, or locally identified needs or priorities in an efficient and effective manner; and

(B) an evaluation of the adequacy of Federal coordination in meeting the needs of tribal lands.

(2) REPORT TO CONGRESS.—Not later than 1 year after the date of the enactment of this Act, the Comptroller General shall submit to Congress a report containing the results of the study required under paragraph (1) and any recommendations based on such study.

SEC. 103. SUPPLEMENTAL APPROPRIATIONS FOR THE ENVIRONMENTAL PROTECTION AGENCY.

The following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for fiscal year 2015:

ENVIRONMENTAL PROTECTION AGENCY

STATE AND TRIBAL ASSISTANCE GRANTS

For an additional amount for “State and Tribal Assistance Grants”, $500,000,000, of which $400,000,000 shall be for making capitalization grants for the State water pollution control revolving funds under title VI of the Federal Water Pollution Control Act; and of which $100,000,000 shall be for making capitalization grants for
the State drinking water treatment revolving loan funds under section 1452 of the Safe Drinking Water Act: Provided, That notwithstanding the time period specified in section 603(d) (1)(A) of the Federal Water Pollution Control Act and section 1452(f)(1)(B)(i) of the Safe Drinking Water Act, loans made by such funds shall be authorized for 40-year terms: Provided further, That notwithstanding the formula or allotments set forth in section 604 of the Federal Water Pollution Control Act and section 1452(a)(1)(D) of the Safe Drinking Water Act, loans made by such funds shall be distributed based on an assessment of the immediate need in States impacted by drought, with an emphasis on projects that will provide additional water supplies most expeditiously to areas that are at risk of having an inadequate supply of water for public health and safety purposes or to improve resiliency to drought: Provided further, That to the maximum extent practicable, highest priority to the loans made with such funds shall be given to projects that have been approved by, and have previously received funding from, State and local water agencies: Provided further, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985.
SEC. 104. SUPPLEMENTAL APPROPRIATIONS FOR THE WATER INFRASTRUCTURE FINANCE AND INNOVATION ACT PROGRAM.

The following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for fiscal year 2015:

ENVIRONMENTAL PROTECTION AGENCY

STATE AND TRIBAL ASSISTANCE GRANTS

For an additional amount for “State and Tribal Assistance Grants”, $20,000,000 to carry out the Water Infrastructure Finance and Innovation Act of 2014: Provided, That loans made by such funds shall be distributed based on an assessment of the immediate need in States impacted by drought, with an emphasis on projects that will provide additional water supplies most expeditiously to areas that are at risk of having an inadequate supply of water for public health and safety purposes or to improve resiliency to drought: Provided further, That the limitations imposed by sections 5028(a)(5) and 5029(b)(2)(A) of the Water Resources Reform and Development Act of 2014 shall not apply with respect to a project receiving such funds in any State with a drought declaration: Provided further, That notwithstanding section 5029(b)(4) of the Water Resources Reform and Development Act of 2014, the interest rate for a secured loan under this section shall be not more than the yield on
United States Treasury securities of a similar maturity to the maturity of the secured loan on the date of execution of the loan agreement: *Provided further,* That notwithstanding section 5028(a)(2)(A) of the Water Resources Reform and Development Act of 2014, the eligible project costs of a project shall be reasonably anticipated to be not less than $10,000,000: *Provided further,* That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985.

**TITLE II—NEW WATER INFRASTRUCTURE PROGRAM AUTHORIZATIONS**

Subtitle A—New Water Recycling and Reclamation Program Through EPA

SEC. 201. SHORT TITLE; FINDINGS; PURPOSES.

(a) SHORT TITLE.—This subtitle may be cited as the “National Water Recycling and Reclamation Act of 2015”.

(b) FINDINGS.—Congress finds that—

(1) water supply, wastewater, sanitation, and sewage agencies across the Nation are developing and investing in water reuse and recycling projects;
(2) almost 900,000 acre-feet of annual water supply are in development through these projects and could be expeditiously constructed with increased Federal investment; and

(3) in California alone, there are water reuse and recycling projects that could add over 500,000 acre-feet of annual water supply.

(c) PURPOSES.—It is the purpose of this subtitle to expand investments in water reuse and recycling projects nationwide.

SEC. 202. NATIONAL WATER RECYCLING AND RECLAMATION PROGRAM.

(a) ESTABLISHMENT.—The Administrator of the Environmental Protection Agency shall establish and carry out a National Water Recycling and Reclamation Program to provide grants to eligible entities for water recycling and reclamation projects.

(b) DEFINITIONS.—In this section, the following definitions apply:

(1) ELIGIBLE COSTS.—The term “eligible costs” means amounts substantially all of which are paid by, or for the account of, an eligible entity in connection with a project, including the cost of—

(A) development phase activities, including planning, feasibility analysis, revenue fore-
casting, environmental review, permitting, preliminary engineering and design work, and other preconstruction activities;

(B) construction, reconstruction, rehabilitation, replacement, and acquisition of real property (including land related to the project and improvements to land), environment mitigation, construction contingencies, and acquisition of equipment;

(C) capitalized interest necessary to meet market requirements, reasonably required reserve funds, capital issuance expenses, and other carrying costs during construction; and

(D) reimbursement for costs described in subparagraphs (A) through (C) incurred prior to the date of enactment of this Act.

(2) ELIGIBLE ENTITY.—The term “eligible entity” means a corporation, partnership, joint venture, trust, public or investor-owned utility, private entity, government entity, agency, or instrumentality, tribal government, or any other reclamation and reuse entity, as determined by the Administrator.

(3) PROGRAM.—The term “program” means the National Water Recycling and Reclamation Program established under this section.
(c) Eligibility.—

(1) Project Costs.—To be eligible for assistance under the program, a water recycling and reclamation project shall have total eligible costs that are reasonably anticipated to exceed $1,000,000.

(2) Project Sponsor.—To be eligible for assistance under the program, a water recycling and reclamation project shall have a project sponsor that—

(A) is an eligible entity;

(B) submits to the Administrator an application for the project; and

(C) demonstrates a source for non-Federal revenues that is sufficient to satisfy the non-Federal share of the cost of the project.

(d) Competitive Grant Selection.—

(1) In General.—The Administrator shall—

(A) establish criteria for selecting among projects that meet the eligibility criteria specified in subsection (c);

(B) conduct a national solicitation for applications; and

(C) award grants on a competitive basis.

(2) Selection Criteria.—The selection criteria shall include the following:
(A) The extent to which the project addresses near- and long-term water demand and supply, protects the environment, or otherwise enhances the overall water reclamation and reuse system.

(B) The extent to which the project enhances the return on the Federal investment through the production of new, highly renewable water supplies.

(C) The likelihood that financial assistance under the program will enable the project to proceed at an earlier date than the project would otherwise be able to proceed.

(D) The extent to which the project uses measures that enhance the efficiency of the project.

(3) DEADLINES.—The Administrator shall—

(A) publish the selection criteria under paragraph (1) in the Federal Register not later than 90 days after the date of enactment of this Act;

(B) require that applications seeking financial assistance under the program be submitted not later than 180 days after the date of publi-
cation of the selection criteria under subpara-
graph (A); and

(C) provide notice of approved project ap-
plications under the program not later than 1
year after the date of enactment of this Act.

(e) Federal Share.—The Federal share of the cost
of a project receiving financial assistance under the pro-
gram may not exceed 80 percent.

(f) Authorization of Appropriations.—

(1) In general.—There is authorized to be
appropriated to carry out this section $500,000,000
for each of fiscal years 2016 through 2020. Such
sums shall remain available until expended.

(2) Administrative expenses.—From funds
made available to carry out this section for a fiscal
year, the Administrator may use not to exceed 2
percent of the funds for the costs of administering
this section.

(g) Reports to Congress.—Not later than October
1, 2016, and every 2 years thereafter, the Administrator
shall submit to Congress a report summarizing the finan-
cial performance of projects that are receiving, or have re-
ceived, assistance under the program.
(h) REGULATIONS.—The Administrator may issue such regulations as the Administrator determines appropriate to carry out this section.

(i) FAILURE TO MEET DEADLINE.—If the Administrator does not meet a deadline under subsection (d)(3), the Administrator shall transfer all funds made available for the program so as to make such funds available for the purpose of making capitalization grants for water recycling and reclamation projects under the State water pollution revolving loan fund program under title VI of the Federal Water Pollution Control Act (33 U.S.C. 1381 et seq.) and the State drinking water treatment revolving loan fund program under section 1452 of the Safe Drinking Water Act (42 U.S.C. 300j–12).

Subtitle B—Reclamation Infrastructure Finance and Innovation Act (RIFIA)

SEC. 210. SHORT TITLE; PURPOSES; DEFINITIONS.

(a) SHORT TITLE.—This subtitle may be cited as the “Reclamation Infrastructure Finance and Innovation Act” or “RIFIA”.

(b) PURPOSES.—The purposes of this subtitle are—

(1) to promote increased development of critical water resources infrastructure by establishing addi-
tional opportunities for financing water resources
projects;

(2) to attract new investment capital to infra-
structure projects that are capable of generating rev-

venue streams through user fees or other dedicated
funding sources;

(3) to complement existing Federal funding
sources and address budgetary constraints on Bu-

reau of Reclamation programs; and

(4) to leverage private investment in water re-

sources infrastructure, with the goal of every $100

million in secured loans being leveraged for $1 bil-

lion in water infrastructure financing.

(e) DEFINITIONS.—In this subtitle:

(1) ELIGIBLE ENTITY.—The term “eligible enti-

ty” means—

(A) a corporation;

(B) a partnership;

(C) a joint venture;

(D) a trust;

(E) a Federal, State, or local governmental

entity, agency, or instrumentality; and

(F) a conservancy district, irrigation dis-

trict, canal company, mutual water company,

water users’ association, Indian tribe, agency
created by interstate compact, or any other entity that has the capacity to contract with the United States under Federal reclamation law.

(2) FEDERAL CREDIT INSTRUMENT.—The term “Federal credit instrument” means a secured loan, loan guarantee, or other credit enhancement authorized to be made available under this subtitle with respect to a project.

(3) INVESTMENT-GRADE RATING.—The term “investment-grade rating” means a rating of BBB minus, Baa3, bbb minus, BBB (low), or higher as assigned by a rating agency to project obligations.

(4) LENDER.—

(A) IN GENERAL.—The term “lender” means any non-Federal qualified institutional buyer (as defined in section 230.144A(a) of title 17, Code of Federal Regulations (or a successor regulation) (commonly known as “Rule 144A(a) of the Securities and Exchange Commission” and issued under the Securities Act of 1933 (15 U.S.C. 77a et seq.))).

(B) INCLUSIONS.—The term “lender” includes—

(i) a qualified retirement plan (as defined in section 4974 of the Internal Rev-
enue Code of 1986) that is a qualified institutional buyer; and

(ii) a governmental plan (as defined in section 414 of the Internal Revenue Code of 1986) that is a qualified institutional buyer.

(5) LOAN GUARANTEE.—The term “loan guarantee” means any guarantee or other pledge by the Secretary to pay all or part of the principal of, and interest on, a loan or other debt obligation issued by an obligor and funded by a lender.

(6) OBLIGOR.—The term “obligor” means an eligible entity that is primarily liable for payment of the principal of, or interest on, a Federal credit instrument.

(7) PROJECT OBLIGATION.—

(A) IN GENERAL.—The term “project obligation” means any note, bond, debenture, or other debt obligation issued by an obligor in connection with the financing of a project.

(B) EXCLUSION.—The term “project obligation” does not include a Federal credit instrument.

(8) RATING AGENCY.—The term “rating agency” means a credit rating agency registered with the
Securities and Exchange Commission as a nationally
recognized statistical rating organization (as defined
in section 3(a) of the Securities Exchange Act of
1934 (15 U.S.C. 78c(a)).

(9) RECLAMATION STATE.—The term "Reclama-
tion State” means any of the States of—

(A) Arizona;
(B) California;
(C) Colorado;
(D) Idaho;
(E) Kansas;
(F) Montana;
(G) Nebraska;
(H) Nevada;
(I) New Mexico;
(J) North Dakota;
(K) Oklahoma;
(L) Oregon;
(M) South Dakota;
(N) Texas;
(O) Utah;
(P) Washington; and
(Q) Wyoming.

(10) SECRETARY.—The term “Secretary”
means the Secretary of the Interior.
(11) SECURED LOAN.—The term “secured loan” means a direct loan or other debt obligation issued by an obligor and funded by the Secretary in connection with the financing of a project under chapter 1.

(12) SUBSIDY AMOUNT.—The term “subsidy amount” means the amount of budget authority sufficient to cover the estimated long-term cost to the Federal Government of a Federal credit instrument, as calculated on a net present value basis, excluding administrative costs and any incidental effects on Governmental receipts or outlays in accordance with the Federal Credit Reform Act of 1990 (2 U.S.C. 661 et seq.).

(13) SUBSTANTIAL COMPLETION.—The term “substantial completion”, with respect to a project, means the earliest date on which a project is considered to perform the functions for which the project is designed.

CHAPTER 1—INNOVATIVE FINANCING

SEC. 211. PURPOSES.

The purposes of this chapter are—

(1) to promote increased development of critical water resources infrastructure by establishing addi-
tional opportunities for financing water resources projects;

(2) to attract new investment capital to infrastructure projects that are capable of generating revenue streams through user fees or other dedicated funding sources;

(3) to complement existing Federal funding sources and address budgetary constraints on Bureau of Reclamation programs; and

(4) to leverage private investment in water resources infrastructure.

SEC. 212. AUTHORITY TO PROVIDE ASSISTANCE.

(a) IN GENERAL.—The Secretary may provide financial assistance under this chapter to carry out projects within—

(1) any Reclamation State;

(2) any other State in which the Bureau of Reclamation is authorized to provide project assistance; and

(3) the States of Alaska and Hawaii.

(b) SELECTION.—In selecting projects to receive financial assistance under subsection (a), the Secretary shall ensure diversity with respect to—

(1) project types; and

(2) geographical locations.
SEC. 213. APPLICATIONS.

To be eligible to receive assistance under this chapter, an eligible entity shall submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require.

SEC. 214. ELIGIBILITY FOR ASSISTANCE.

(a) ELIGIBLE PROJECTS.—The following projects may be carried out using assistance made available under this chapter:

(1) A project for the reclamtion and reuse of municipal, industrial, domestic, and agricultural wastewater, and naturally impaired ground, which the Secretary, acting through the Commissioner of Reclamation, is authorized to undertake.

(2) Any water infrastructure project not specifically authorized by law that—

(A) the Secretary determines, through the completion of an appraisal investigation and feasibility study, would contribute to a safe, adequate water supply for domestic, agricultural, environmental, or municipal and industrial use; and

(B) is otherwise eligible for assistance under this chapter.
(3) A new water infrastructure facility project, including a water conduit, pipeline, canal, pumping, power, and associated facilities.

(4) A project for enhanced energy efficiency in the operation of a water system.

(5) A project for accelerated repair and replacement of an aging water distribution facility.

(6) A brackish or sea water desalination project.

(7) Acquisition of real property or an interest in real property for water storage, reclaimed or recycled water, or wastewater, if the acquisition is integral to a project described in paragraphs (1) through (6).

(8) A combination of projects, each of which is eligible under paragraphs (1) through (7), for which an eligible entity submits a single application.

(b) Activities Eligible for Assistance.—For purposes of this chapter, an eligible activity with respect to an eligible project under subsection (a) includes the cost of—

(1) development-phase activities, including planning, feasibility analysis, revenue forecasting, environmental review, permitting, transaction costs, pre-
liminary engineering and design work, and other preconstruction activities;

(2) construction, reconstruction, rehabilitation, and replacement activities;

(3) the acquisition of real property (including water rights, land relating to the project, and improvements to land), environmental mitigation, construction contingencies, and acquisition of equipment;

(4) capitalized interest necessary to meet market requirements, reasonably required reserve funds, capital issuance expenses, and other carrying costs during construction;

(5) refinancing interim construction funding, long-term project obligations, or a secured loan, loan guarantee, or other credit enhancement made under this chapter;

(6) reimbursement or success payments to any public or private entity that achieves predetermined outcomes on a pay-for-performance or pay-for-success basis; and

(7) grants, loans, or credit enhancement for community development financial institutions, green banks, and other financial intermediaries providing
ongoing finance for projects that meet the purposes of this chapter.

SEC. 215. DETERMINATION OF ELIGIBILITY AND PROJECT SELECTION.

(a) ELIGIBILITY REQUIREMENTS.—To be eligible to receive financial assistance under this chapter, a project shall meet the following criteria, as determined by the Secretary:

(1) CREDITWORTHINESS.—

(A) IN GENERAL.—Subject to subparagraph (B), the project shall be creditworthy, as determined by the Secretary, who shall ensure that any financing for the project has appropriate security features, such as a rate covenant, to ensure repayment.

(B) PRELIMINARY RATING OPINION LETTER.—The Secretary shall require each applicant to provide a preliminary rating opinion letter from at least 1 rating agency indicating that the senior obligations of the project (which may be the Federal credit instrument) have the potential to achieve an investment-grade rating.

(2) ELIGIBLE PROJECT COSTS.—The eligible project costs of a project and other projects in a wa-
tershed shall be reasonably anticipated to be not less
than $10,000,000.

(3) DEDICATED REVENUE SOURCES.—The Fed-
eral credit instrument for the project shall be repay-
able, in whole or in part, from dedicated revenue
sources that also secure the project obligations.

(4) PUBLIC SPONSORSHIP OF PRIVATE ENTI-
ties.—In the case of a project carried out by an en-
tity that is not a State or local government or an
agency or instrumentality of a State or local govern-
ment, the project shall be publicly sponsored.

(b) SELECTION CRITERIA.—

(1) ESTABLISHMENT.—The Secretary shall es-

13

14

15

16

17

18

19

20

21

22

23

24

establish criteria for the selection of projects that meet
the eligibility requirements of subsection (a), in ac-
cordance with paragraph (2).

(2) CRITERIA.—The selection criteria shall in-
clude the following:

(A) The extent to which the project is na-
tionally or regionally significant.

(B) The extent to which assistance under
this section would foster innovative public-priva-
tive partnerships and attract private debt or
equity investment.
(C) The likelihood that assistance under this section would enable the project to proceed at an earlier date than the project would otherwise be able to proceed.

(D) The extent to which the project uses new or innovative approaches.

(E) The extent to which projects track evidence about the effectiveness of the 1 or more projects financed and the availability of the evidence and project information to the public to facilitate replication.

(F) The amount of budget authority required to fund the Federal credit instrument made available under this chapter.

(G) The extent to which the project helps maintain or protect the environment.

(H) The extent to which the project supports the local economy and provides local jobs.

(c) Receipt of Other Federal Funding.—Receipt of a Federal grant or contract or other Federal funding to support an eligible project shall not preclude the project from being eligible for assistance under this chapter.
(d) FEDERAL REQUIREMENTS.—Nothing in this section supersedes the applicability of other requirements of Federal law (including regulations).

SEC. 216. SECURED LOANS.

(a) AGREEMENTS.—

(1) IN GENERAL.—Subject to paragraphs (2) through (4), the Secretary may enter into agreements with 1 or more obligors to make secured loans, the proceeds of which shall be used—

(A) to finance eligible project costs of any project selected under section 215;

(B) to refinance interim construction financing of eligible project costs of any project selected under section 215; or

(C) to refinance long-term project obligations or Federal credit instruments, if that refinancing provides additional funding capacity for the completion, enhancement, or expansion of any project that—

(i) is selected under section 215; or

(ii) otherwise meets the requirements of section 215.

(2) LIMITATION ON REFINANCING OF INTERIM CONSTRUCTION FINANCING.—A secured loan under paragraph (1) shall not be used to refinance interim
construction financing under paragraph (1)(B) later than 1 year after the date of substantial completion of the applicable project.

(3) **Risk Assessment.**—Before entering into an agreement under this subsection for a secured loan, the Secretary, in consultation with the Director of the Office of Management and Budget and each rating agency providing a preliminary rating opinion letter under section 215(a)(1)(B), shall determine an appropriate capital reserve subsidy amount for the secured loan, taking into account each such preliminary rating opinion letter.

(4) **Investment-Grade Rating Requirement.**—The execution of a secured loan under this section shall be contingent on receipt by the senior obligations of the project of an investment-grade rating.

(b) **Terms and Limitations.**—

(1) **In General.**—A secured loan provided for a project under this section shall be subject to such terms and conditions, and contain such covenants, representations, warranties, and requirements (including requirements for audits), as the Secretary determines to be appropriate.
(2) MAXIMUM AMOUNT.—The amount of a secured loan under this section shall not exceed the lesser of—

(A) an amount equal to 100 percent of the reasonably anticipated eligible project costs; and

(B) if the secured loan does not receive an investment-grade rating, the amount of the senior project obligations of the project.

(3) PAYMENT.—A secured loan under this section—

(A) shall be payable, in whole or in part, from State or local taxes, user fees, or other dedicated revenue sources that also secure the senior project obligations of the relevant project;

(B) shall include a rate covenant, coverage requirement, or similar security feature supporting the project obligations; and

(C) may have a lien on revenues described in subparagraph (A), subject to any lien securing project obligations.

(4) INTEREST RATE.—The interest rate on a secured loan under this section shall be not more than the yield on United States Treasury securities of a similar maturity to the maturity of the secured
loan on the date of execution of the loan agreement, as determined by the Secretary.

(5) Maturity date.—The final maturity date of a secured loan under this section shall be not later than 35 years after the expected date of substantial completion of the relevant project.

(6) Nonsubordination.—A secured loan under this section shall not be subordinated to the claims of any holder of project obligations in the event of bankruptcy, insolvency, or liquidation of the obligor of the project.

(7) Fees.—The Secretary may establish fees under section 217(b) at a level sufficient to cover all or a portion of the costs to the Federal Government of making a secured loan under this section.

(8) Non-Federal share.—The proceeds of a secured loan under this section may be used to pay any non-Federal share of project costs required if the loan is repayable from non-Federal funds.

(c) Repayment.—

(1) Schedule.—The Secretary shall establish a repayment schedule for each secured loan provided under this section, based on the projected cash flow from project revenues and other repayment sources.
(2) COMMENCEMENT.—Scheduled loan repayment of principal or interest on a secured loan under this section shall commence not later than 5 years after the date of substantial completion of the project.

(3) DEFERRED PAYMENTS.—

(A) AUTHORIZATION.—If, at any time after the date of substantial completion of a project for which a secured loan is provided under this section, the project is unable to generate sufficient revenues to pay the scheduled loan repayments of principal and interest on the secured loan, the Secretary may allow the obligor, subject to subparagraph (C), to add unpaid principal and interest to the outstanding balance of the secured loan.

(B) INTEREST.—Any payment deferred under subparagraph (A) shall—

(i) continue to accrue interest in accordance with subsection (b)(4) until fully repaid; and

(ii) be scheduled to be amortized over the remaining term of the secured loan.

(C) CRITERIA.—
(i) IN GENERAL.—Any payment deferral under subparagraph (A) shall be contingent on the project meeting such criteria as the Secretary may establish.

(ii) REPAYMENT STANDARDS.—The criteria established under clause (i) shall include standards for reasonable assurance of repayment.

(4) PREPAYMENT.—

(A) USE OF EXCESS REVENUES.—Any excess revenues that remain after satisfying scheduled debt service requirements on the project obligations and secured loan and all deposit requirements under the terms of any trust agreement, bond resolution, or similar agreement securing project obligations may be applied annually to prepay a secured loan under this section without penalty.

(B) USE OF PROCEEDS OF REFINANCING.—A secured loan under this section may be prepaid at any time without penalty from the proceeds of refinancing from non-Federal funding sources.

(d) SALE OF SECURED LOANS.—
(1) IN GENERAL.—Subject to paragraph (2), as soon as practicable after the date of substantial completion of a project and after providing a notice to the obligor, the Secretary may sell to another entity or reoffer into the capital markets a secured loan for a project under this section, if the Secretary determines that the sale or reoffering can be made on favorable terms.

(2) CONSENT OF OBLIGOR.—In making a sale or reoffering under paragraph (1), the Secretary may not change the original terms and conditions of the secured loan without the written consent of the obligor.

(e) LOAN GUARANTEES.—

(1) IN GENERAL.—The Secretary may provide a loan guarantee to a lender in lieu of making a secured loan under this section, if the Secretary determines that the budgetary cost of the loan guarantee is substantially the same as that of a secured loan.

(2) TERMS.—The terms of a loan guarantee provided under this subsection shall be consistent with the terms established in this section for a secured loan, except that the rate on the guaranteed loan and any prepayment features shall be nego-
tiated between the obligor and the lender, with the consent of the Secretary.

SEC. 217. PROGRAM ADMINISTRATION.

(a) REQUIREMENT.—The Secretary shall establish a uniform system to service the Federal credit instruments made available under this chapter.

(b) CAPITAL RESERVE FUND.—

(1) IN GENERAL.—There is hereby established in the Treasury of the United States the Reclamation Loan Finance Capital Reserve Fund, which shall be available for deposit of capital reserve fees provided for under this subsection. Amounts deposited shall be credited as offsetting collections.

(2) CAPITAL RESERVE FEES.—To the extent required by appropriations Acts, the Secretary may assess, collect, and spend capital reserve fees at a level that is sufficient to cover—

(A) the costs of services of expert firms retained pursuant to subsection (d); and

(B) all or a portion of the costs to the Federal Government of servicing the Federal credit instruments provided under this chapter, including all or a portion of the outlays associated with the provision of the Federal credit instruments under this chapter.
(3) DETERMINATION OF FEE AMOUNTS.—The capital reserve fees shall be established at amounts that will result in the collection, during each fiscal year, of an amount that can be reasonably expected to equal the outlays associated with the provision of the Federal credit instruments under this chapter.

(c) SERVICER.—

(1) IN GENERAL.—The Secretary may appoint a financial entity to assist the Secretary in servicing the Federal credit instruments provided under this chapter.

(2) DUTIES.—A servicer appointed under paragraph (1) shall act as the agent for the Secretary.

(3) FEE.—A servicer appointed under paragraph (1) shall receive a servicing fee, subject to approval by the Secretary.

(d) ASSISTANCE FROM EXPERTS.—The Secretary may retain the services, including counsel, of any organization or entity with expertise in the field of municipal and project finance to assist in the underwriting and servicing of Federal credit instruments provided under this chapter.

(e) LOAN COORDINATION; INTERAGENCY COOPERATION.—The Secretary—
(1) shall coordinate implementation of loan guarantees under this section with the Administrator to avoid duplication and enhance the effectiveness of implementation of the State revolving funds established under the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.) and the Safe Drinking Water Act (42 U.S.C. 300f et seq.);

(2) shall consult with the Secretary of Agriculture before promulgating criteria with respect to financial appraisal functions and loan guarantee administration for activities carried out under this chapter; and

(3) may enter into a memorandum of agreement providing for Department of Agriculture financial appraisal functions and loan guarantee administration for activities carried out under this chapter.

SEC. 218. STATE AND LOCAL PERMITS.

The provision of financial assistance for a project under this chapter shall not—

(1) relieve any recipient of the assistance of any obligation to obtain any required State or local permit or approval with respect to the project;

(2) limit the right of any unit of State or local government to approve or regulate any rate of return on private equity invested in the project; or
(3) otherwise supersede any State or local law (including any regulation) applicable to the construction or operation of the project.

SEC. 219. REGULATIONS.

The Secretary may promulgate such regulations as the Secretary determines to be appropriate to carry out this chapter.

SEC. 220. FUNDING.

(a) In General.—There is authorized to be appropriated to the Secretary to carry out this chapter $100,000,000 for each of fiscal years 2015 through 2019, to remain available until expended.

(b) Administrative Costs.—Of the funds made available to carry out this chapter, the Secretary may use for the administration of this chapter not more than $2,200,000 for each of fiscal years 2015 through 2019.

SEC. 221. REPORT TO CONGRESS.

Not later than 2 years after the date of enactment of this Act, and every 2 years thereafter, the Secretary shall submit to the Committee on Energy and Natural Resources of the Senate and the Committee on Natural Resources of the House of Representatives a report summarizing the financial performance and on-the-ground outcomes of the projects that are receiving, or have received,
assistance under this chapter, including an assessment of whether the objectives of this chapter are being met.

CHAPTER 2—INTEGRATED REGIONAL WATER MANAGEMENT, RECLAMATION, AND RECYCLING PROJECTS

SEC. 231. WATER STORAGE PROJECTS.

(a) AGREEMENTS.—The Secretary may enter into a cost-shared financial assistance agreement with any non-Federal entity in a Reclamation State or the State of Hawaii to carry out the planning, design, and construction of any permanent water storage and conveyance facility used solely to regulate and maximize the water supply arising from a project that is eligible for assistance under this chapter or any other provision of law, including recycled water projects not congressionally authorized—

(1) to recycle wastewater or ground water; or

(2) to use integrated and coordinated water management on a watershed or regional scale.

(b) FINANCIAL ASSISTANCE.—In providing financial assistance under this section, the Secretary shall give priority to storage and conveyance components that—

(1) ensure the efficient and beneficial use of water or reuse of the recycled water;

(2) make maximum use of natural systems;
(3) consistent with Secretarial Order No. 3297, dated February 22, 2010, support sustainable water management practices and the water sustainability objectives of 1 or more offices of the Department of the Interior or any other Federal agency;

(4)(A) increase the availability of usable water supplies in a watershed or region to benefit people, the economy, and the environment; and

(B) include adaptive measures needed to address climate change and future demands;

(5) where practicable—

(A) provide flood control or recreation benefits; and

(B) include the development of incremental hydroelectric power generation;

(6) include partnerships that go beyond political and institutional jurisdictions to support the efficient use of the limited water resources of the United States and the applicable region;

(7) generate environmental benefits, such as benefits to fisheries, wildlife and habitat, and water quality and water-dependent ecological systems, as well as water supply benefits to agricultural and urban water users; and
(8) the financing of which leverages private and other non-Federal resources.

(c) Federal Share.—The Federal share of the cost of a project carried out under subsection (a) shall be—

(1) equal to the lesser of—

(A) 50 percent of total cost of the project; and

(B) $15,000,000, adjusted for inflation; and

(2) nonreimbursable.

(d) Non-Federal Share.—The non-Federal share of the cost of a project carried out under subsection (a) may include in-kind contributions to the planning, design, and construction of a project.

(e) Title and Costs.—A non-Federal entity entering into a financial assistance agreement under this section shall—

(1) hold title to all facilities constructed under this section; and

(2) be solely responsible for the costs of operating and maintaining those facilities.

(f) Approval.—The Secretary may enter into a financial assistance agreement under this section, if—
(1) the Secretary notifies Congress of the proposed agreement at least 90 days before the date on which the Secretary enters into the agreement; and

(2) Congress does not pass a joint resolution disapproving the agreement before such date.

SEC. 232. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated $700,000,000 to carry out this chapter.

CHAPTER 3—RECLAMATION TITLE TRANSFER PROGRAM

SECTION 241. SHORT TITLE; DEFINITIONS.

(a) SHORT TITLE.—This chapter may be cited as the “Reclamation Title Transfer Act of 2015”.

(b) DEFINITIONS.—In this chapter:

(1) CONVEYED PROPERTY.—The term “conveyed property” means an eligible facility that has been conveyed to a qualifying entity under section 242(b)(1).

(2) ELIGIBLE FACILITY.—

(A) IN GENERAL.—The term “eligible facility” means a reclamation project or facility, or a portion of a reclamation project or facility, for which the United States holds title and that meets the criteria for potential transfer established under section 244(a).
(B) INCLUSIONS.—The term “eligible facility” includes dams and appurtenant works, infrastructure, recreational facilities, buildings, distribution and drainage works, and associated land or interests in land or water.

(3) QUALIFYING ENTITY.—The term “qualifying entity” means a State, unit of local government, Indian tribe, municipal corporation, quasi-municipal corporation, or other entity (such as a water district) that, as determined by the Secretary, has the capacity to continue to manage the conveyed property for the same purposes that the conveyed property has been managed for under the reclamation laws.

(4) SECRETARY.—The term “Secretary” means the Secretary of the Interior, acting through the Commissioner of the Bureau of Reclamation.

SEC. 242. AUTHORIZATION OF TITLE TRANSFER PROGRAM.

(a) ESTABLISHMENT OF TITLE TRANSFER PROGRAM.—The Secretary may establish a program that—

(1) identifies and analyzes the potential for public benefits from the transfer out of Federal ownership of eligible facilities, including analyses of the financial, operational, and environmental character-
istics of the eligible facilities proposed for transfer;

and

(2) facilitates the transfer to qualifying entities
of the title to eligible facilities to promote more effi-
cient management of water and water-related facili-
ties.

(b) Authorization To Transfer Title to Eligible
Facilities.—

(1) In General.—The Secretary may convey
to a qualifying entity all right, title, and interest of
the United States in and to any eligible facility, sub-
ject to paragraphs (2) through (6), if—

(A) the Secretary notifies Congress in writ-
ing of the proposed conveyance at least 90 days
before the date on which the Secretary makes
the conveyance; and

(B) Congress does not pass a joint resolu-
tion disapproving the conveyance before such
date.

(2) Right of First Refusal.—If the entity
that operates an eligible facility at the time that the
Secretary attempts to facilitate the transfer of title
under subsection (a)(2) is a qualifying entity, that
entity shall have the right of first refusal to receive
the conveyance under paragraph (1).
(3) **Reservation of Easement.**—The Secretary may reserve an easement over a conveyed property if the Secretary determines that the easement is necessary for the management of any interests retained by the Federal Government under this chapter.

(4) **Mineral Interests.**—

(A) **Retention.**—The Secretary shall retain any mineral interests associated with a conveyed property.

(B) **Management.**—The mineral interests retained under subparagraph (A) shall be managed—

(i) consistent with Federal law; and

(ii) in a manner that would not interfere with the purposes for which the reclamation project was authorized.

(5) **Interests in Water.**—No interests in water shall be conveyed under this chapter unless the conveyance is provided for in writing in an agreement between the Secretary and the qualifying entity.

(6) **Additional Criteria.**—Title transfers under this section shall be carried out consistent with—
(A) this chapter; and

(B) any additional criteria or procedures that the Secretary determines to be in the public interest.

(c) Restrictions on Use.—As a condition of obtaining title to an eligible facility, the qualifying entity shall agree to use the eligible facility for substantially the same purposes the eligible facility is being used for during the period in which the eligible facility was under reclamation ownership.

SEC. 243. COMPLIANCE WITH ENVIRONMENTAL AND HISTORIC PRESERVATION LAWS.

Before conveying eligible facilities under this chapter, the Secretary shall complete all actions required under all applicable laws, including—

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

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

(3) the National Historic Preservation Act (16 U.S.C. 470 et seq.).

SEC. 244. ELIGIBILITY CRITERIA.

(a) Establishment.—The Secretary shall establish criteria for determining whether facilities are eligible for conveyance under this chapter.
(b) **MINIMUM REQUIREMENTS.**—

(1) **AGREEMENT OF QUALIFYING ENTITY.**—The criteria established under subsection (a) shall include a requirement that a qualifying entity agree—

(A) to accept title to the eligible facility;

(B) to accept all liability for the eligible facility, except as otherwise provided in section 245;

(C) to use the eligible facility for substantially the same purposes the eligible facility is being used for at the time the Secretary evaluates the potential transfer; and

(D) to provide, as consideration for the assets to be conveyed, compensation to the United States in an amount that is the equivalent of the net present value of any repayment obligation to the United States or other income stream the United States derives from the eligible facility to be transferred as of the date of the transfer.

(2) **DETERMINATIONS OF SECRETARY.**—

(A) **IN GENERAL.**—The criteria established under subsection (a) shall include a requirement that the Secretary, in consultation with the Governor of any State in which the project
is located, determine that the proposed transfer—

(i) would not have an unmitigated significant effect on the environment;

(ii) is uncomplicated, based on, as determined by the Secretary—

(I) there being no significant opposition to the proposed transfer;

(II) the eligible facility not being hydrologically integrated with other Federal or non-Federal water projects;

(III) the eligible facility not generating significant quantities of electric power sold to, or eligible to be sold to, power customers (other than the project itself); and

(IV) the parties to the transfer being able to reach agreement on legal, institutional, and financial arrangements relating to the conveyance;

(iii) is consistent with the responsibility of the Secretary—
57

(I) to protect land and water re-

resources held in trust for federally rec-

ognized Indian tribes; and

(II) to ensure compliance with

any applicable international treaties

and interstate compacts; and

(iv) is in the financial interest of the

United States.

(B) PUBLICATION.—The Secretary shall

make publically available information on how

the Secretary made the determinations under

subparagraph (A).

(3) STATUS OF RECLAMATION LAND.—The cri-

teria established under subsection (a) shall require

that any land to be conveyed out of Federal owner-

ship under this Act is—

(A) land acquired by the Secretary; or

(B) land withdrawn by the Secretary, only

if—

(i) the Secretary determines in writing

that the withdrawn land is encumbered by

reclamation project facilities to the extent

that the withdrawn land is unsuitable for

return to the public domain; and
(ii) the qualifying entity agrees to pay fair market value for the withdrawn land to be conveyed.

SEC. 245. LIABILITY.

(a) IN GENERAL.—Except as provided in subsection (b), effective beginning on the date of conveyance of any eligible facility under this chapter, the United States shall not be liable under any law for damages of any kind arising out of any act, omission, or occurrence based on the prior ownership or operation of the conveyed property.

(b) LIMITATION.—Notwithstanding subsection (a), the United States shall retain the responsibilities and authorities of the United States for a conveyed property based on the prior ownership or operation of the conveyed property by the United States under Federal environmental laws, including the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.).

SEC. 246. BENEFITS.

After a conveyance of an eligible facility under this chapter—

(1) the conveyed property shall no longer be considered to be a part of a reclamation project; and

(2) the entity to which the conveyed property is conveyed shall not be eligible to receive any benefits
with respect to the conveyed property (including project power), except for benefits that would be available to a similarly situated entity with respect to property that is not part of a reclamation project.

SEC. 247. COMPLIANCE WITH OTHER LAWS.

(a) IN GENERAL.—After a conveyance of title under this chapter, the qualifying entity to which the property is conveyed shall comply with all applicable Federal, State, and local laws (including regulations) in the operation of the conveyed property.

(b) EFFECT.—

(1) IN GENERAL.—Nothing in this chapter shall affect or interfere with—

(A) the laws of any State relating to the control, appropriation, use, or distribution of water used in irrigation or for any other purpose;

(B) any vested right acquired under State law; or

(C) any interstate compact, decree, or negotiated water rights agreement.

(2) CONFORMITY WITH STATE LAW.—In carrying out this chapter, the Secretary shall proceed in conformity with the State laws and rights acquired under State law described in paragraph (1).
SEC. 248. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated to carry out this chapter such sums as are necessary.

(b) USE OF AMOUNTS.—Amounts made available under subsection (a) may be used—

(1) to carry out the investigations to carry out this chapter; and

(2) to pay any other costs associated with conveyances under this chapter, including an appropriate Federal share of the costs of compliance with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and other applicable law.

(c) NOT TREATED AS PROJECT COSTS.—Expenditures made by the Secretary under this chapter—

(1) shall not be a project cost assignable to a reclamation project; and

(2) shall be nonreimbursable.

SEC. 249. TERMINATION OF AUTHORITY.

The authority of the Secretary to carry out conveyances under this chapter shall terminate 15 years after the date of enactment of this Act.
Subtitle C—Innovative Stormwater Capture Program

SEC. 251. SHORT TITLE.
This subtitle may be cited as the “Innovative Stormwater Infrastructure Act of 2015”.

SEC. 252. PURPOSES AND FINDINGS.
Congress finds that—

(1) many water resources in the United States are declining, particularly in urban and agricultural areas;

(2) the decline of water resources is the result of—

(A) an increase in population, water consumption, and impermeable surfaces; and
(B) the negative effects of urbanization, commercial and industrial activities, and increasing and persistent droughts;

(3) an October 2008 study by the National Research Council found that some of the benefits of innovative stormwater control infrastructure include—

(A) increased water supplies;
(B) the creation of jobs;
(C) cost savings; and
(D) a reduction of stormwater runoff, surface water discharge, stormwater pollution, and
stormwater flows to protect and restore natural
hydrology, meeting local conditions to the max-
imum extent feasible; and

(4) capturing stormwater runoff in urban and
suburban areas of the State of California can in-
crease water supplies by over 600,000 acre-feet an-
ually, and that similar benefits are achievable in
the urban and suburban areas of other States.

SEC. 253. DEFINITIONS.

In this subtitle:

(1) Administrator.—The term “Adminis-
trator” means the Administrator of the Environ-
mental Protection Agency.

(2) Center.—The term “center” means a cen-
ter of excellence for innovative stormwater control
infrastructure established under section 4(a).

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

(A) a State, tribal, or local government; or

(B) a local, regional, or other entity that
manages stormwater, drinking water resources,
or waste water resources.

(4) Eligible institution.—

(A) In general.—The term “eligible in-
stitution” means an institution of higher edu-
cation (as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001)), or a research institution, that has demonstrated excellence in innovative stormwater control infrastructure by—

(i) conducting research on innovative stormwater control infrastructure to determine the means by which innovative infrastructure reduces stormwater runoff, enhances and protects drinking water sources, and improves water quality;

(ii) developing and disseminating information regarding the means by which an organization can use innovative stormwater control infrastructure;

(iii) providing technical assistance to an organization for an innovative stormwater control infrastructure project;

(iv) developing best practices standards for innovative stormwater control infrastructure;

(v) providing job training relating to innovative stormwater control infrastructure;

(vi) developing course curricula for—
(I) elementary schools (as defined in section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801));

(II) secondary schools (as defined in that section);

(III) institutions of higher education (as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001)); or

(IV) vocational schools;

(vii) training students regarding innovative stormwater control infrastructure; or

(viii) providing information to the Federal Government or State, tribal, and local governments regarding the implementation of innovative stormwater control infrastructure.

(B) ASSOCIATED DEFINITION.—For purposes of subparagraph (A), the term “research institution” means an entity that is—

(i) described in section 501(c)(3) of the Internal Revenue Code of 1986;
(ii) exempt from tax under section 501(a) of the Internal Revenue Code of 1986; and

(iii) organized and operated for research purposes.

(5) INDIAN TRIBE.—The term “Indian tribe” has the meaning given the term in section 518(h) of the Federal Water Pollution Control Act (33 U.S.C. 1377(h)).

(6) STATE.—The term “State” means—

(A) each of the several States of the United States;

(B) the District of Columbia;

(C) the Commonwealth of Puerto Rico;

(D) Guam;

(E) American Samoa;

(F) the Commonwealth of the Northern Mariana Islands;

(G) the Federated States of Micronesia;

(H) the Republic of the Marshall Islands;

(I) the Republic of Palau; and

(J) the United States Virgin Islands.

(7) INNOVATIVE STORMWATER CONTROL INFRA-

structure.—
(A) In general.—The term “innovative stormwater control infrastructure” means any green infrastructure stormwater management technique that—

(i) uses natural systems or engineered systems that mimic natural processes to infiltrate, evapotranspire, or capture stormwater; and

(ii) preserves, enhances, or mimics natural hydrology to protect or restore water quality.

(B) Inclusions.—The term “innovative stormwater control infrastructure” includes—

(i) methods that promote absorption, uptake, percolation, evapotranspiration, and filtration by soil and plant life; and

(ii) the preservation or restoration of—

(I) natural topography, including hills, plains, ravines, and shorelines;

(II) interconnected networks of natural land that protect essential ecological functions critical for water quality;
(III) ecological function, including forests, grasslands, and deserts;

(IV) bodies of water, including lakes, flood plains, headwaters, and wetlands; and

(V) native soil characteristics of composition, structure, and transmissivity.

SEC. 254. CENTERS OF EXCELLENCE FOR INNOVATIVE STORMWATER CONTROL INFRASTRUCTURE.

(a) Establishment of Centers.—

(1) In general.—The Administrator shall provide grants, on a competitive basis, to eligible institutions to establish and maintain not less than 3, and not more than 5, centers of excellence for innovative stormwater control infrastructure, to be located in various regions throughout the United States.

(2) General operation.—Each center shall—

(A) conduct research on innovative stormwater control infrastructure that is relevant to the geographical region in which the center is located, including stormwater and sewer overflow reduction, other approaches to...
water resource enhancement, and other environmental, economic, and social benefits;

(B) develop manuals and establish industry standards on best management practices relating to State, tribal, local, and commercial innovative stormwater control infrastructure for use by State, tribal, and local governments and the private sector;

(C) develop and administer testing and evaluation protocols to measure and verify the performance of stormwater infrastructure products and practices;

(D) provide information regarding research conducted under subparagraph (A), manuals developed under subparagraph (B), and testing and evaluation performed under subparagraph (C) to the national electronic clearinghouse center for publication on the Internet website established under subsection (c) to provide to the Federal Government and State, tribal, and local governments and the private sector information regarding innovative stormwater control infrastructure;

(E) provide technical assistance to State, tribal, and local governments to assist with the
construction, operation, and maintenance of innovative stormwater control infrastructure projects;

(F) collaborate with institutions of higher education and private and public organizations in the geographical region in which the center is located on innovative stormwater control infrastructure research and technical assistance projects;

(G) assist institutions of higher education, secondary schools, and vocational schools to develop innovative stormwater control infrastructure curricula;

(H) provide training regarding innovative stormwater control infrastructure to institutions of higher education and professional schools;

(I) evaluate regulatory and policy issues relating to innovative stormwater control infrastructure; and

(J) coordinate with the other centers to avoid duplication of efforts.

(b) APPLICATION.—To be eligible to receive a grant under this section, an eligible institution shall prepare and submit to the Administrator an application at such a time,
in such form, and containing such information as the Admin-
istrator may require.

(c) National Electronic Clearinghouse Center.—Of the centers established under subsection (a)(1), one shall—

(1) be designated as the “national electronic clearinghouse center”; and

(2) in addition to the other functions of that center—

(A) develop, operate, and maintain an Internet website and a public database that contain information relating to innovative stormwater control infrastructure; and

(B) post to the website information from all centers.

SEC. 255. INNOVATIVE STORMWATER CONTROL INFRA-
STRUCTURE PROJECT GRANTS.

(a) Grant Authority.—The Administrator shall provide grants, on a competitive basis, to eligible entities to carry out innovative stormwater control infrastructure projects in accordance with this section.

(b) Innovative Stormwater Control Infrastructure Projects.—

(1) Planning and Development Grants.—

The Administrator may make planning and develop-
ment grants under this section for the following projects:

(A) Planning and designing innovative stormwater control infrastructure projects, including engineering surveys, landscape plans, maps, and implementation plans.

(B) Identifying and developing standards and revisions to local zoning, building, or other local codes necessary to accommodate innovative stormwater control infrastructure projects.

(C) Identifying and developing fee structures to provide financial support for design, installation, and operations and maintenance of innovative stormwater control infrastructure.

(D) Developing training and educational materials regarding innovative stormwater control infrastructure for distribution to—

   (i) individuals and entities with applicable technical knowledge; and

   (ii) the public.

(E) Developing an innovative stormwater control infrastructure portfolio standard program described in section 6(e).
(2) IMPLEMENTATION GRANTS.—The Administrator may make implementation grants under this section for the following projects:

(A) Installing innovative stormwater control infrastructure.

(B) Protecting or restoring interconnected networks of natural areas that protect water quality.

(C) Monitoring and evaluating the environmental, economic, or social benefits of innovative stormwater control infrastructure.

(D) Implementing a best practices standard for an innovative stormwater control infrastructure program.

(E) Implementing an innovative stormwater control infrastructure portfolio standard program described in section 6(e).

(c) APPLICATION.—Except as otherwise provided in this Act, to be eligible to receive a grant under this section, an eligible entity shall prepare and submit to the Administrator an application at such time, in such form, and containing such information as the Administrator may require, including, as applicable—

(1) a description of the innovative stormwater control infrastructure project;
(2) a plan for monitoring the impacts of the innovative stormwater control infrastructure project on the water quality and quantity;

(3) an evaluation of other environmental, economic, and social benefits of the innovative stormwater control infrastructure project; and

(4) a plan for the long-term operation and maintenance of the innovative stormwater control infrastructure project.

(d) ADDITIONAL REQUIREMENT FOR INNOVATIVE STORMWATER CONTROL INFRASTRUCTURE PORTFOLIO STANDARD PROJECT.—In addition to an application under subsection (c), a State or Indian tribe applying for a grant for an innovative stormwater control infrastructure portfolio standard program described in section 6(e) shall prepare and submit to the Administrator a schedule of increasing minimum percentages of the annual water to be managed using innovative stormwater control infrastructure under the program.

(e) PRIORITY.—In making grants under this section, the Administrator shall give priority to applications submitted on behalf of—

(1) a community that—
(A) has combined storm and sanitary sew-
ers in the collection system of the community;

or

(B) is a low-income or disadvantaged com-

munity, as determined by the Administrator; or

(2) an eligible entity that will use not less than

10 percent of the grant to provide service to a low-

income or disadvantaged community, as determined

by the Administrator.

(f) MAXIMUM AMOUNTS.—

(1) PLANNING AND DEVELOPMENT GRANTS.—

(A) SINGLE GRANT.—The amount of a sin-

gle planning and development grant provided

under this section shall be not more than

$200,000.

(B) AGGREGATE AMOUNT.—The total

amount of all planning and development grants

provided under this section for a fiscal year

shall be not more than \( \frac{1}{3} \) of the total amount

made available to carry out this section.

(2) IMPLEMENTATION GRANTS.—

(A) SINGLE GRANT.—The amount of a sin-

gle implementation grant provided under this

section shall be not more than $3,000,000.
B) AGGREGATE AMOUNT.—The total amount of all implementation grants provided under this section for a fiscal year shall be not more than \( \frac{2}{3} \) of the total amount made available to carry out this section.

(g) FEDERAL SHARE.—

(1) IN GENERAL.—Except as provided in paragraph (3), the Federal share of a grant provided under this section shall not exceed 65 percent of the total project cost.

(2) CREDIT FOR IMPLEMENTATION GRANTS.—The Administrator shall credit toward the non-Federal share of the cost of an implementation project carried out under this section the cost of planning, design, and construction work completed for the project using funds other than funds provided under this Act.

(3) EXCEPTION.—The Administrator may waive the Federal share limitation under paragraph (1) for an eligible entity that has adequately demonstrated financial need.
SEC. 256. ENVIRONMENTAL PROTECTION AGENCY INNOVATIVE STORMWATER CONTROL INFRASTRUCTURE PROMOTION.

(a) IN GENERAL.—The Administrator shall ensure that the Office of Water, the Office of Enforcement and Compliance, the Office of Research and Development, and the Office of Policy of the Environmental Protection Agency promote the use of innovative stormwater control infrastructure in and coordinate the integration of innovative stormwater control infrastructure into permitting programs, planning efforts, research, technical assistance, and funding guidance.

(b) DUTIES.—The Administrator shall ensure that the Office of Water—

1. promotes the use of innovative stormwater control infrastructure in the programs of the Environmental Protection Agency;
2. supports establishing public-private partnerships and other innovative financing mechanisms in the implementation of innovative stormwater control infrastructure; and
3. coordinates efforts to increase the use of innovative stormwater control infrastructure with—
   (A) other Federal departments and agencies;
(B) State, tribal, and local governments; and

(C) the private sector.

e) REGIONAL INNOVATIVE STORMWATER CONTROL INFRASTRUCTURE PROMOTION.—The Administrator shall direct each regional office of the Environmental Protection Agency, as appropriate based on local factors, to promote and integrate the use of innovative stormwater control infrastructure within the region that includes—

(1) a plan for monitoring, financing, mapping, and designing the innovative stormwater control infrastructure;

(2) outreach and training regarding innovative stormwater control infrastructure implementation for State, tribal, and local governments, tribal communities, and the private sector; and

(3) the incorporation of innovative stormwater control infrastructure into permitting and other regulatory programs, codes, and ordinance development, including the requirements under consent decrees and settlement agreements in enforcement actions.

d) INNOVATIVE STORMWATER CONTROL INFRASTRUCTURE INFORMATION-SHARING.—The Administrator shall promote innovative stormwater control infrastructure information-sharing, including through an Internet
website, to share information with, and provide technical assistance to, State, tribal, and local governments, tribal communities, the private sector, and the public regarding innovative stormwater control infrastructure approaches for—

(1) reducing water pollution;

(2) protecting water resources;

(3) complying with regulatory requirements;

and

(4) achieving other environmental, public health, and community goals.

(e) INNOVATIVE STORMWATER CONTROL INFRASTRUCTURE PORTFOLIO STANDARD.—The Administrator, in collaboration with State, tribal, and local water resource managers, shall establish voluntary measurable goals, to be known as the “innovative stormwater control infrastructure portfolio standard”, to increase the percentage of annual water managed by eligible entities that use innovative stormwater control infrastructure.

SEC. 257. REPORT TO CONGRESS.

Not later than September 30, 2017, the Administrator shall submit to Congress a report that includes, with respect to the period covered by the report—

(1) a description of all grants provided under this Act;
(2) a detailed description of—

(A) the projects supported by those grants;

and

(B) the outcomes of those projects;

(3) a description of the improvements in technology, environmental benefits, resources conserved, efficiencies, and other benefits of the projects funded under this Act;

(4) recommendations for improvements to promote and support innovative stormwater control infrastructure for the centers, grants, and activities under this Act; and

(5) a description of existing challenges concerning the use of innovative stormwater control infrastructure.

SEC. 258. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this Act such sums as are necessary for each of fiscal years 2016 through 2021.
TITLE III—IMPROVED INFRASTRUCTURE AND WATER MANAGEMENT

Subtitle A—Restoring America’s Watersheds and Increasing Water Yields

SEC. 301. SHORT TITLE.

This subtitle may be cited as the “Restoring America’s Watersheds Act of 2015”.

SEC. 302. FINDINGS.

Congress makes the following findings:

(1) Watershed health and effective headwaters management can have multiple benefits for water supply reliability, water quality, and ecosystems.

(2) Investments to restore meadows, forests, and watersheds will improve their critical hydrological functions and reduce wildfire impacts.

(3) Proper ecosystem restoration could increase groundwater storage by 50,000 to 500,000 acre-feet per year just within the National Forest System lands in the Sierra bioregion of the State of California.

(4) Improved headwaters management would have a similarly significant impact on groundwater...
storage within National Forest System lands across the western States.

(5) Source watersheds are recognized and defined as an integral part of federally funded water systems.

SEC. 303. WATER SOURCE PROTECTION PROGRAM.

Subtitle A of title III of the Omnibus Public Land Management Act of 2009 (Public Law 111–11; 123 Stat. 1126) is amended by adding at the end the following:

“SEC. 3002. WATER SOURCE PROTECTION PROGRAM.

“(a) IN GENERAL.—The Secretary of Agriculture, acting through the Chief of the Forest Service (referred to in this section as the ‘Secretary’), shall establish and maintain a Water Source Protection Program (referred to in this section as the ‘Program’) within the National Forest System west of the 100th Meridian.

“(b) WATER SOURCE INVESTMENT PARTNERSHIPS.—

“(1) IN GENERAL.—In carrying out the Program, the Secretary may enter into water source investment partnerships with end water users (including States, political subdivisions, Indian tribes, utilities, municipal water systems, irrigation districts, nonprofit organizations, and corporations) to protect and restore the condition of National Forest water-
sheds that provide water to the non-Federal partners.

“(2) FORM.—A partnership described in paragraph (1) may take the form of memoranda of understanding, cost-share or collection agreements, long-term match funding commitments, or other appropriate instruments.

“(c) WATER SOURCE MANAGEMENT PLAN.—

“(1) IN GENERAL.—In carrying out the Program, the Secretary may produce a water source management plan in cooperation with the water source investment partnership participants and State, local, and tribal governments.

“(2) FIREWOOD.—A water source management plan may give priority to projects that facilitate the gathering of firewood for personal use pursuant to section 223.5 of title 36, Code of Federal Regulations (or successor regulations).

“(3) ENVIRONMENTAL ANALYSIS.—The Secretary may conduct—

“(A) a single environmental impact statement or similar analysis required under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) for all or part of the res-
oration projects in the water source management plan; and

“(B) a statement or analysis described in subparagraph (A) as part of the development of the water source management plan or after the finalization of the plan.

“(4) ENDANGERED SPECIES ACT.—In carrying out the Program, the Secretary may use the Manual on Adaptive Management of the Department of the Interior, including any associated guidance, for purposes of fulfilling any requirements under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.).

“(5) FUNDS AND SERVICES.—

“(A) IN GENERAL.—In carrying out the Program, the Secretary may accept and use funding, services, and other forms of investment and assistance from water source investment partnership participants to implement the water source management plan.

“(B) MANNER OF USE.—The Secretary may accept and use investments described in subparagraph (A) directly or indirectly through the National Forest Foundation.
“(C) WATER SOURCE PROTECTION FUND.—

“(i) IN GENERAL.—Subject to the availability of appropriations, the Secretary may establish a Water Source Protection Fund to match funds or in-kind support contributed by water source investment partnership participants under subparagraph (A).

“(ii) USE OF APPROPRIATED FUNDS.—The Secretary may use funds appropriated to carry out this subparagraph to make multiyear commitments, if necessary, to implement 1 or more water source investment partnership agreements.”.

SEC. 304. WATERSHED CONDITION FRAMEWORK.

Subtitle A of title III of the Omnibus Public Land Management Act of 2009 (Public Law 111–11; 123 Stat. 1126) is amended by inserting after section 3002, as added by section 303, the following:

“SEC. 3003. WATERSHED CONDITION FRAMEWORK.

“(a) IN GENERAL.—The Secretary of Agriculture, acting through the Chief of the Forest Service (referred to in this section as the ‘Secretary’), shall establish and
maintain a Watershed Condition Framework within the National Forest System west of the 100th Meridian—

“(1) to evaluate and classify the condition of watersheds, taking into consideration—

“(A) water quality and quantity;
“(B) aquatic habitat and biota;
“(C) riparian and wetland vegetation;
“(D) the presence of roads and trails;
“(E) soil type and condition;
“(F) groundwater-dependent ecosystems;
“(G) relevant terrestrial indicators, such as fire regime, risk of catastrophic fire, forest and rangeland vegetation, invasive species, and insects and disease; and
“(H) other significant factors, as determined by the Secretary;

“(2) to identify for restoration up to 5 priority watersheds in each National Forest, and up to 2 priority watersheds in each national grassland, taking into consideration the impact of the condition of the watershed condition on—

“(A) wildfire behavior;
“(B) flood risk;
“(C) fish and wildlife;
“(D) drinking water supplies;
“(E) irrigation water supplies;

“(F) forest-dependent communities; and

“(G) other significant impacts, as determined by the Secretary;

“(3) to develop a watershed restoration action plan for each priority watershed that—

“(A) takes into account existing restoration activities being implemented in the watershed; and

“(B) includes, at a minimum—

“(i) the major stressors responsible for the impaired condition of the watershed;

“(ii) a set of essential projects that, once completed, will address the identified stressors and improve watershed conditions;

“(iii) a proposed implementation schedule;

“(iv) potential partners and funding sources; and

“(v) a monitoring and evaluation program;

“(4) to prioritize restoration activities for each watershed restoration action plan;
“(5) to implement each watershed restoration action plan; and

“(6) to monitor the effectiveness of restoration actions and indicators of watershed health.

“(b) COORDINATION.—Throughout the establishment and maintenance of the Watershed Condition Framework, the Secretary shall—

“(1) coordinate with interested non-Federal landowners and with State, tribal, and local governments within the relevant watershed; and

“(2) provide for an active and ongoing public engagement process.

“(c) EMERGENCY DESIGNATION.—Notwithstanding subsection (a)(2), the Secretary may identify a watershed as a priority for rehabilitation in the Watershed Condition Framework without using the process described in subsection (a), if the appropriate Forest Supervisor determines that—

“(1) a wildfire has significantly diminished the condition of the watershed; and

“(2) the emergency stabilization activities of the Burned Area Emergency Response Team are insufficient to return the watershed to proper function.”.
SEC. 305. FOREST SERVICE LEGACY ROADS AND TRAILS REMEDIATION PROGRAM.

(a) IN GENERAL.—The Secretary of Agriculture, acting through the Chief of the Forest Service (referred to in this section as the “Secretary”), shall establish and maintain a Forest Service Legacy Roads and Trails Remediation Program (referred to in this section as the “Program”) within the National Forest System west of the 100th Meridian—

(1) to carry out critical maintenance and urgent repairs and improvements on National Forest System roads, trails, and bridges;

(2) to restore fish and other aquatic organism passage by removing or replacing unnatural barriers to the passage of fish and other aquatic organisms;

(3) to decommission unneeded roads and trails;

and

(4) to carry out associated activities.

(b) PRIORITY.—In implementing the Program, the Secretary shall give priority to projects that protect or restore—

(1) water quality;

(2) watersheds that feed public drinking water systems; or

(3) habitat for threatened, endangered, and sensitive fish and wildlife species.
(c) NATIONAL FOREST SYSTEM.—Except as authorized under section 323 of the Department of the Interior and Related Agencies Appropriations Act, 1999 (16 U.S.C. 1011a), all projects carried out under the Program shall be on National Forest System roads.

(d) NATIONAL PROGRAM STRATEGY.—Not later than 180 days after the date of enactment of this Act, the Secretary shall develop a national strategy for implementing the Program.

SEC. 306. REAUTHORIZATION OF THE COLLABORATIVE FOREST LANDSCAPE RESTORATION FUND.

Section 4003(f)(6) of the Omnibus Public Land Management Act of 2009 (16 U.S.C. 7303(f)(6)) is amended by striking “2019, to remain available until expended” and inserting “2015, and $80,000,000 for each of fiscal years 2016 through 2024, to remain available until expended”.

Subtitle B—Reservoir Operation Improvement

SEC. 311. SHORT TITLE.

This subtitle may be cited as the “Five Demonstrations of Advancing Yields by Fixing Operations of Reservoirs to Encompass Climatic and Atmospheric Science Trends Act”.
SEC. 312. PROJECTS, PLANS, AND REPORTS.

(a) SPECIFIC INFORMATION.—Not later than 90 days after the date of enactment of this Act, the Secretary of the Army shall provide to the Committees on Appropriations of the House of Representatives and the Senate a report including the following information for any State under a gubernatorial drought declaration during water year 2015:

(1) A list of Army Corps and non-Army Corps (section 7 of the Flood Control Act of 1944 (33 U.S.C. 709)) projects that have a water control plan.

(2) The year the original water control manual was approved.

(3) The year for any subsequent revisions to the project’s water control plan and manual.

(4) A list of projects in which operational deviations for drought contingency have been requested or implemented and the status of the request.

(5) How water conservation and water quality improvements were addressed.

(6) A list of projects where permanent changes to storage allocations have been requested and the status of the request.

(b) IDENTIFICATION OF PROJECTS.—Not later than 60 days after completion of the report under subsection
(a), the Secretary of the Army shall identify any projects from the report that meet the following criteria:

1. Located in a State in which a drought emergency has been declared or was in effect during the 1-year period preceding the date of completion of the report by the Secretary under subsection (a).

2. Future revision of a water operations manual, including flood control rule curves, based on the use of improved weather forecasting or run-off forecasting methods, new watershed data, or changes to project operations, would be likely to enhance the existing authorized project purposes for water supply storage capacity and reliability, or flood control operations.

(c) ADDITIONAL PROJECTS.—In addition, not later than 60 days after completion of the report in subsection (a), the Secretary of the Army shall identify any non-Corps projects that meet the criteria in subsection (b) and the following 2 criteria:

1. The owner of the non-Corps project has submitted to the Secretary of the Army a formal request to review or revise the operations manual or flood control rule curves to accommodate new watershed data or projected project modifications or operational changes.
(2) The modifications or operational changes proposed by the owner of the non-Corps projects are likely to enhance water supply benefits and flood control operations.

(d) PILOT PROJECTS.—Not later than 1 year after identification of the projects in subsections (b) and (c), if any, the Secretary of the Army shall establish not more than 5 pilot projects to implement forecast-based reservoir operations.

(e) COORDINATION WITH NON-FEDERAL PROJECT SPONSOR.—

(1) IN GENERAL.—If any of the projects identified in subsections (b) and (c) are non-Federal projects, the Secretary of the Army, prior to carrying out an activity under this section, shall consult with the non-Federal project sponsor and enter into a cooperative agreement, memorandum of understanding, or other agreement with the non-Federal project sponsor.

(2) DEFINITION.—In this subsection, the term “non-Federal project sponsor” means an entity or a local government entity, including a municipal water district, that currently manages (in whole or in part) an Army Corps of Engineers dam or reservoir.
(f) **FORECAST-BASED RESERVOIR OPERATIONS PLAN.**—As part of the pilot project under subsection (d), the Secretary, in designing and implementing a forecast-based reservoir operations plan, shall include the following:

1. The relationship between ocean and atmospheric conditions, including the El Niño and La Niña cycles, and the potential for above normal, normal, and below normal rainfall for the coming water year.

2. The precipitation and runoff index specific to the basin and watershed of the relevant dam or reservoir, including incorporating information about hydrological and meteorological conditions that influence the timing and quantity of runoff.

3. Improved hydrologic forecasting for precipitation, snowpack, and soil moisture conditions.

4. An adjustment of operational flood control rule curves to optimize water supply storage and reliability, hydropower production, environmental benefits for flows and temperature, and other authorized project benefits, without a reduction in flood safety.

5. Proactive management in response to changes in forecasts.
(g) **NON-FEDERAL FUNDS.**—Upon finalizing an agreement with a non-Federal project sponsor pursuant to subsection (e), the Secretary of the Army may accept non-Federal funds for all or a portion of the cost of carrying out a review or revision of water control manuals and flood control rule curves.

(h) **NO ADDITIONAL AUTHORITY.**—Revisions of the manuals referred to in subsection (b) shall not interfere with authorized purposes. Nothing in this Act authorizes the Secretary of the Army to carry out, at a Corps of Engineers dam or reservoir, any project for a purpose not otherwise authorized as of the date of enactment of this Act.

(i) **CONSULTATION.**—In implementing the pilot projects pursuant to subsection (d), the Secretary of the Army may consult with other affected interests, including non-Federal entities responsible for operations and maintenance costs of a Corps facility, affected water rights holders, individuals and entities with storage entitlements, and local agencies with flood control responsibilities downstream of a Corps facility.

(j) **CHANGE TO OPERATIONS MANUAL.**—Not later than 180 days after the completion of a change to the operations manual or flood control rule curves, the Secretary shall submit a report to the appropriate committees.
of Congress regarding the components of the forecast-based reservoir operations plan incorporated into the change.

Subtitle C—Reclamation Projects for Renewable Energy to Reduce Evaporation Loss

SEC. 320. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) evaporative loss along Bureau of Reclamation reservoirs, canals, and other conveyance systems reduces the quantity and reliability of water deliveries;

(2) drought and extreme aridity from changing weather patterns will contribute to increased evaporative loss in the future; and

(3) existing Central Valley Project operations assume a conveyance loss for evaporation and seepage south of the Delta of 150,000 acre-feet annually.

(b) PURPOSE.—The purpose of this subtitle is to expand investments in infrastructure for Bureau of Reclamation reservoirs, canals, and other conveyance systems, that will provide shade, reduce evaporative loss, and increase water supplies in the arid western States.
SEC. 321. DEFINITIONS.

In this subtitle:

(1) COVERED LAND.—The term “covered land” means land that is—

(A) land under the administrative jurisdiction of the Bureau of Reclamation; and

(B) not excluded from the development of solar or wind energy under—

(i) a final land use plan established under the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.); or

(ii) Federal law.

(2) FUND.—The term “Fund” means the Fish and Wildlife Restoration Fund established under section 324.

(3) PUBLIC LAND.—The term “public land” has the meaning given the term “public lands” in section 103 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1702).

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

SEC. 322. EVALUATION AND REPORT.

(a) IN GENERAL.—Not later than one year after the date of the enactment of this Act, the Secretary shall complete an evaluation and report to Congress on the potential
for developing rights-of-way along Bureau of Reclamation canals and infrastructure, including reservoirs, for solar or wind energy production through leasing of lands or other means.

(b) REPORT.—The report to Congress shall specify—

(1) the location of potential rights-of-way for energy production;

(2) estimates of water losses due to evaporation that would be reduced due to shade and other benefits from energy production;

(3) the total acreage available for energy production;

(4) existing transmission infrastructure at such locations;

(5) estimates of fair market leasing value of potential energy sites; and

(6) estimates of energy development potential at sites.

SEC. 323. DEVELOPMENT OF SOLAR AND WIND ENERGY ON COVERED LAND.

(a) PILOT PROGRAM ON SELECTED COVERED LAND.—

(1) ESTABLISHMENT.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall establish a wind and solar energy leas-
ing pilot program under which the Secretary con-
ducts lease sales of certain sites located on covered
land for purposes of carrying out wind and solar en-
ergy projects.

(2) SELECTION OF SITES ON COVERED LAND.—

(A) IN GENERAL.—Not later than 90 days
after the date the pilot program is established
under paragraph (1), the Secretary shall select
from covered land—

(i) 1 site for the development of a
solar energy project; and

(ii) 1 site for the development of a
wind energy project.

(B) SITE SELECTION.—In selecting sites
under subparagraph (A), the Secretary shall—

(i) give a preference to sites that the
Secretary determines—

(I) are likely to attract a high
level of wind and solar energy indus-
try interest;

(II) would likely have a positive
impact on water supply through re-
ducing water loss from evaporation by
providing shade and temperature re-
ductions, or beneficial impacts from
energy production and infrastructure;

and

(III) would serve as models for the expansion of the pilot program to other locations if the program is expanded under subsection (c);

(ii) take into consideration the value of the multiple resources of the covered land on which such sites are located; and

(iii) not select any site for which a right-of-way or special use permit for site testing or construction has been issued under title V of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1761 et seq.).

(3) LEASE SALES OF PROJECT SITES.—

(A) IN GENERAL.—Except as provided in paragraph (4)(B)(i), not later than 180 days after the date on which sites are selected under paragraph (2), the Secretary shall offer each site for competitive leasing under such terms and conditions as the Secretary requires.

(B) BIDDING.—Bidding on a site offered for lease under this subsection shall be—

(i) limited to one round;
(ii) open only to bidders who—

(I) submit a plan of development for such site together with the bid; and

(II) the Secretary determines are qualified under subparagraph (C)(ii); and

(iii) conducted using a bidding system selected by the Secretary, including—

(I) a cash bonus bids system requiring payment of the royalty established under this Act;

(II) a variable royalty bids system based on a percentage of the gross proceeds from the sale of electricity produced from the site offered for lease, except that the royalty shall not be less than the royalty required under this Act, together with a fixed cash bonus; or

(III) such other bidding system as ensures a fair return to the public consistent with the royalty established under this Act.
(C) Bidder qualifications.—The Secretary shall—

(i) before conducting any lease sale under this subsection, establish qualification requirements for bidders on a site offered for lease that ensure that such bidders, with respect to wind or solar energy projects—

(I) are able to expeditiously develop such a project on the site;

(II) possess the financial resources necessary to complete such a project;

(III) possess knowledge of the technology needed to complete such a project;

(IV) meet eligibility requirements that are substantially similar to the eligibility requirements for leasing that apply under the first section of the Mineral Leasing Act (30 U.S.C. 181 et seq.); and

(V) possess such other qualifications as the Secretary determines are necessary; and
(ii) using the requirements established under clause (i), determine whether a person is qualified to be a bidder on a site offered for lease under this subsection.

(D) CREDIT FOR BID PREPARATION EXPENDITURES.—In the case of a site offered for lease under this subsection with respect to which more than one bid is submitted on the date of the lease sale of such site, the Secretary shall give credit to each person who submitted a bid with respect to such site for expenditures such person incurred in the preparation of such bid.

(4) LEASE TERMS.—

(A) IN GENERAL.—The Secretary may establish such lease terms and conditions, including the duration of the lease with respect to any site offered for lease under this subsection.

(B) SHORT-TERM LEASES FOR DATA COLLECTION.—In carrying out this subsection, the Secretary shall—

(i) offer on a noncompetitive basis a short-term lease on not less than one site selected under paragraph (2) for purposes of data collection; and
(ii) upon the expiration of the short-term lease, offer on a competitive basis a long-term lease, giving credit toward the bonus bid submitted with respect to the long-term lease to the holder of the short-term lease for any qualified expenditures made by such holder to collect data or to develop the site during such short-term lease.

(5) **REVENUES.**—Subject to section 324, the Secretary may collect bonus bids, royalties, fees, or other payments (except rental payments) with respect to sites offered for lease under this subsection.

(6) **REPORT.**—Not later than 90 days after the date on which the Secretary conducts the final lease sale under this subsection, the Secretary shall submit to the Committee on Energy and Natural Resources of the Senate and the Committee on Natural Resources of the House of Representatives a report on the results of each lease sale conducted under this subsection, including—

(A) the level of competitive interest;

(B) a summary of bids and revenues received; and
(C) any other factors that may have impacted the lease sale.

(7) OTHER LAWS.—

(A) COMPLIANCE WITH LAND MANAGEMENT AND ENVIRONMENTAL LAWS.—In offering sites for lease under this subsection, the Secretary concerned shall comply with—

(i) all Federal laws applicable to lands under the administrative jurisdiction of the Bureau of Land Management; and

(ii) Federal or State environmental laws or any other relevant laws.

(B) APPLICABILITY TO WIND AND SOLAR ENERGY PROJECTS UNDER OTHER FEDERAL LAWS.—Nothing in this subsection shall be construed so as to prohibit the Secretary from issuing rights-of-way or special use permits with respect to wind and solar energy projects in compliance with other Federal laws and regulations in effect on the date of the enactment of this Act.

(8) ENFORCEMENT OF FEDERAL LAND POLICY MANAGEMENT.—

(A) IN GENERAL.—Sections 302(c) and 303 of the Federal Land Policy and Manage-
ment Act of 1976 (43 U.S.C. 1732(e), 1733) shall apply to activities conducted on sites on covered land offered for lease under this subsection.

(B) **Effect on enforcement authority under other federal law.**—Nothing in this subsection shall be construed so as to reduce or limit the enforcement authority vested in the Secretary or the Attorney General on covered land under any other Federal law.

(b) **Temporary extension of pilot program.**—Until final regulations are issued under subsection (c)(4), the Secretary shall continue to carry out the pilot program under subsection (a) on the sites offered for lease under such subsection. The Secretary may extend any lease issued for such sites under subsection (a) under the same terms and conditions applicable to such lease on the date of the lease sale as necessary until final regulations are issued under subsection (c)(4) with respect to such sites.

(c) **Expansion of pilot program to all covered land.**—

(1) **Joint determination required.**—Not later than 5 years after the date of the enactment of this Act, the Secretary shall determine whether to expand the pilot program established under sub-
section (a) to apply to all covered land, including sites with respect to which leases were issued under subsection (a). In making such determination, the Secretary shall—

(A) take into consideration the results of the pilot program;

(B) consult with—

(i) the heads of Federal agencies and relevant State agencies (including State fish and wildlife agencies);

(ii) interested States, Indian tribes, and local governments;

(iii) representatives of the solar and wind energy industries;

(iv) representatives of the environment, conservation, and outdoor sporting communities; and

(v) the public; and

(C) consider whether such expansion—

(i) provides an effective means of developing wind or solar energy; and

(ii) is in the public interest.

(2) EXPANSION AUTHORIZED.—The Secretary shall expand pilot program only if the Secretary de-
termined to expand the pilot program under paragraph (1).

(3) Report on joint determination.—Not later than 60 days after making the determination under paragraph (1) to expand the pilot program, the Secretary shall submit to the Committee on Energy and Natural Resources of the Senate and the Committee on Natural Resources of the House of Representatives a report describing the basis and findings for the determination.

(4) Regulations to implement expansion.—Not later than one year after making a determination to expand the pilot program under paragraph (1), the Secretary shall issue final regulations to implement this subtitle.

(5) Applicability of provisions of pilot program to expanded program.—

(A) In general.—Except as provided in subparagraph (B), paragraphs (3), (7), and (8) of subsection (a) shall apply to covered land offered for lease under this subsection in the same manner as such paragraphs apply to sites offered for lease under subsection (a).

(B) Competitive leasing not required under certain circumstances.—The re-
requirement under subsection (a)(3) that a lease be sold on a competitive basis shall not apply to a lease issued under this subsection if the Secretary determines that—

(i) no competitive interest exists for the covered land offered for lease;

(ii) the public interest would not be served by the competitive issuance of a lease with respect to such covered land; or

(iii) the lease is for a purpose described in paragraph (7)(A)(ii).

(6) PAYMENTS.—

(A) IN GENERAL.—Subject to section 324, the Secretary shall establish fees, bonuses, or other payments (except rental payments) to ensure a fair return to the United States for any lease issued under this subsection.

(B) BONUS BIDS.—The Secretary may grant credit toward any bonus bid for a qualified expenditure by the holder of a lease described in paragraph (7)(A)(ii) in any competitive lease sale held for a long-term lease of the covered land that is the subject of the lease described in such paragraph.

(C) READJUSTMENT.—
(i) IN GENERAL.—Royalties and other terms and conditions of a lease issued under this subsection shall be subject to readjustment—

(I) on the date that is 15 years after the date on which the lease is issued; and

(II) every 10 years thereafter.

(ii) INDEXING.—Effective on the first day of the first month beginning after the date of enactment of this Act and each year thereafter, the amount of royalties or other terms and conditions subject to readjustment under clause (i) shall be adjusted to reflect changes for the 12-month period ending on the most recent date for which data are available in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.

(7) LEASE DURATION, ADMINISTRATION, AND READJUSTMENT.—

(A) DURATION.—
(i) **IN GENERAL.**—Except as provided in clause (ii), a lease issued under this subsection shall be for—

(I) an initial term of 25 years; and

(II) any additional period after the initial 25-year term during which electricity is being produced annually in commercial quantities from the lease.

(ii) **DATA COLLECTION LEASES.**—In the case of a lease issued under this subsection for the placement and operation of a meteorological or data collection facility or for the development or demonstration of a new wind or solar energy technology, such lease shall have a term of not more than 5 years.

(B) **ADMINISTRATION.**—The Secretary of the Interior shall establish terms and conditions for the issuance, transfer, renewal, suspension, and cancellation of a lease issued under this subsection.

(C) **READJUSTMENT PROVISION REQUIRED.**—Each lease issued under this sub-
section shall provide for readjustment in accordance with subparagraph (A).

(8) **SURFACE-DISTURBING ACTIVITIES.**—The Secretary shall issue regulations regarding surface-disturbing activities conducted under any lease issued under this subsection, including any reclamation and other actions necessary to conserve and to offset impacts to surface resources.

(9) **SECURITY.**—

(A) **IN GENERAL.**—The Secretary shall require that the holder of a lease issued under this subsection—

(i) furnish a surety bond or other form of security, as prescribed by the Secretary;

(ii) provide for the reclamation and restoration of the covered land that is the subject of the lease; and

(iii) comply with such other requirements as the Secretary considers necessary to protect the interests of the public and the United States.

(B) **PERIODIC REVIEW.**—Not less frequently than once every 5 years, the Secretary shall conduct a review of the adequacy of the
surety bond or other form of security provided by the holder of a lease issued under this subsection.

SEC. 324. ROYALTIES.  
(a) IN GENERAL.—The Secretary shall require as a term and condition of any lease issued under section 323, the payment of a royalty. The Secretary shall establish such royalty pursuant to a rulemaking. The royalty shall be a percentage of the gross proceeds from the sale of electricity produced on covered land that is the subject of such lease, at a rate that—

(1) encourages production of solar or wind energy;

(2) ensures a fair return to the public comparable to the return that would be obtained on State or private land; and

(3) encourages the maximum energy generation while disturbing the least quantity of covered land and other natural resources, including water.

(b) CONSIDERATION.—In establishing the royalty under subsection (a), the Secretary shall consider the relative capacity factors of wind and solar energy projects.

c) EXCLUSIVE PAYMENT ON SALE OF ELECTRICITY.—The royalty under subsection (a) shall be the only rent, royalty, or similar payment to the Federal Gov-
ernment required with respect to the sale of electricity produced under a lease issued under section 323.

(d) Royalty Relief.—The Secretary may reduce the royalty rate established under subsection (a) if the holder of a lease issued under this Act shows by clear and convincing evidence that—

(1) collection of the full royalty would unreasonably burden energy generation on covered land that is the subject of the lease; and

(2) the royalty reduction is in the public interest.

(e) Enforcement.—

(1) Auditing System.—The Secretary shall establish a comprehensive inspection, collection, fiscal, and production accounting and auditing system—

(A) to accurately determine royalties, interest, fines, penalties, fees, deposits, and other payments owed under this subtitle; and

(B) to collect and account for the payments in a timely manner.

(2) Applicability of Federal Oil and Royalty Management Act of 1982.—The provisions of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1701 et seq.) (including the civil
and criminal enforcement provisions of such Act) shall apply to leases issued under this subtitle with respect to wind and solar energy projects in the same manner as such provisions apply to oil and gas leases.

(f) REPORT ON ROYALTIES.—Not later than 5 years after the date of enactment of this Act and every 5 years thereafter, the Secretary shall submit to the Committee on Energy and Natural Resources of the Senate and the Committee on Natural Resources of the House of Representatives a report consisting of a review of the collections and impacts of the royalties and fees collected under this subtitle, including—

(1) the total revenues received (by category) on an annual basis as royalties from wind and solar energy development and production (specified by energy source) on covered land;

(2) whether the revenues received for the development of wind and solar energy development are comparable to the revenues received for similar development on State or private land;

(3) any impact on the development of wind and solar energy on covered land as a result of the royalties; and
(4) any recommendations with respect to changes in Federal law (including regulations) relating to the amount or method of collection (including auditing, compliance, and enforcement) of the royalties.

(g) REGULATIONS.—Not later than one year after the date of the enactment of this Act, the Secretary shall issue final regulations to carry out this section.

SEC. 325. DISPOSITION OF ROYALTY REVENUE.

(a) ALLOCATION OF REVENUE.—All amounts collected by the Secretary as royalties or bonuses under subsection (a)(5) or (c)(6) of section 323 shall be distributed as follows:

(1) 25 percent shall be paid by the Secretary of the Treasury to States within the boundaries of which the royalties or bonuses are derived, to be allocated among such States based on the percentage of covered land from which such royalties or bonuses are derived in each State.

(2) 25 percent shall be paid by the Secretary of the Treasury to the counties within the boundaries of which the royalties or bonuses are derived, to be allocated among such counties based on the percentage of covered land from which such royalties or bonuses are derived in each county.
(3) 25 percent shall be deposited into the Fish and Wildlife Restoration Fund established by subsection (b) and used in accordance with that subsection.

(4) For the period that begins on the date of the enactment of this Act and ending on the date that is 15 years after the date of the enactment of this Act, 15 percent shall be paid by the Secretary of the Treasury directly to the State offices of the Bureau of Reclamation with jurisdiction over the areas of which the royalties or bonuses are derived for purposes of reducing the number of renewable energy permits that have not been processed before the date of the enactment of this Act, to be allocated among such offices based on the percentage of covered land from which the royalties or bonuses are derived in each State.

(5) The remainder shall be deposited into the general fund of the Treasury for purposes of reducing the annual Federal budget deficit.

(b) Fish and Wildlife Restoration Fund.—

(1) Establishment.—There is established in the Treasury a Fish and Wildlife Restoration Fund to be administered by the Secretary of the Interior for use in regions impacted by the development of
hydropower by Federal agencies, including the Bureau of Reclamation, and the development of wind or solar energy on Bureau of Reclamation land.

(2) USE OF FUNDS.—The Secretary shall use amounts in the Fund to take actions and to make payments to State agencies, Federal agencies, or other interested persons in such regions for—

(A) protecting and restoring important fish and wildlife habitat and native populations in such regions, including corridors, water resources, and other sensitive land; and

(B) improving fish species habitat or native population within the boundaries and downstream of a Bureau of Reclamation project.

(3) AVAILABILITY OF AMOUNTS.—Amounts in the Fund shall be available for expenditure, in accordance with this subsection, without further appropriation and without fiscal year limitation.

(4) INVESTMENT OF FUND.—

(A) IN GENERAL.—Any amounts deposited in the Fund shall earn interest in an amount determined by the Secretary of the Treasury on the basis of the current average market yield on outstanding marketable obligations of the United States of comparable maturities.
(B) DEPOSIT.—Any interest earned under subparagraph (A) shall be deposited into the Fund.

(5) MITIGATION REQUIREMENTS.—The expenditure of funds under this subsection shall be separate and distinct from any mitigation requirements imposed pursuant to any law, regulation, or term or condition of any lease, right-of-way, or other authorization.

(c) ALLOCATION FOR PERMITTING AFTER EXPIRATION OF 15-YEAR PERIOD.—

(1) CERTIFICATION BY SECRETARY.—At the end of the period described in subsection (a)(4), the Secretary shall certify whether the State offices referred to in such subsection have adequately reduced the renewable energy permitting backlog referred to in such subsection.

(2) ALLOCATION AFTER CERTIFICATION.—If the Secretary certifies under paragraph (1) that—

(A) the State offices referred to in such paragraph have not adequately reduced the backlog referred to in such paragraph—

(i) the period described in subsection (a)(4) shall be extended by an additional 15-year period; and
(ii) payments shall continue to be made during that period as described in such subsection; or

(B) the State offices referred to in such paragraph have adequately reduced such backlog—

(i) two-thirds of the amount otherwise required to be paid under subsection (a)(4) shall be added to the amount deposited in the Fund established under subsection (b); and

(ii) one-third of such amount shall be deposited into the general fund of the Treasury for purposes of reducing the annual Federal budget deficit.

(d) Payments to States and Counties.—

(1) In General.—Amounts paid to States and counties under subsection (a) shall be used in a manner that is consistent with section 35 of the Mineral Leasing Act (30 U.S.C. 191).

(2) Impacts.—Not less than 35 percent of the amount paid to a State each fiscal year shall be used for the purposes described in subsection (b)(2).
Subtitle D—Improved Reclamation
Crop Data

SEC. 331. DEFINITIONS.

For the purposes of this subtitle:

(1) AGRICULTURAL WATER CONTRACT.—The term “agricultural water contract” means any contract or arrangement, including water service contracts, repayment contracts, water rights settlement contracts, exchange contracts, or other form of agreement, through which agricultural users receive water and deliveries through a facility owned, operated, or constructed in whole or in part by the Bureau of Reclamation, including contracts under the Reclamation Act of 1902 (ch.1093; 32 Stat. 388) as amended and supplemented.

(2) DROUGHT EMERGENCY.—The term “drought emergency” means a period when a state of drought emergency declared by the Governor of the State is in effect.

(3) FEDERALLY DEVELOPED WATER SUPPLIES.—The term “federally developed water supplies” means water supplies derived from a project developed by the Secretary pursuant to Federal law.
(4) SECRETARY.—The term “Secretary” means
the Secretary of the Interior, acting through the
Commissioner of the Bureau of Reclamation.

(5) WATER-INTENSE PERMANENT CROP.—The
term “water-intense permanent crop” means any
crop considered by the Secretary, after consultation
with the Secretary of Agriculture, to be
unsustainable for an area given its expected level of
rainfall in the absence of the federally developed
water supply.

SEC. 332. DETERMINATION OF PLANTING OF WATER-IN-
TENSE PERMANENT CROPS.

The Secretary shall survey agricultural water con-
tracts related to federally developed water supplies to de-
termine if water-intense permanent crops have been plant-
ed by or on behalf of the customers or beneficiaries of any
agricultural water contract during a drought emergency.
The survey shall include the examination of all such con-
tracts in effect at any time during the period from the
date of the enactment of this Act and until the date that
is 10 years before the date of the enactment of this Act.

SEC. 333. REPORT RELATED TO WATER-INTENSE PERMA-
NENT CROPS.

Not later than 90 days after the date of the enact-
ment of this Act, the Secretary shall submit a report based
on the survey conducted pursuant to section 331 and other
information available to the Secretary to Congress that in-
cludes—

(1) the number and location of acres put into
production of water-intense permanent crops during
a drought emergency;

(2) the types of water-intense permanent crops
put into production on each acre; and

(3) the impact that putting the water-intense
permanent crops into production had and is pro-
jected to have on the water demands for the agricul-
tural water contracts and federally developed water
supply related to those crops.

Subtitle E—Improved Oversight of
State Injection Wells

SEC. 341. AMENDMENT TO THE SAFE DRINKING WATER
ACT.

Section 1422 of the Safe Drinking Water Act (42
U.S.C. 300h–1) is amended by adding at the end the fol-
lowing new subsection:

“(f) For the purposes of subsection (e), if the Admin-
istrator finds that a State has, at any time, improperly
issued permits under the State’s underground injection
control program and the State fails to address such defi-
ciencies and take sufficient remedial action, as determined
by the Administrator, by the date that is 90 days after
the date on which the Administrator notifies the State of
such finding, the State shall be considered to no longer
meet the requirements of clause (i) or (ii) of subsection
(b)(1)(A) until such time as the State has addressed the
deficiencies and taken sufficient remedial action, as deter-
mined by the Administrator.”.

Subtitle F—Combating Water Theft for Illegal Marijuana Cultivation

SEC. 351. POLICY DIRECTIVE ON ILLEGAL WATER DIVER-
SION FOR MARIJUANA CULTIVATION.

Not later than 90 days after the date of enactment
of this Act, the Director of National Drug Control Policy,
in collaboration with the Secretary of the Interior and the
Administrator of the Environmental Protection Agency,
shall determine the amount of water diverted for mari-
juana cultivation in each of the high intensity drug traf-
ficking areas (as designated under section 707 of the Of-

cine of National Drug Control Policy Reauthorization Act
of 1998 (21 U.S.C. 1706)) within the State of California
and other States with declared droughts.
SEC. 352. ENVIRONMENTAL REPORTING REQUIREMENTS FOR DOMESTIC CANNABIS ERADICATION PROGRAM.

Not later than 1 year after the date of enactment of this Act, and annually thereafter, the Attorney General shall require, as a condition of the receipt of any funds under the Domestic Cannabis Eradication/Suppression program of the Drug Enforcement Administration, or any successor program thereto, a report from any participant in such program containing information on the environmental consequences of actions taken pursuant to program participation. The Attorney General, in making any determination to provide funding under the program, shall take into account the information so reported.

SEC. 353. TRESPASS MARIJUANA LOCATION REGISTRY.

Not later than 180 days after the date of enactment of this Act, the Attorney General shall establish and maintain a registry, in which reports received by the Attorney General of incidents of cultivation of marijuana on Federal or State property or while intentionally trespassing on the property of another will be recorded and, to the extent feasible, made available to the public.

SEC. 354. FUNDING FOR REMEDIATION OF TRESPASS MARIJUANA SITES.

Title 31, United States Code, is amended in subsection (a)(1) of the second section 9703 (relating to the
Department of the Treasury Forfeiture Fund) by adding at the end the following:

“(K)(i) Payment to the designated State, local, or tribal law enforcement, environmental, or health entity necessary for the remediation of any area formerly used for the production or cultivation of a controlled substance in contravention of State law.

“(ii) If the site is located on private property, not more than 90 percent of the costs associated with the remediation of the site may be paid under this subparagraph and such costs may only be paid if—

“(I) the property owner did not have knowledge of the existence or operation of such site before the law enforcement action to close it; or

“(II) the property owner notifies law enforcement not later than 72 hours after discovering the existence of such site.”.

SEC. 355. VOLUNTARY GUIDELINES.

(a) ESTABLISHMENT OF VOLUNTARY GUIDELINES.—

Not later than 6 months after the date of enactment of this Act, the Secretary of Agriculture (in this section referred to as the “Secretary”), in consultation with other
appropriate Federal agencies, including the Environmental Protection Agency, shall establish voluntary guidelines, based on the best currently available scientific knowledge—

(1) for the remediation of former indoor and outdoor marijuana cultivation and processing sites, including guidelines regarding preliminary site assessment and the remediation of residual contaminants and ecosystems; and

(2) for State, local, and tribal governments to use in developing and implementing laws, regulations, guidelines, and other policies that apply the best available research and technology to the remediation of former indoor and outdoor marijuana cultivation and processing sites.

(b) CONSIDERATIONS.—In establishing the voluntary guidelines under subsection (a), the Secretary shall consider, at a minimum—

(1) relevant standards, guidelines, and requirements found in Federal, State, tribal, and local laws and regulations;

(2) the various types and locations of former marijuana cultivation or processing sites, including both indoor and outdoor sites; and
(3) the estimated costs of carrying out any such guidelines.

(c) Consultation.—The Secretary shall work with State, local, and tribal governments and other non-Federal agencies and organizations the Secretary determines relevant to promote and encourage the adoption of the voluntary guidelines.

(d) Revisions to the Guidelines.—The Secretary shall periodically review and, as the Secretary, in consultation with State, local, and tribal governments and other interested parties, determines necessary and appropriate, revise the voluntary guidelines to incorporate findings of the research conducted pursuant to section 356 and other new knowledge.

SEC. 356. RESEARCH PROGRAM.

The Secretary of Agriculture, in consultation with other appropriate Federal agencies, including the Environmental Protection Agency, shall establish a program of research to support the development and revision of the voluntary guidelines established under section 355. Such program shall—

(1) identify marijuana cultivation or processing-related chemicals of concern;

(2) assess the types and levels of exposure to chemicals of concern identified under paragraph (1)
that may present significant adverse biological effects, and identify actions and additional research necessary to remediate such biological effects;

(3) assess the impacts of marijuana cultivation and processing on waterways and bodies of water, and identify actions and additional research necessary to remediate such impacts;

(4) evaluate the performance of current remediation techniques for marijuana cultivation and processing sites;

(5) identify areas where additional research is necessary, including research relating to—

(A) the impacts of indoor and outdoor marijuana cultivation and processing, including biological and hydrological effects and impacts to soil and landscape, such as the potential for erosion; and

(B) the remediation of former indoor or outdoor marijuana cultivation or processing sites;

(6) support other research priorities identified by the Secretary, in consultation with State, local, and tribal governments and other interested parties; and
(7) include collaboration with colleges and universities currently engaged in research on any matter described in this section or additional research priorities determined appropriate by the Secretary.

**TITLE IV—PLANNING FOR THE FUTURE**

**Subtitle A—X-Prize for Desalination Breakthroughs**

**SEC. 401. SHORT TITLE.**

This subtitle may be cited as the “Water Innovation and Prize Competition Act of 2015”.

**SEC. 402. WATER TECHNOLOGY AWARD PROGRAM.**

(a) PROGRAM ESTABLISHED.—The Secretary of Energy shall, in consultation with the Administrator of the Environmental Protection Agency and the Secretary of the Interior, working through the Bureau of Reclamation, establish a program to award prizes to eligible persons described in subsection (b) for achievement in 1 or more of the following applications of water technology:

(1) Demonstration of desalination of brackish or sea water with significantly less energy than commercially available reverse osmosis technology.

(2) Demonstration of portable or modular desalination units that can process 1 to 5,000,000 gallons per day that could be deployed for temporary...
emergency uses in coastal communities or com-
unities with brackish ground water supplies.

(3) Demonstration of significant advantages
over commercially available reverse osmosis tech-
tology as determined by the board established under
subsection (c).

(b) ELIGIBLE PERSON.—An eligible person described
in this subsection is—

(1) an individual who is—

(A) a citizen or legal resident of the
United States; or

(B) a member of a group that includes
citizens or legal residents of the United States;
or

(2) an entity that is incorporated and maintains
its primary place of business in the United States.

(c) ESTABLISHMENT OF BOARD.—

(1) IN GENERAL.—The Secretary of Energy
shall establish a board to administer the program es-
tablished under subsection (a).

(2) MEMBERSHIP.—The board shall be com-
posed of not less than 15 and not more than 21
members appointed by the President, of whom—

(A) not less than 1 shall—
(i) be a representative of the interests of academic, business, and nonprofit organizations; and

(ii) have expertise in—

(I) the field of water technology, including desalination; or

(II) administering award competitions; and

(B) not less than 1 shall be from each of—

(i) the Department of Energy;

(ii) the Environmental Protection Agency;

(iii) the Bureau of Reclamation of the Department of the Interior; and

(iv) the National Science Foundation.

(d) AWARDS.—Subject to the availability of appropriations, the board established under subsection (c) may make awards under the program established under subsection (a) as follows:

(1) FINANCIAL PRIZE.—The board may hold a financial award competition and award a financial award in an amount determined before the commencement of the competition to the first competitor to meet such criteria as the board shall establish.

(2) RECOGNITION PRIZE.—
(A) In General.—The board may recognize an eligible person for superlative achievement in 1 or more applications described in subsection (a).

(B) No Financial Remuneration.—An award under this paragraph shall not include any financial remuneration.

(C) National Technology and Innovation Medal Recommendations.—For each eligible person recognized under this paragraph, the board shall recommend to the Secretary of Commerce that the Secretary recommend to the President under section 16(b) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3711) that the President award the National Technology and Innovation Medal established under section 16(a) of such Act to such eligible person.

(e) Administration.—

(1) Contracting.—The board established under subsection (c) may contract with a private organization to administer a financial award competition described in subsection (d)(1).

(2) Solicitation of Funds.—A member of the board or any administering organization with
which the board has a contract under paragraph (1) may solicit gifts from private and public entities to be used for a financial award under subsection (d)(1).

(3) LIMITATION ON PARTICIPATION OF DONORS.—The board may allow a donor who is a private person described in paragraph (2) to participate in the determination of criteria for an award under subsection (d), but such donor may not solely determine the criteria for such award.

(4) NO ADVANTAGE FOR DONATION.—A donor who is a private person described in paragraph (3) shall not be entitled to any special consideration or advantage with respect to participation in a financial award competition under subsection (d)(1).

(f) INTELLECTUAL PROPERTY.—The Federal Government may not acquire an intellectual property right in any product or idea by virtue of the submission of such product or idea in any competition under subsection (d)(1).

(g) LIABILITY.—The board established under subsection (c) may require a competitor in a financial award competition under subsection (d)(1) to waive liability against the Federal Government for injuries and damages that result from participation in such competition.
(h) ANNUAL REPORT.—Each year, the board established under subsection (e) shall submit to Congress a report on the program established under subsection (a).

(i) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated sums for the program established under subsection (a) as follows:

(A) For administration of prize competitions under subsection (d), $750,000 for each fiscal year.

(B) For the awarding of a financial prize award under subsection (d)(1), in addition to any amounts received under subsection (c)(2), $2,000,000 for each fiscal year.

(2) AVAILABILITY.—Amounts appropriated pursuant to the authorization of appropriations under paragraph (1) shall remain available until expended.

Subtitle B—Drought Planning Assistance Through NRCS and Reclamation

SEC. 411. DROUGHT PLANNING ASSISTANCE THROUGH NRCS AND RECLAMATION.

(a) IN GENERAL.—The Secretary of Agriculture, acting through the Natural Resources Conservation Service, in collaboration with the Secretary of the Interior, acting
through the Bureau of Reclamation, shall, upon request, provide assistance to water or power delivery authorities, including water districts and irrigation districts, that are authorized under subtitle F of title IX of the Omnibus Public Land Management Act of 2009 (42 U.S.C. 10362 et seq.) to receive financial assistance from the Bureau of Reclamation, for the purposes of increasing water use efficiency and providing on-farm assistance to address water quantity and water quality conservation practices.

(b) TYPES OF ASSISTANCE.—Assistance under subsection (a) shall include—

(1) hydrological forecasting;

(2) assessment of water supply sources under different water year classification types;

(3) identification of alternative water supply sources;

(4) guidance on potential water transfer partners;

(5) technical assistance regarding Federal and State permits and contracts under the Act of February 21, 1911 (36 Stat. 925, chapter 141) (commonly known as the “Warren Act”);

(6) installation of districtwide or on-farm water efficiency and conservation technologies, including behavioral water efficiency, system modernizations
(including leak repair and supervisory control and data acquisition systems), and other technologies that have been proven to provide improvements in water use efficiency through verification by a third party;

(7) technical assistance regarding emergency provision of water supplies for critical health and safety purposes; and

(8) activities carried out in conjunction with the National Oceanic and Atmospheric Administration, the National Integrated Drought Information System, and the State partners of the National Integrated Drought Information System under the National Integrated Drought Information System Act of 2006 (15 U.S.C. 313d)—

(A) to collect and integrate key indicators of drought severity and impacts; and

(B) to produce and communicate timely monitoring and forecast information to local and regional communities.

SEC. 412. PROTECTING AND PRIORITIZING HIGH-VALUE AGRICULTURAL LAND.

Not later than 180 after the date of the enactment of this section, the Secretary of the Interior shall develop and implement a plan to purchase, under all existing au-
authorities, from willing sellers, water rights or land and associated water rights, with the goal of permanently retiring from agricultural production 250,000 acres within the area served by the Central Valley Project. All water rights purchased by the Secretary under the plan required by this section shall be permanently—

(1) deducted from deliveries to the Central Valley Project; and

(2) retained for public purposes, such as providing water deliveries to refuges.

Subtitle C—Drought Preparedness for Fisheries

SEC. 421. DROUGHT PREPAREDNESS FOR FISHERIES.

(a) SALMON DROUGHT PLAN.—Not later than January 1, 2016, the United States Fish and Wildlife Service shall, in consultation with the National Marine Fisheries Service, the Bureau of Reclamation, the Army Corps of Engineers, and the California Department of Fish and Wildlife, prepare a California salmon drought plan. The plan shall investigate options to protect salmon populations originating in the State of California, contribute to the recovery of populations listed under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.), and contribute to the goals of the Central Valley Project Improvement Act (Public Law 102–575). The plan shall focus on
actions that can aid salmon populations during the driest years. Strategies investigated shall include—

(1) relocating the release location and timing of hatchery fish to avoid predation and temperature impacts;

(2) barging of hatchery release fish to improve survival and reduce straying;

(3) coordinating with water users, the Bureau of Reclamation, and the California Department of Water Resources regarding voluntary water transfers, to determine if water released upstream to meet the needs of downstream or South-of-Delta water users can be managed in a way that provides additional benefits for salmon;

(4) hatchery management modifications, such as expanding hatchery production of listed fish during the driest years, if appropriate;

(5) increasing rescue operations of upstream migrating fish; and

(6) improving temperature modeling and related forecasted information to predict water management impacts to salmon and salmon habitat with a higher degree of accuracy than current models.

(b) APPROPRIATION.—There is hereby appropriated for fiscal year 2014, out of any funds in the Treasury not
otherwise appropriated, a total amount of $3,000,000, to remain available until the end of the period during which the State’s emergency drought designation is in effect, for the United States Fish and Wildlife Service for urgent fish, stream, and hatchery activities related to extreme drought conditions, including work with the National Marine Fisheries Service, the Bureau of Reclamation, the Army Corps of Engineers, the California Department of Fish and Wildlife, or a qualified tribal government.

(c) QUALIFIED TRIBAL GOVERNMENT DEFINITION.—For the purposes of this section, the term “qualified tribal government” means any government of an Indian tribe that the Secretary of the Interior determines—

(1) is involved in salmon management and recovery activities under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.); and

(2) has the management and organizational capability to maximize the benefits of assistance provided under this section.

Subtitle D—National Emergency Planning Response

SEC. 431. NATIONAL EMERGENCY PLANNING RESPONSE.

(a) CATASTROPHIC DROUGHT PLAN.—Not later than 120 days after the date of enactment of this Act, the President shall update the National Response Plan and
the National Disaster Recovery Framework to include a
plan for catastrophic drought that calls on the capabilities
of all applicable Federal agencies and departments, includ-
ing the pre-positioning of Federal resources to provide
emergency clean water supplies.

(b) DEFINITIONS.—For the purposes of this sec-
tion—

(1) the term “National Response Plan” means
the National Response Plan or any successor plan
prepared under section 504(a)(6) of the Homeland
Security Act of 2002 (6 U.S.C. 314(a)(6)); and

(2) the term “National Disaster Recovery
Framework” means the National Disaster Recovery
Framework or any successor document prepared
under section 682 of the Post-Katrina Emergency

Subtitle E—Military Preparedness
for Desalination

SEC. 441. REPORT ON DESALINATION TECHNOLOGY.

Not later than 90 days after the date of enactment
of this Act, the Secretary of the Navy shall submit to Con-
gress a report on desalination technology’s application
for defense and national security purposes to provide
drought relief to areas impacted by sharp declines in water
supply.