

107TH CONGRESS
1ST SESSION

H. R. 1985

To authorize funding through the Secretary of the Interior for the implementation of a comprehensive program in California to achieve increased water yield and environmental benefits, as well as improved water system reliability, water quality, water use efficiency, watershed management, water transfers, and levee protection.

IN THE HOUSE OF REPRESENTATIVES

MAY 24, 2001

Mr. CALVERT (for himself, Mr. CONDIT, Mr. RADANOVICH, Mrs. NAPOLITANO, Mr. OSE, Mr. DOOLEY of California, Mr. THOMAS, Mr. SCHIFF, Mr. DREIER, Ms. MILLENDER-MCDONALD, Mr. DOOLITTLE, Ms. SANCHEZ, Mr. GALLEGLY, Mrs. DAVIS of California, Mr. MCKEON, Mr. FILNER, Mr. HORN, Mr. ROYCE, Mr. LEWIS of California, Mr. BACA, Mr. GARY G. MILLER of California, Mrs. BONO, Mr. ISSA, Mr. HUNTER, Mr. COX, Mr. ROHRABACHER, and Mr. POMBO) introduced the following bill; which was referred to the Committee on Resources, and in addition to the Committee on Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To authorize funding through the Secretary of the Interior for the implementation of a comprehensive program in California to achieve increased water yield and environmental benefits, as well as improved water system reliability, water quality, water use efficiency, watershed management, water transfers, and levee protection.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Western Water En-
 5 hancement Security Act”.

6 **SEC. 2. TABLE OF CONTENTS.**

7 The table of contents for this Act is as follows:

- Sec. 1. Short title.
- Sec. 2. Table of contents.
- Sec. 3. Purposes.
- Sec. 4. Definitions.

TITLE I—SHORT-TERM AND LONG-TERM CALIFORNIA WATER
SECURITY

- Sec. 101. Short-term governance under interim governance structure.
- Sec. 102. Long-term governance and monitoring.
- Sec. 103. California water supply security.
- Sec. 104. Implementation of record of decision.
- Sec. 105. Requirement of specific congressional authorization of new CALFED
projects.
- Sec. 106. Reports.
- Sec. 107. Treatment of funds.

TITLE II—SMALL RECLAMATION PROJECTS

- Sec. 201. Short title.
- Sec. 202. Amendments to the Small Reclamation Projects Act of 1956.
- Sec. 203. Additional appropriations.
- Sec. 204. Guidelines.
- Sec. 205. Effective date.
- Sec. 206. Limitation.

8 **SEC. 3. PURPOSES.**

9 The purposes of this Act are the following:

- 10 (1) To authorize funding, through the Secretary
 11 of the Interior, for the implementation of a com-
 12 prehensive program to achieve increased water yield
 13 and environmental benefits as well as improved
 14 water system reliability, water quality, water use ef-

1 ficiency, watershed management, water transfers,
2 and levee protection for California.

3 (2) To ensure that the Secretary of the Interior
4 and the State of California, through a State and
5 congressionally authorized Governance Board, con-
6 tinue the implementation of ecosystem protection
7 programs, and development of water supply enhance-
8 ment projects, as described in the CALFED record
9 of decision, and other programs authorized under
10 this Act.

11 **SEC. 4. DEFINITIONS.**

12 As used in this Act:

13 (1) BAY-DELTA SOLUTION AREA.—The term
14 “Bay-Delta solution area” means the Bay-Delta wa-
15 tershed and the San Francisco Bay/Sacramento-San
16 Joaquin Delta Estuary, California, and the areas in
17 which diverted/exported water is used.

18 (2) BAY-DELTA WATERSHED.—The term “Bay-
19 Delta watershed” means the Sacramento Valley-San
20 Joaquin River Delta, California, and the rivers and
21 watersheds that are tributary to that Delta.

22 (3) CALFED AGENCIES.—The term
23 “CALFED agencies” means both the Federal agen-
24 cies and the State agencies.

1 (4) CALFED PROGRAM.—The term “CALFED
2 program” means the cooperative, interagency effort
3 of 18 State and Federal agencies with management
4 or regulatory responsibilities for the Bay-Delta solu-
5 tion area as set forth in the record of decision, in-
6 cluding complementary actions (as that term is de-
7 fined in the record of decision).

8 (5) CONGRESSIONAL APPROPRIATIONS COMMIT-
9 TEES.—The term “congressional appropriations
10 committees” means the Subcommittee on Energy
11 and Water Development of the Committee on Appro-
12 priations of the Senate and the Subcommittee on
13 Energy and Water Development of the Committee
14 on Appropriations of the House of Representatives.

15 (6) CONGRESSIONAL AUTHORIZING COMMIT-
16 TEES.—The term “congressional authorizing com-
17 mittees” means the Committee on Energy and Nat-
18 ural Resources of the Senate and the Committee on
19 Resources of the House of Representatives.

20 (7) ECOSYSTEM RESTORATION PROGRAM.—The
21 term “Ecosystem Restoration Program” means such
22 program under the record of decision.

23 (8) ENVIRONMENTAL WATER ACCOUNT.—The
24 term “Environmental Water Account” means the
25 water account established by the CALFED agencies

1 to provide water for the protection and recovery of
2 species of fish listed under section 4(c) of the En-
3 dangered Species Act of 1973 (16 U.S.C. 1533(c))
4 at no direct cost and no indirect cost to the water
5 users, in the Bay-Delta watershed and export areas.

6 (9) FEDERAL AGENCIES.—The term “Federal
7 agencies” means the Federal agencies as identified
8 in the record of decision.

9 (10) GOVERNANCE BOARD.—The term “Gov-
10 ernance Board” means the joint structure estab-
11 lished under section 102(a)(1).

12 (11) RECORD OF DECISION.—The term “record
13 of decision” means the Federal record of decision
14 issued August 28, 2000, pursuant to the National
15 Environmental Policy Act of 1969 for the CALFED
16 Bay-Delta Program Final Programmatic Environ-
17 mental Impact Statement.

18 (12) SECRETARY.—The term “Secretary”
19 means the Secretary of the Interior.

20 (13) STATE AGENCIES.—The term “State agen-
21 cies” means the State agencies as identified in the
22 record of decision.

23 (14) YIELD.—The term “yield” means a quan-
24 tity of water supply derived from—

25 (A) recycling existing sources;

- 1 (B) reservoirs; or
- 2 (C) other water management tools that—
- 3 (i) generate additional or new water
- 4 supplies by means that are readily avail-
- 5 able in critically dry years;
- 6 (ii) improve system capacity;
- 7 (iii) improve operational flexibility; or
- 8 (iv) improve water quality.

9 **TITLE I—SHORT-TERM AND**

10 **LONG-TERM CALIFORNIA**

11 **WATER SECURITY**

12 **SEC. 101. SHORT-TERM GOVERNANCE UNDER INTERIM**

13 **GOVERNANCE STRUCTURE.**

14 (a) IN GENERAL.—The Federal agencies and State

15 agencies shall continue to operate under the interim gov-

16 ernance structure as described in Attachment 3 of the

17 record of decision, and in accordance with section 103 of

18 this Act, until July 1, 2002.

19 (b) SHORT-TERM PROGRAM FUNDING.—

20 (1) AUTHORIZATION OF APPROPRIATIONS.—For

21 studies, environmental review, design, and other

22 preconstruction or preacquisition activities for all

23 CALFED program elements, including complemen-

24 tary actions, there is authorized to be appropriated

25 to the Secretary under this section \$100,000,000 for

1 fiscal year 2002. Funds appropriated pursuant to
2 this section may remain available until expended.

3 (2) EQUAL FUNDING.—In meeting the need for
4 balance, the Interim Governance Board shall ensure
5 that equal funding is provided for funding for in-
6 creased yield and for environmental benefits in fiscal
7 year 2002, and adequate progress is made in im-
8 proving water system reliability, water quality, water
9 use efficiency, watershed management, water trans-
10 fers, and levee protection.

11 (c) WATER SUPPLY STUDIES.—

12 (1) IN GENERAL.—The Secretary, acting
13 through the Bureau of Reclamation, shall conduct a
14 study of available water supplies and existing
15 demand—

16 (A) within the units of the Central Valley
17 Project; and

18 (B) within the area served by Central Val-
19 ley Project agricultural water service contrac-
20 tors.

21 (2) REPORT.—The Secretary shall submit a re-
22 port to the congressional authorizing committees by
23 not later than May 31, 2002, describing the findings
24 of the studies. The report shall describe—

1 (A) water supply improvements, if any, for
 2 Central Valley Project agricultural water service
 3 contractors that would result from projects de-
 4 scribed in the record of decision; and

5 (B) all feasible water management actions
 6 or supply projects that, if taken or constructed,
 7 respectively, would balance available water sup-
 8 plies and existing demand for those contractors.

9 (3) FEASIBLE DEFINED.—For purposes of
 10 paragraph (2), the term “feasible” means capable of
 11 being accomplished in a successful manner within a
 12 reasonable period of time, taking into account eco-
 13 nomic, environmental, social, and technological fac-
 14 tors.

15 **SEC. 102. LONG-TERM GOVERNANCE AND MONITORING.**

16 (a) ESTABLISHMENT OF GOVERNANCE BOARD.—

17 (1) IN GENERAL.—The Secretary and the State
 18 of California shall develop a joint structure, to be
 19 known as the “Governance Board”, for managing
 20 CALFED program operations and a competitive
 21 water grant program in accordance with section 104.

22 (2) DEVELOPMENT AND SUBMITTAL OF PRO-
 23 POSAL.—For purposes of paragraph (1)—

24 (A) the Federal agencies shall participate
 25 with the State agencies to develop a proposed

1 joint structure to be authorized by the Congress
2 and the California Legislature before becoming
3 effective; and

4 (B) the Secretary shall submit a proposal
5 to establish such a joint structure to the Con-
6 gress and the California Legislature by July 1,
7 2002.

8 (3) PUBLIC PARTICIPATION.—The Federal
9 agencies shall take steps that will encourage broad
10 public, tribal, and local government involvement in
11 developing the proposal. Whenever feasible, meetings
12 of multiple State agencies and Federal agencies to
13 develop program goals or determine operational cri-
14 teria shall be open to the public.

15 (4) LIMITATION ON APPROPRIATIONS.—No
16 amounts may be appropriated for any fiscal year
17 after fiscal year 2003 to implement the record of de-
18 cision, including for grants under section 104(b) and
19 other activities to carry out the CALFED program,
20 if there has not been enacted by the Congress a law
21 establishing the Governance Board.

22 (b) PROGRAM RESPONSIBILITIES.—The joint struc-
23 ture proposed under this section shall provide the fol-
24 lowing:

1 (1) The Governance Board shall direct the im-
2 plementation of the record of decision and the com-
3 petitive grant program under section 104(b).

4 (2) The Governance Board shall ensure that all
5 relevant Federal programs authorized under this Act
6 and other preexisting authorities, including pro-
7 grams authorized by the Central Valley Project Im-
8 provement Act (106 Stat. 4706 et seq.), coordinate
9 and integrate goalsetting, funding, and implementa-
10 tion with CALFED programs so as to ensure the
11 most biologically effective and cost-effective expendi-
12 ture of Federal funds and resources for CALFED
13 program-related activities. The United States shall
14 continue coordinated consultations and negotiations
15 with the State of California pursuant to the cost
16 sharing agreement required by section 78684.10 of
17 California Senate Bill 900, Chapter 135, Statutes of
18 1996, signed by the Governor of California on July
19 11, 1996.

20 (c) PROMOTION OF PARTNERSHIPS.—The joint
21 structure proposed under this section shall provide the fol-
22 lowing:

23 (1) The Governance Board shall seek out and
24 promote partnerships with local interests and pro-

1 grams that seek to integrate various management
2 options so as to maximize the final resource benefits.

3 (2) The Governance Board shall cooperate and
4 undertake joint activities with local public agencies,
5 Indian tribes, private water users, and landowners
6 pursuant to the record of decision. Such activities
7 shall include, but not be limited to, planning, design,
8 technical assistance, construction projects, and the
9 development of an independent peer review science
10 program.

11 (d) MONITORING.—The joint structure proposed
12 under this section shall provide that the Governance
13 Board shall—

14 (1) provide ecological monitoring plans and pro-
15 tocols to be used for gauging cost-effective perform-
16 ance of projects funded under this title relative to
17 the stated ecological goals; and

18 (2) ensure that monitoring data collected for
19 projects funded by the Central Valley Project Im-
20 provement Act Restoration Fund and other relevant
21 authorities are compatible and designed to measure
22 overall trends in ecosystem health in the Bay-Delta
23 solution area.

1 (e) OBJECTIVE REVIEW AND ANALYSIS.—The joint
2 structure proposed under this section shall provide that
3 the Governance Board shall ensure that—

4 (1) all aspects of the CALFED program com-
5 ponents, including the competitive grants program
6 under section 104(b), use credible and objective sci-
7 entific review and economic analysis; and

8 (2) recommendations of the Governance Board
9 are based on the best available, independent peer-re-
10 viewed information.

11 (f) PRELIMINARY REQUIREMENTS.—The joint struc-
12 ture proposed under this section shall provide that—

13 (1) before acquiring land as part of the
14 CALFED program, the Governance Board shall first
15 determine that existing Federal land is not available
16 to achieve identified CALFED program objectives;
17 and

18 (2) in determining whether to acquire addi-
19 tional lands for the CALFED program, the Govern-
20 ance Board, through the Secretary, shall—

21 (A) consider the cumulative impact on the
22 local government and communities of transfer-
23 ring the property into government ownership;
24 and

25 (B) mitigate such impacts.

1 (g) ACHIEVEMENT OF GOALS OF RECORD OF DECI-
2 SION.—The joint structure proposed under this section
3 shall provide that the Governance Board shall partner
4 with landowners and local agencies to develop cooperating
5 landowner commitments that will meet coequal objectives
6 of achieving local economic and social goals and to imple-
7 ment the ecosystem restoration goals in the record of deci-
8 sion.

9 (h) COMPLIANCE WITH STATE LAW.—The joint
10 structure proposed under this section shall provide that
11 in carrying out this Act the Governance Board shall oper-
12 ate in compliance with California water law. Nothing in
13 this Act shall be construed to invalidate or preempt State
14 environmental, land use, or water law.

15 **SEC. 103. CALIFORNIA WATER SUPPLY SECURITY.**

16 (a) WATER SYSTEM IMPROVEMENTS.—

17 (1) IN GENERAL.—The Federal agencies, acting
18 through the CALFED program, shall develop a bal-
19 anced and timely program to achieve increased yield
20 and environmental benefits as well as improved
21 water system reliability, water quality, water use ef-
22 ficiency, watershed management, water transfers,
23 and levee protection.

24 (2) WATER SYSTEM IMPROVEMENTS.—The
25 Federal agencies shall ensure that Federal participa-

1 tion in the CALFED program results in continuous,
2 measurable, and significant benefits to achieve in-
3 creased yield and environmental benefits as well as
4 improved water system reliability, water quality,
5 water use efficiency, watershed management, water
6 transfers, and levee protection for agricultural and
7 urban uses throughout the Bay-Delta solution area.
8 In developing water supply options the Federal
9 agencies and State agencies shall consider all poten-
10 tial storage alternatives and utilize a cost/benefit
11 analysis in conjunction with environmental criteria
12 to ensure that proposals are selected that address
13 environmental issues and are economically viable.

14 (3) WATER DELIVERIES.—In accordance with
15 the record of decision, the Secretary shall operate
16 the Central Valley Project in a manner that will in
17 a normal year make available to south-of-Delta Cen-
18 tral Valley Project agricultural water service con-
19 tractors at least 70 percent of their existing con-
20 tract. In years that are other than normal, the Cen-
21 tral Valley Project shall be operated to accomplish
22 water supply improvements to south-of-Delta Cen-
23 tral Valley Project agricultural water service con-
24 tractors that are comparable to the targeted normal-
25 year supply improvements. The increased supply for

1 south-of-Delta Central Valley Project agricultural
2 water service contractors shall be accomplished with-
3 out reducing deliveries to other water agencies that
4 rely on water diverted from the Bay-Delta watershed
5 or degrading the quality of water diverted from the
6 Bay-Delta watershed for municipal and industrial
7 uses. For purposes of application of this section to
8 the 2002 water year, the term “normal-year” means
9 a water year in which the Sacramento Valley Index
10 is within 5 percent of 7.8 million acre feet as defined
11 by the State Water Resource Control Board Water
12 Quality Control Plan 95–1WR. The Secretary shall
13 develop, in consultation with affected interests, a
14 definition of a “normal year” for use in water years
15 after the 2002 water year. The Secretary shall also
16 develop, by no later than July 1, 2002, and in con-
17 sultation with affected interests, an operations plan
18 (with associated protocols) describing the manner in
19 which the requirements of this section will be
20 achieved.

21 (4) BANKS PUMPING PLANT.—In accordance
22 with the record of decision, the Federal agencies
23 shall—

24 (A) cooperate with the State to increase
25 pumping limits at the Banks Pumping Plant in

1 accordance with the schedule established in the
2 record of decision, or earlier if feasible; and

3 (B) manage the Environmental Water Ac-
4 count and the Ecosystem Restoration Program
5 to maximize the water supply benefits to be
6 provided by the increased pumping capability.

7 (b) ENVIRONMENTAL WATER MANAGEMENT.—

8 (1) MANAGEMENT OF ENVIRONMENTAL WATER
9 ACCOUNT.—The Federal agencies and State agencies
10 shall manage the Environmental Water Account and
11 the Ecosystem Restoration Program under the
12 record of decision as part of a comprehensive plan
13 to provide assurances that actions taken to protect
14 species listed under section 4(c) of the Endangered
15 Species Act of 1973 (16 U.S.C. 1533(c)), pursuant
16 to biological opinions and incidental take permits
17 under that Act, will be carried out in a manner
18 that—

19 (A) avoids water supply and water quality
20 impacts to the Central Valley Project and the
21 State Water Project; and

22 (B) avoids effects on the water right hold-
23 ers in the Bay-Delta solution area.

24 (2) ENVIRONMENTAL WATER ACCOUNT PRIOR-
25 ITIES AND OPERATION.—The Secretary shall give

1 first priority in the allocation and use of Environ-
2 mental Water Account and the Ecosystem Restora-
3 tion Program assets actually obtained or developed
4 to meeting the water supply assurances set forth in
5 paragraph (1). If, by December 31 of any year, the
6 Environmental Water Account water purchase tar-
7 gets, or their functional equivalents, have not been
8 met, the Federal agencies shall continue their efforts
9 to meet the water purchase targets and shall make
10 use of the available Environmental Water Account
11 assets to avoid jeopardizing the continued existence
12 of any species listed under section 4(c) of the En-
13 dangered Species Act of 1973 (16 U.S.C. 1533(c))
14 in a manner consistent with minimizing water supply
15 and water quality impacts. If the efforts to meet the
16 water purchase targets are unsuccessful, the max-
17 imum responsibility of water service contractors of
18 the State Water Project and the Central Valley
19 Project to provide water for Environmental Water
20 Account “Tier 2” purposes (as that term is defined
21 in the record of decision) shall be the difference be-
22 tween the Environmental Water Account purchase
23 targets and the amount of water actually acquired.

24 (c) LAND ACQUISITION; MANAGEMENT PLAN RE-
25 QUIRED FOR EXISTING LANDS.—The State agencies and

1 the Federal agencies may not, under the interim govern-
2 ance structure described in Attachment 3 of the record
3 of decision, acquire any additional lands for ecosystem res-
4 toration unless such agencies, through the Secretary and
5 by not later than January 1, 2003, develop a management
6 plan for all lands acquired by such agencies under such
7 structure before the date of the enactment of this Act.

8 **SEC. 104. IMPLEMENTATION OF RECORD OF DECISION.**

9 (a) IN GENERAL.—

10 (1) IMPLEMENTATION OF THE RECORD OF DE-
11 CISION.—The Federal agencies, in carrying out their
12 regulatory responsibilities under any Federal law,
13 shall not—

14 (A) treat one CALFED program element
15 as an alternative to another CALFED program
16 element; or

17 (B) consider, as an alternative to one ele-
18 ment of the CALFED program, implementation
19 of any other element of the CALFED program
20 beyond the levels described in the record of de-
21 cision.

22 (2) REGULATORY COORDINATION.—The Sec-
23 retary, working with the Governor of the State of
24 California, shall develop a regulatory coordination
25 and streamlining process for the issuance of permits

1 and approvals required under State and Federal law
2 for projects under the CALFED program, to ensure
3 that all Federal agencies' and State agencies' respec-
4 tive regulatory programs will be coordinated in a
5 manner that reduces or eliminates duplicative proc-
6 esses or decisionmaking, thereby reducing costs and
7 time that would otherwise be required. Nothing in
8 this paragraph is intended nor shall be construed to
9 affect the requirements for the issuance of such per-
10 mits and approvals.

11 (b) COMPETITIVE GRANT PROGRAM.—

12 (1) GENERAL AUTHORITY.—The Governance
13 Board shall undertake a competitive grant program
14 to—

15 (A) investigate and identify opportunities
16 for the design and construction of demonstra-
17 tion and permanent facilities to increase yield
18 and improve water quality, including—

19 (i) reclamation and reuse of munic-
20 ipal, industrial, domestic, and agricultural
21 wastewater and impaired ground and sur-
22 face waters;

23 (ii) new treatment technologies; and

24 (iii) source control programs;

1 (B) carry out design and construction of
2 facilities identified pursuant to subparagraph
3 (A); and

4 (C) conduct research, including desalina-
5 tion, regarding the reclamation of wastewater
6 and impaired ground and surface waters.

7 (2) LIMITED TO STATE OF CALIFORNIA.—
8 Grants under the program may only be made for
9 projects carried out in the State of California.

10 (3) EVALUATION CRITERIA.—The Governance
11 Board shall consider the following criteria in deter-
12 mining the projects eligible for funding under this
13 subsection:

14 (A) Whether a project—

15 (i) increases yield; or

16 (ii) reduces or stabilizes demand on
17 existing Federal and State water supply fa-
18 cilities.

19 (B) Whether a project improves surface or
20 ground water quality, or quality of effluent dis-
21 charges to receiving water bodies, except that
22 those projects whose main purpose is the spon-
23 sor's compliance with the Federal Water Pollu-
24 tion Control Act shall not be counted as achiev-
25 ing a Federal benefit.

1 (C) Whether a project—

2 (i) serves a small, rural, or economi-
3 cally disadvantaged community or Indian
4 tribes;

5 (ii) shows economic benefits; and

6 (iii) is cost-effective.

7 (D) Whether a project restores or enhances
8 habitats, including those affected by or affect-
9 ing project operation or provide water for feder-
10 ally listed threatened or endangered species.

11 (E) Whether a project meets existing legal
12 and contractual water supply obligations, in-
13 cluding Indian trust responsibilities, water
14 rights settlements, regional water quality con-
15 trol boards, department of health, Federal and
16 State environmental laws, the Federal Water
17 Pollution Control Act, or other obligations.

18 (F) Whether a project promotes and ap-
19 plies a regional or watershed perspective to
20 water resource management or cross-boundary
21 issues, implements an integrated resources
22 management approach or forms a collaborative
23 partnership with other entities.

24 (G) Whether a project improves health and
25 safety of the general public.

1 (4) CONSTRUCTION GRANTS.—(A) No grant
2 may be made under this subsection for the construc-
3 tion of any project until after—

4 (i) an appraisal investigation and a feasi-
5 bility study have been completed;

6 (ii) the Governance Board has determined
7 that the non-Federal project sponsor is finan-
8 cially capable of funding the non-Federal share
9 of the project's costs; and

10 (iii) the Governance Board has approved a
11 cost-sharing agreement with the non-Federal
12 project sponsor that commits the non-Federal
13 project sponsor to funding its share of the
14 project's construction costs on an annual basis.

15 (B) The Governance Board shall notify the con-
16 gressional authorizing committees of projects rec-
17 ommended for grants under this subsection. In such
18 notification the Governance Board shall certify that
19 such an agreement has been signed and that the
20 Governance Board has determined that the non-Fed-
21 eral project sponsor is financially capable of funding
22 the project's non-Federal share of the project's
23 costs.

24 (5) COST SHARING.—Notwithstanding any
25 other provision of this Act, the Federal share of the

1 cost of a project carried out with a grant under this
2 subsection shall not exceed the lesser of \$50,000,000
3 (June 2000 prices) or 35 percent of the total cost
4 of the project.

5 (c) AUTHORIZATION OF APPROPRIATIONS.—

6 (1) COMPETITIVE GRANT PROGRAM.—For
7 grants under subsection (b), there are authorized to
8 be appropriated to the Secretary—

9 (A) \$50,000,000 for fiscal year 2002; and

10 (B) \$328,000,000 for each fiscal year
11 thereafter.

12 (2) IMPLEMENTATION OF CALFED.—In addition
13 to the other amounts authorized by this Act, there
14 are authorized to be appropriated for activities that
15 implement CALFED programs—

16 (A) for each of fiscal years 2003 through
17 2007—

18 (i) \$100,000,000; and

19 (ii) such sums as may be necessary
20 for construction; and

21 (B) for each of fiscal years 2008 through
22 2032—

23 (i) \$20,000,000 for ecosystem restora-
24 tion projects; and

1 (ii) such sums as may be necessary
2 for construction projects to increase yield,
3 including improving water quality.

4 (3) CONTINUING AVAILABILITY.—Funds appro-
5 priated pursuant to this subsection may remain
6 available until expended.

7 **SEC. 105. REQUIREMENT OF SPECIFIC CONGRESSIONAL**
8 **AUTHORIZATION OF NEW CALFED PROJECTS.**

9 (a) IN GENERAL.—No amounts may be appropriated
10 for a new CALFED project (including for grants under
11 section 104(b)) unless the project has been specifically in-
12 cluded in a report approved by all of the congressional au-
13 thorizing committees in accordance with this section.

14 (b) SUBMISSION OF FUNDING REPORTS.—

15 (1) IN GENERAL.—The Governance Board, act-
16 ing through the Secretary and in cooperation with
17 the State of California, shall submit to the congress-
18 sional authorizing committees with annual reports
19 under section 106(a) a separate report containing
20 recommendations of new CALFED projects for Fed-
21 eral funding, including projects for funding with
22 grants under section 104(b).

23 (2) CONTENTS, GENERALLY.—For each project
24 recommended under paragraph (1), the annual re-
25 port shall include—

- 1 (A) a project description;
- 2 (B) feasibility and operational studies;
- 3 (C) final environmental impact studies;
- 4 (D) finding of consistency with the record
5 of decision;
- 6 (E) cost-benefit analysis;
- 7 (F) identification of project benefits and
8 beneficiaries;
- 9 (G) cost allocation plan; and
- 10 (H) financing and repayment plans.

11 (3) NEW PROJECTS REQUIRED TO BE IN-
12 CLUDED.—The Governance Board, through the Sec-
13 retary, shall include in reports under this subsection
14 each of the following new CALFED projects, as
15 identified in the record of decision, by the dates indi-
16 cated:

- 17 (A) A project to raise the height of Shasta
18 Dam; by January 1, 2004.
- 19 (B) In-Delta storage; by January 1, 2002.
- 20 (C) Enlarged Los Vaqueros Reservoir; by
21 January 1, 2003.
- 22 (D) Sites Reservoir; by January 2005.
- 23 (E) San Joaquin River Storage; by Janu-
24 ary 2005.
- 25 (F) San Luis Bypass; by January 2004.

1 (c) CONGRESSIONAL APPROVAL.—

2 (1) IN GENERAL.—Each congressional author-
3 izing committee shall consider and approve or dis-
4 approve each report under subsection (b).

5 (2) CHANGES.—A congressional authorizing
6 committee may strike specific projects from such a
7 report.

8 (3) REPORTS DEEMED APPROVED.—A report
9 under subsection (b) shall be considered approved
10 unless disapproved by all of the congressional au-
11 thorizing committees within 60 days after the date
12 of submittal of the report.

13 **SEC. 106. REPORTS.**

14 (a) ANNUAL REPORT BY GOVERNANCE BOARD.—Not
15 later than February 1 of each year, the Governance Board
16 shall submit to the Congress an annual report that in-
17 cludes the following:

18 (1) STATE CALFED PROGRAM RECEIPTS.—An
19 accounting of all Federal funds received (or to be re-
20 ceived) by the State of California in the current fis-
21 cal year under the CALFED program, including—

22 (A) a description of all projects and activi-
23 ties carried out with such funds; and

24 (B) amounts received by the State that
25 have not yet been expended by the State.

1 (2) FEDERAL EXPENDITURES.—An accounting
2 of all funds expended (or to be expended) by the
3 Secretary in the current fiscal year under the
4 CALFED program (in addition to the funds ac-
5 counted for under paragraph (1)), including—

6 (A) a description of all projects and activi-
7 ties carried out with such funds; and

8 (B) amounts that were appropriated for
9 the fiscal year but not expended.

10 (3) ASSESSMENT OF ACHIEVEMENTS.—A de-
11 scription and assessment of expenditures and
12 achievements under the CALFED program in the
13 current fiscal year, including accomplishments in
14 achieving—

15 (A) increased water yield;

16 (B) environmental benefits; and

17 (C) improved water system reliability,
18 water quality, water use efficiency, watershed
19 management, water transfers, and levee protec-
20 tion.

21 (4) PERFORMANCE MEASURES.—A clear state-
22 ment of goals to achieve, under the CALFED
23 program—

24 (A) increased water yield;

25 (B) environmental benefits; and

1 (C) improved water system reliability,
2 water quality, water use efficiency, watershed
3 management, water transfers, and levee protec-
4 tion.

5 (b) ANNUAL BUDGET CROSSCUT REPORT.—Not
6 later than February 1 of each year, the Director of the
7 Office of Management and Budget shall submit to the
8 Congress an interagency budget crosscut report that de-
9 scribes in detail—

10 (1) all proposed and planned Federal expendi-
11 tures in the next fiscal year on ecosystem restoration
12 and other purposes in the Bay-Delta solution area;
13 and

14 (2) all proposed and planned State of California
15 and Federal expenditures in the next fiscal year to
16 achieve the objectives identified within the CALFED
17 record of decision.

18 (c) SUMMARY OF EXPENDITURES TO DATE.—The
19 Director of the Office of Management and Budget shall
20 submit to the Congress, by not later than January 1,
21 2002, a report describing all Federal and State expendi-
22 tures made before such date under the CALFED pro-
23 gram.

1 **SEC. 107. TREATMENT OF FUNDS.**

2 Funds authorized to be appropriated by this title to
3 those Federal agencies that are currently or subsequently
4 become participants in the CALFED program shall be in
5 addition to the baseline funding levels established for cur-
6 rently authorized projects and programs under the Central
7 Valley Project Improvement Act (title XXXIV of Public
8 Law 102–575) and other currently authorized Federal
9 programs for the purposes of Bay-Delta ecosystem protec-
10 tion and restoration and water system and water quality
11 improvement.

12 **TITLE II—SMALL RECLAMATION**
13 **PROJECTS**

14 **SEC. 201. SHORT TITLE.**

15 This title may be cited as the “Small Reclamation
16 Water Resources Project Act of 2001”.

17 **SEC. 202. AMENDMENTS TO THE SMALL RECLAMATION**
18 **PROJECTS ACT OF 1956.**

19 (a) PURPOSE.—The first section of the Small Rec-
20 lamation Projects Act of 1956 (43 U.S.C. 422a) is amend-
21 ed by striking “under the” and inserting “under this act
22 and other” and by adding the following at the end thereof:
23 “Such projects may include, but shall not be limited to,
24 irrigation projects. Irrigation shall not be a required pur-
25 pose for projects receiving assistance under this Act. In
26 providing assistance, the Secretary shall give priority to

1 recommended proposals which are related to presently au-
2 thorized Reclamation projects that will benefit from the
3 work carried out under this Act.”.

4 (b) DEFINITIONS.—Section 2 of the Small Reclama-
5 tion Projects Act of 1956 (43 U.S.C. 422b) is amended—

6 (1) in subsection (c), by striking “a State” and
7 inserting “an Indian Tribe, a State”;

8 (2) by striking subsection (d) and inserting the
9 following new subsection (d):

10 “(d) The term ‘project’ means one of the following:

11 “(1) A multi-purpose water resource develop-
12 ment carried out by a non-Federal organization in-
13 volving significant conservation of water, energy and
14 the environment.

15 “(2) The rehabilitation, betterment, or retrofit
16 of any existing Federal or non-Federal water infra-
17 structure for purposes of complying with law and
18 regulations.

19 “(3) An activity described in paragraph (1) or
20 (2) that is carried out by a non-Federal organization
21 under the Federal reclamation laws in one or more
22 of the 17 western reclamation States, Hawaii, Alas-
23 ka, the Commonwealth of Puerto Rico, Guam,
24 American Samoa, the Commonwealth of the North-
25 ern Mariana Islands, the Virgin Islands, and the

1 Trust Territory of the Pacific Islands. Where such
2 work is proposed for any existing Reclamation
3 project, such work shall be consistent with the au-
4 thorized purpose as determined by the Secretary.”;
5 and

6 (3) by striking subsection (f) and inserting the
7 following new subsection (f):

8 “(f) The term ‘water quality improvements’ shall
9 mean and involve those operational measures and physical
10 features associated with—

11 “(1) the reclamation and reuse of irrigation
12 drainage or municipal and industrial return flows,
13 including wastewater flows; or

14 “(2) the reclamation, or control, of brackish,
15 toxic, or impaired waters for beneficial reuse or pro-
16 tection of other related water, land, or environmental
17 resources.”

18 (c) MODIFICATION OF LOAN AND GRANT PRO-
19 GRAMS.—The Small Reclamation Projects Act of 1956 is
20 amended—

21 (1) by striking sections 3 through 8 (43 U.S.C.
22 422e–422h); and

23 (2) by inserting after section 2 (43 U.S.C.
24 422b) the following:

1 **“TITLE I—STATE AND LOCAL**
2 **PARTICIPATION IN RECLAMA-**
3 **TION PROJECTS**

4 **“SEC. 101. ESTABLISHMENT OF GRANT AND LOAN PRO-**
5 **GRAM.**

6 “There is hereby established under this title a pro-
7 gram within the Bureau of Reclamation, pursuant to
8 which the Secretary may make grants and loan guarantees
9 to organizations to carry out projects.

10 **“SEC. 102. PROPOSAL CONTENTS AND REQUIREMENTS.**

11 “(a) IN GENERAL.—Any organization seeking assist-
12 ance under this title shall submit a proposal to the Sec-
13 retary in such form and manner as the Secretary may pre-
14 scribe. Any proposal for a project submitted under this
15 title shall set forth a plan and estimated cost in detail
16 comparable to those included in preauthorization reports
17 required for a Federal reclamation project.

18 “(b) LANDS AND WATERS.—Each proposal sub-
19 mitted under this title shall include a statement of finan-
20 cial capability and legal authority, and a resolution from
21 the governing board of the organization showing that the
22 organization seeking assistance—

23 “(1) holds or can acquire all lands and interests
24 in land (except public and other lands and interest
25 in land owned by the United States which are within

1 the administrative jurisdiction of the Secretary and
2 subject to disposition by the Secretary) to complete
3 the project;

4 “(2) holds or can acquire all rights, pursuant to
5 applicable State law, to the use of water necessary
6 for the successful construction, operation, and main-
7 tenance of the project;

8 “(3) is willing to finance, and capable of financ-
9 ing, the non-Federal portion of the costs of the
10 project, which portion shall include all costs of ac-
11 quiring lands, interests in land, and rights to the use
12 of water, except as provided in section 105(b)(2);
13 and

14 “(4) has the legal authority and responsibility
15 under State law to carry out such work.

16 **“SEC. 103. FEDERAL SHARE AND PROJECT SPONSOR SHARE**
17 **OF COSTS.**

18 “(a) IN GENERAL.—The Secretary shall require each
19 organization receiving assistance under this title to con-
20 tribute toward the cost of the project (other than by loan
21 or grant of Federal funds) not less than 25 percent of
22 the allowable estimated costs of the project. In deter-
23 mining the amount of such non-Federal contribution for
24 the proposed project, the Secretary shall credit toward
25 that amount—

1 “(1) the cost of investigations, surveys, engi-
2 neering, administration, and other services necessary
3 for the preparation of proposals and plans for the
4 proposed project as required by the Secretary;

5 “(2) the value of lands and rights-of-way acqui-
6 sition required for the proposed project;

7 “(3) amounts spent by the organization for con-
8 struction or acquisition of facilities for the proposed
9 project prior to project approval; and

10 “(4) the filing fee required by this Act.

11 “(b) PREVENTION OF LOSS AND DAMAGE TO FISH
12 AND WILDLIFE.—The costs of measures to prevent loss
13 of, and damage to, existing fish and wildlife resources
14 shall be considered project costs and allocated as may be
15 appropriate among project functions.

16 “(c) MAXIMUM ALLOWABLE FEDERAL SHARE.—The
17 maximum allowable Federal share per project shall be
18 \$50,000,000, as of January 2001. The Secretary shall ad-
19 just such amount each year using the Bureau of Reclama-
20 tion’s composite construction cost trends index.

21 “(d) INCREASE IN AMOUNT.—To compensate for in-
22 creases in construction costs due to price escalation, sub-
23 ject to the limitations allowed by subsection (c), the Sec-
24 retary may increase the amount of the requested loan or
25 grant, or both, at any time prior to the completion of con-

1 struction of the project, using the Bureau of Reclama-
2 tion's composite construction cost trends index.

3 **“SEC. 104. APPROVAL OR DISAPPROVAL OF PROJECTS.**

4 “Not later than one year after the date an initial
5 project proposal is submitted to the Secretary under this
6 title, the Secretary shall make a determination whether
7 the proposal is financially feasible and constitutes a rea-
8 sonable risk under the provisions of this title and either
9 approve or disapprove the proposal. The Secretary shall
10 promptly transmit any approved proposals to the Con-
11 gress. The appropriate documentation under the National
12 Environmental Policy Act of 1969 (42 U.S.C. 4321 et
13 seq.) for the project shall be completed prior to Secretarial
14 transmittal of the proposal to Congress.

15 **“SEC. 105. CONTRACT TERMS AND CONDITIONS.**

16 “(a) MAXIMUM AMOUNTS AND AVAILABILITY.—
17 Upon approval of any project proposal submitted under
18 this title, the Secretary shall negotiate a contract setting
19 out the maximum amount of any grant, which shall not
20 exceed 50 percent of the maximum allowable Federal
21 share per grant or loan to be made to the organization,
22 and the time and method of making such grant or loan
23 available to the organization.

24 “(b) LOANS.—

1 “(1) The contract for each loan under this title
2 shall contain such terms and conditions as the Sec-
3 retary deems necessary or proper to provide assur-
4 ance of, and security for, prompt repayment and to
5 ensure achievement of the purposes for which the
6 loan was made. The contract shall include a plan for
7 repayment by the organization within 25 years, ex-
8 cept that the organization shall have the right to
9 prepay the loan or any component thereof without
10 penalty.

11 “(2) The contract for each loan under this title
12 shall require payment of interest and the repayment
13 of the principal of each loan. The Secretary shall fix
14 the interest at a rate determined as of the beginning
15 of the fiscal year in which the contract is executed.
16 The rate shall be based on the average market yield
17 on outstanding marketable obligations of the United
18 States with periods of maturity comparable to the
19 applicable repayment period of the loan.

20 “(c) LOANS PROJECTS BY INDIAN TRIBES.—

21 “(1) IN GENERAL.—For projects undertaken by
22 Indian tribes, the Secretary shall—

23 “(A) determine, based on the findings in
24 the proposal under section 102, the reimburs-

1 able and nonreimbursable costs for projects
2 constructed under this Act;

3 “(B) apportion those costs in accordance
4 with the benefits received; and

5 “(C) allocate the reimbursable costs to the
6 project beneficiaries.

7 “(2) TREATMENT OF COSTS IN EXCESS OF RE-
8 PAYMENT CAPABILITY.—Such costs that are deter-
9 mined by the Secretary to be in excess of the repay-
10 ment capability of an Indian tribe shall be non-
11 reimbursable.

12 **“TITLE II—PARTNERSHIP**
13 **PROGRAM**

14 **“SEC. 201. ESTABLISHMENT OF PARTNERSHIP PROGRAM.**

15 “(a) PROGRAM.—There is hereby established within
16 the Bureau of Reclamation a small grant and loan pro-
17 gram to be known as the Small Reclamation Water Re-
18 sources Management Partnership Program, to be carried
19 out under this title. The purpose of this program shall
20 be to implement projects that can be performed—

21 “(1) by the recipient organization’s workforce
22 or contractors,

23 “(2) with streamlined documentation, and

24 “(3) in a period of 18 months or less.

1 “(b) GRANTS.—Grants under this title shall not ex-
2 ceed \$5,000,000 for any one project under such program,
3 and shall be matched on a 50-percent basis of total eligible
4 cost by the organization.

5 “(c) LOANS.—Loans under this title shall not exceed
6 \$5,000,000 per project, and shall be subject to cost shar-
7 ing in the same manner as provided in title I. The contract
8 for each loan under this title shall require payment of in-
9 terest and repayment of the principal. The Secretary shall
10 fix the interest rate in the same manner as provided in
11 section 105(c)(2) for loans under title I.

12 “(d) LIMITATION.—The Secretary is authorized to
13 use up to \$50,000,000 of the amount available under this
14 Act for the purposes of this title.

15 **“SEC. 202. REPAYMENT OF LOANS.**

16 “Once work is certified complete by the Secretary,
17 each loan made under this title shall be repaid within a
18 5-year period.

19 **“SEC. 203. ACTIVITIES ELIGIBLE UNDER THE SMALL REC-**
20 **LAMATION WATER RESOURCES PARTNER-**
21 **SHIP.**

22 “(a) IN GENERAL.—The following types of activities
23 shall be eligible for grants or loans under this title:

24 “(1) Water conservation.

25 “(2) Water quality improvement projects.

1 “(3) Water management for urban landscapes.

2 “(4) Drought assistance.

3 “(5) Fish and wildlife improvements.

4 “(6) Public safety improvements.

5 “(7) Water supply, including but not limited to,
6 production, conveyance, conservation, and manage-
7 ment.

8 “(b) ADDITIONAL ACTIVITIES.—The Secretary may
9 add to the list referred to in subsection (a) as he deems
10 appropriate, except that any such addition shall not take
11 effect until 60 days after the Secretary publishes a notice
12 of the proposed addition in the Federal Register, and has
13 notified the Committee on Resources of the House of Rep-
14 resentatives and the Committee on Energy and Natural
15 Resources of the United States Senate in writing of the
16 proposed addition and the reasons therefore.

17 **“SEC. 204. APPLICATION PROCESS.**

18 “(a) NOTICE OF INTENT.—Each organization seek-
19 ing a grant or loan under this title shall submit a Notice
20 of Intent to the Secretary by April 1 of each year outlining
21 the proposed project and the public benefits thereof. With-
22 in two months, the Secretary shall provide a written re-
23 sponse to the applicant, either affirming or rejecting the
24 Bureau of Reclamation’s interest in participating in the
25 project.

1 “(b) NOTICE OF FEDERAL INTEREST.—Upon notifi-
2 cation of the Bureau of Reclamation’s interest, the organi-
3 zation seeking assistance under this title shall have the
4 option of proceeding with an appropriate loan or grant ap-
5 plication giving details of the project and the anticipated
6 public benefits.

7 “(c) CONTENTS.—The contents of any project pro-
8 posal under this title shall include, but need not be limited
9 to, each of the following:

10 “(1) A resolution by the board of directors of
11 the qualifying organization stating—

12 “(A) the total estimated project cost;

13 “(B) the amount of the grant or loan re-
14 quested;

15 “(C) the amount of the non-Federal con-
16 tribution for the grant;

17 “(D) the organization’s ability to finance
18 and construct the project; and

19 “(E) the project objectives.

20 “(2) A summary of the proposal.

21 “(3) A brief description of the anticipated ef-
22 fects of the project on the environment.

23 “(4) Evidence that the organization seeking as-
24 sistance under this title has all lands and water
25 rights needed for the project, or can obtain them

1 and has legal authority and responsibility under
2 state law to carry out such work in the project plan.

3 “(5) A description of the project plan, including
4 a general map showing the location of proposed
5 physical features, conceptual engineering drawings
6 of major and typical structures, and general stand-
7 ards for design.

8 “(6) A construction schedule, with dates and
9 schedule of funding requirements under this title, in
10 sufficient detail to provide an analysis of the pro-
11 posed construction program.

12 “(7) An identification of those portions of the
13 project costs which constitute the Federal grant or
14 loan amounts and the applicant’s local contribution.

15 “(d) COSTS.—The cost of any investigations and
16 preparation of any environmental documentation shall be
17 borne by the project applicant and any such costs shall
18 be credited as part of the local cost share for grant fund-
19 ing.

20 “(e) ANNUAL LISTING.—The Secretary shall include
21 in the annual budget justification for the Bureau of Rec-
22 lamation, a listing of the activities and total funding re-
23 quired for work committed under this title.

1 **“SEC. 205. TERMS AND CONDITIONS OF PROJECT WORK.**

2 “The Secretary shall examine the proposal submitted
3 under this title to determine if the project can reasonably
4 be expected to accomplish its purpose, and approve or dis-
5 approve such proposal by September 1 of each year. Once
6 approved by the Secretary and subject to the availability
7 of appropriations, funding shall be provided within 60
8 days for the schedule of work within that fiscal year.

9 **“SEC. 206. ELIGIBILITY.**

10 “Such proposals shall only be made by organizations
11 that have legal authority and responsibility for such work
12 to be carried out on those projects under state law. Only
13 one proposal per project area shall be allowed per every
14 five year period.

15 **“TITLE III—LOAN GUARANTEES**

16 **“SEC. 301. ESTABLISHMENT OF LOAN GUARANTEE PRO-**
17 **GRAM.**

18 “There is hereby established within the Bureau of
19 Reclamation a demonstration program to guarantee loans
20 for projects receiving, or eligible to receive, loans, or
21 grants under title I or II of this Act.

22 **“SEC. 302. PROGRAM REQUIREMENTS.**

23 “(a) IN GENERAL.—The Secretary may provide sup-
24 port under the demonstration program to organizations
25 through the provision of loan guarantees to such pro-
26 grammatic needs as authorized under titles I and II,

1 under such terms and conditions specified in this section
2 and under applicable laws. Any proposal for a project sub-
3 mitted under this title shall set forth a plan and estimated
4 costs in detail comparable to those included in
5 preauthorization reports required for a Federal reclama-
6 tion project.

7 “(b) FUNDING LIMIT.—Up to 10 percent of the
8 amounts authorized to be appropriated under this Act
9 shall be set aside for purposes of funding the cost of loan
10 guarantees under this title. The amounts allocated to each
11 loan guarantee shall be the cost of such guarantee cal-
12 culated in accordance with applicable provisions of Federal
13 law.

14 “(c) SELECTION OF RECIPIENTS.—The Secretary
15 shall adopt and use competitive procedures in the selection
16 of organizations to receive loan guarantees under this sec-
17 tion. In selecting the organizations to receive a loan guar-
18 antee under this section, the Secretary shall consider, at
19 a minimum, the following:

20 “(1) The extent to which the loan guarantees
21 would support new water supplies or more efficient
22 use of existing supplies.

23 “(2) The repayment period of the guaranteed
24 loan.

1 “(3) The extent to which the loan guarantee
2 would provide for a project of wide public purpose.

3 “(4) Whether the loan guarantee would help the
4 organization receiving the guarantee meet a Federal
5 or State environmental statute or mandate.

6 “(5) The ability of the loan guarantee to meet
7 the needs of other local water purveyors.

8 “(6) The extent to which the guaranteed loan
9 would support a program that would supplement,
10 rather than duplicate, other available water resource
11 programs.

12 “(7) The fiscal impact of the loan guarantee
13 program as a whole on other reclamation programs.

14 “(d) APPORTIONMENT.—The total amount made
15 available to the Secretary for a fiscal year to cover the
16 costs of loan guarantees under this section shall be divided
17 between projects receiving or eligible to receive loans
18 under titles I and II, with title I projects receiving 75 per-
19 cent and title II projects receiving 25 percent.

20 “(e) MAXIMUM.—The maximum allowable guarantee
21 percentage for loans guaranteed under this section may
22 be up to 75 percent of the total project cost. No loan guar-
23 antee under this title shall be used to cover the organiza-
24 tion’s local cost share for any project assisted under this
25 Act.

1 “(f) REPORTING.—Reporting and documentation re-
2 quirements authorized under amendments contained in ti-
3 tles I and II shall similarly apply to loan guarantee
4 projects.

5 “(g) STATE LAW.—For purposes of this Act, when
6 any bonds are issued by an organization to help finance
7 a project for which the organization is also receiving a loan
8 guarantee under this section such bonds shall not be treat-
9 ed as affecting the tax-exempt status of such bonds under
10 applicable State law.

11 “(h) FULL FAITH AND CREDIT.—Any loan guarantee
12 issued pursuant to this section shall constitute an obliga-
13 tion, in accordance with the terms of such guarantee, of
14 the United States Government, and the full faith and cred-
15 it of the United States is hereby pledged to the full per-
16 formance of the obligations.

17 “(i) REPORT.—At the end of the third fiscal year
18 after the enactment of this Act, the Secretary shall submit
19 a report to the Congress on the beneficial use and sug-
20 gested improvements associated with the use of loan guar-
21 antees as a mechanism for project construction.

22 **“SEC. 303. SUNSET.**

23 “No loan guarantee may be issued under this title
24 in any fiscal year after the expiration of 6 full fiscal years
25 after initial funding of projects under the amendments

1 made by the Small Reclamation Water Resources Project
2 Act of 2001.

3 **“TITLE IV—GENERAL**
4 **PROVISIONS**

5 **“SEC. 401. PROPOSAL FEE.**

6 “Each proposal for a loan, grant, or loan guarantee
7 under this Act shall be accompanied by a minimum pay-
8 ment of \$5,000 or $\frac{1}{10}$ of 1 percent of the Federal share,
9 whichever is greater, or portion thereof to defray in part
10 the costs of examining the proposal. Fifty percent of the
11 payment shall accompany the application and the remain-
12 ing 50 percent shall be due upon approval of the project
13 by the Secretary, if approved.

14 **“SEC. 402. MISCELLANEOUS PROVISIONS.**

15 “(a) TITLE.—Title to all project works and facilities
16 constructed with assistance under this Act shall remain
17 in the name of the organization.

18 “(b) COMBINED LOANS, GRANTS, AND LOAN GUAR-
19 ANTEES.—A project sponsor shall be eligible for a loan,
20 grant, loan guarantee, or combination thereof for a project
21 proposal under this Act. No organization shall be eligible
22 for an additional loan, grant, loan guarantee, or any com-
23 bination thereof for the same project that has previously
24 received approval for a loan, grant, or loan guarantee
25 under this Act within the prior five fiscal years.

1 “(c) PLANNING, CONSTRUCTION, OPERATION, AND
2 MAINTENANCE.—The United States shall not be required
3 to provide planning, construction, operation, and mainte-
4 nance of any project receiving a loan, grant or loan guar-
5 antee under this Act.

6 “(d) STATE WATER LAW.—Any project assisted
7 under this Act shall be carried out in accordance with ap-
8 plicable State water law.”.

9 (d) CONFORMING AMENDMENTS.—

10 (1) Sections 9 through 13 of the Small Rec-
11 lamation Projects Act of 1956 (43 U.S.C. 422i–
12 422k–1) are redesignated as sections 403 through
13 407, respectively.

14 (2) Section 404 of such Act, as redesignated by
15 paragraph (1) of this subsection, is amended as fol-
16 lows:

17 (A) By striking “section 3” and inserting
18 “title I”.

19 (B) By striking “effective October 1,
20 1986.” and inserting “for any fiscal year”.

21 (C) By striking “for loans and grants pur-
22 suant to this Act” and inserting “for loans and
23 grants pursuant to title I”.

24 (D) By striking “five years after the date
25 of enactment of this Act” and inserting “ten

1 years after the date of enactment of the Small
2 Reclamation Water Resources Project Act of
3 2001”.

4 (E) By striking “section 4(c)” and insert-
5 ing “title I”.

6 **SEC. 203. ADDITIONAL APPROPRIATIONS.**

7 Section 404 of the Small Reclamation Projects Act
8 of 1956 (43 U.S.C. 422j), as redesignated by section
9 202(d)(1) of this Act, is further amended—

10 (1) by striking “such sums” and all that follows
11 through “That the Secretary” and inserting “to
12 carry out this Act \$1,300,000,000 for fiscal years
13 after fiscal year 2001, of which \$800,000,000 may
14 be appropriated to carry out title I, \$300,000,000
15 may be appropriated to carry out title II, and
16 \$100,000,000 may be appropriated to carry out title
17 III. The Secretary”; and

18 (2) by striking “any single State” and all that
19 follows through “the Secretary is authorized to
20 waive” and inserting “in any single State. Funds ob-
21 ligated or expended for projects by Indian tribes
22 shall not be considered for purposes of the preceding
23 sentence. The Secretary may waive”.

1 **SEC. 204. GUIDELINES.**

2 Within 180 days after the date of enactment of this
3 Act, the Secretary of the Interior shall complete and pub-
4 lish in the Federal Register such administrative guidelines
5 as may be necessary to carry out the amendments made
6 by this title.

7 **SEC. 205. EFFECTIVE DATE.**

8 The amendments made by this title shall take effect
9 on the date of enactment of this Act. Nothing in this title
10 or in any amendment made by this title shall affect any
11 loan or grant that has been approved before the date of
12 enactment of this Act.

13 **SEC. 206. LIMITATION.**

14 Activities funded under this title shall not be consid-
15 ered a supplemental or additional benefit under the Act
16 of June 17, 1902 (82 Stat. 388), and all Acts amendatory
17 thereof or supplementary thereto.

○