



Official Memorandum

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To: SLDMWA Water Resources Committee Members and Alternates / Board of Directors and Alternates
From: Scott Petersen, Water Policy Director
Date: March 2, 2026
RE: Water Resources Committee to Consider Recommendations on Legislation / Board of Directors to Consider Same

Recommendation

Recommend to the Water Resources Committee and Board of Directors to adopt the following positions on legislation:

Federal Legislation

- Adopt a position of “Support and Amend” on S. 3738 (Padilla), Making Our communities Resilient through Enhancing Water for Agriculture, Technology, the Environment and Residences (MORE WATER) Act

Federal Legislation

S. 3738 (Padilla), Making Our communities Resilient through Enhancing Water for Agriculture, (MORE WATER) Act

RECOMMENDATION: Support and Amend

POLICY SCOPE: Water Supply Reliability, Water Quality and Resource Management, Funding and Finance

Summary

The bill reauthorizes the large-scale water recycling and reuse program with \$450 million in funding from fiscal year 2028 to 2032. It establishes a Water Conveyance Improvement Program that provides grants to eligible entities for conveyance projects that deliver water supply, safe drinking water for low-income communities, or environmental benefits. The program includes specific requirements for multi-benefit projects, such as a minimum of 50% of projects providing safe drinking water or environmental benefits and mandates a phased funding approach with a defined ratio of funds. Additionally, the bill authorizes \$500 million for conveyance projects and \$550 million for new water recycling and reuse projects, while also including provisions to deauthorize inactive Reclamation projects and ensure alignment with environmental and public health goals.



Section by Section

Section 1, Short Title

- This section indicates that this Act may be cited as the “MORE WATER Act” (Making Our communities Resilient through Enhancing Water for Agriculture, Technology, the Environment and Residences Act).

Section 2, Reauthorization of Large-Scale Water Recycling Program.

- This section primarily reauthorizes the large-scale water recycling program for 5 more years, through the end of 2031. Paragraphs (4) and (5).
- The reauthorization gives Reclamation the authority to fund feasibility studies for large-scale water recycling projects, which a recent GAO report pointed out was missing from the original authorization, causing Reclamation inefficiently to have to fund feasibility studies separately. Paragraph (2).
- Reclamation is given 60 days rather than the 30 days in the original authorization to notify Congress after finding specific large-scale water recycling projects to be feasible. Paragraph (3). This also responds to a recommendation in the recent GAO report.
- The reauthorization includes language similar to that in the Water Infrastructure Investments (WIIN) Act of 2016 to ensure that if the Large-Scale Water Recycling Program is not reauthorized for any reason in the future, large-scale water recycling projects at that time do not lose their authorization and have to stop work in the middle of construction and wait until they get a new Congressional authorization. Paragraph (4) ensures that these projects remain authorized even if the program expires, and paragraph (1) defines construction so that even projects in the latter stages of design remain authorized even if the program expires.
- Paragraph (5) authorizes \$450 million in appropriations for the program over 5 years, the same amount as the Bipartisan Infrastructure Law appropriated for the program over the 5 years from 2021 through 2026.

Section 3, Water Conveyance Improvements Program. (see “How the Multi-Benefit Conveyance Program Works in the MORE WATER ACT” for a more in-depth discussion)

- This section establishes a programmatic authorization for Reclamation assistance to Federal and non-Federal conveyance projects where individual projects do not need to get Congressional authorization as long as they fit within the parameters of the program.
- Subsection (a) and (b) define key terms and establish the program.
- Subsections (c) and (d) establish requirements for Reclamation-led conveyance projects and non-Federal conveyance projects. The requirements are closely patterned after those established for Reclamation-led projects and state-led projects in section 4007 of the WIIN Act. Projects must be feasible, as determined by the Secretary for Federal projects and by the sponsor with the Secretary’s concurrence for non-Federal projects; and must have secured a commitment for sufficient funding to meet the non-Federal cost share.
- Subsection (e) establishes Federal cost-share requirements: The basic Federal cost-share is 50% [subsection (e)(1)], and Federal funding shall be in the form of grants, or nonreimbursable funding for Federal projects [subsection (j)].
 - What the Federal funding can be spent on depends on the type of projects. Projects that are not multi-benefit can spend the Federal cost-share solely on water supply benefits, or on some combination of water supply benefits and other benefits [subsection (e)(2)].



- Multi-benefit projects can spend their Federal cost-share as follows [subsection (e)(3)]:
 - Federal funding up to 30% of the project cost can be spent flexibly on water supply or other benefits as described in subsection (e)(2).
 - Additional Federal funding of 20% of the project cost must be used for quantified and significant safe drinking water benefits (potable water consistent with Federal and State standards) for low-income populations or for quantified and significant environmental benefits. The eligible entity must negotiate the project's specific safe drinking water benefits for low-income populations or environmental benefits with stakeholders representing these interests. Subsection (e)(4).
- Permissible forms of the non-Federal cost share include:
 - WIFIA loans up to 80% of the project's total cost per the rules of WIFIA; and
 - State Revolving Funds [subsection (e)(5)].
- Special provisions applicable to multi-benefit projects are set forth in subsection (f): All authorized projects with a total cost over \$800 million, and half the projects with a total cost below that amount, must be multi-benefit projects [subsection (f)(1)].
 - Various flexible ways project sponsors can provide quantified and significant safe drinking water benefits for low-income communities are set forth in subsection (f)(2).
 - Water district delivery of drinking water shall constitute safe drinking water under the terms of the section if either existing facilities or planned facilities with viable funding sources including Federal and state funding will be available to treat the water or an equivalent amount of exchanged water to meet Federal and State standards [subsection (f)(2)(B)]. Nothing in this section requires water districts to pay for treatment of water delivered to low-income populations other than those to which the water districts have a contractual responsibility to treat the water [subsection (f)(2)(D)].
 - Various flexible ways project sponsors can provide quantified and significant environmental benefits are set forth in subsection (f)(3).
 - The Secretary must ensure that the collective group of multi-benefit projects funded have a mix of environmental benefits and safe drinking water benefits for low-income communities [subsection (f)(4)]. To the maximum extent practicable at least half of the projects must have environmental benefits, and at least half must have safe drinking water benefits for low-income communities. Projects with both types of benefits count in each category, so more than half of the projects could have each type of benefits.
 - Construction of the core conveyance project may begin while the eligible entity sponsoring the project is negotiating the specific contours of drinking water for low-income community benefits or environmental benefits [subsection (f)(5)]. This provision allows for up to two years of initial construction funding solely for water supply benefits, as long as:
 - The project proponent commits to add environmental benefits or drinking water benefits for low-income communities when they receive more Federal funding later;
 - They are in active negotiations with representatives for low-income communities or the environment; and
 - They submit their proposal for additional Federal funding for safe drinking water benefits for low-income communities or the environment within two years of first receiving Federal construction funding for the project.



- After two years of initial construction funding for any Federal benefit, remaining project funding must be allocated 60% for any of a broad range of benefits including water supply, and 40% for safe drinking water for low-income communities or environmental benefits [subparagraph (D) of subsection (f)(5)]. These proportions match the 30%-20% split between Federal funding for any of a broad range of benefits including water supply, and Federal funding for safe drinking water for low-income communities or environmental benefits.
- Subsection (g) describes criteria for the Secretary’s selection of projects.
- Subsection (h) precludes the Secretary’s establishment of any total dollar cost cap for funding of specific conveyance projects under this section.
- Subsection (i) excludes any new conveyance facility that costs over \$5 billion from receiving funding under this section.
- Subsection (j) provides that Federal funding under this section shall be non-reimbursable.
- Subsection (k) states that no eligible project shall be considered ineligible for assistance under the program because the project has received assistance under a different federal funding program or federal joint use agreement.
- Subsection (l) requires consistency with applicable Federal, State, and Tribal law.
- Subsection (m) authorizes \$500 million in appropriations for the program over 5 years.

Section 4, Reauthorization of Recycling Program and Environmental Restoration Program.

- Subsection (a) authorizes \$550 million in appropriations over 5 years for the water recycling program in the Water Infrastructure Investments for the Nation Act (43 U.S.C. 390b note; Public Law 114–322) (“WIIN Act of 2016”) section 4009(c). \$550 million is the same amount as the Bipartisan Infrastructure Law appropriated for the program over the 5 years from 2021 through 2026.
- Subsection (b) raises the per-project cap for Federal funding of water recycling projects under 43 U.S.C. 390h-13(d)(1) from the current \$30 million to \$50 million, subject to an automatic inflation adjustments. Given rapid inflation in construction costs, we believe a higher project cap is warranted. Under this provision, the project cap is the lesser of \$50 million or 25% of the project’s total costs.
- Section (c) modifies the reauthorized environmental restoration program in WIIN Act section 4010(b)(2).
 - \$250 million is authorized for the program over 5 years, which can fund:
 - Restoration of habitat or improvement of condition of saline inland lakes including Great Salt Lake;
 - Instream habitat restoration, science and monitoring for species restoration, floodplain reconnection efforts that benefit fish, and fish hatchery modernization and construction projects; and
 - planning, design, environmental reviews, permitting, construction, implementation, and adaptive management associated with any of the foregoing activities.

Section 5, Offset from Extension of Certain Provisions.

- This section extends the authorization for three WIIN Act programs until 15 years after the December 16, 2016 enactment of the WIIN Act, which is December 16, 2031:
 - The water recycling program in section 4009(c);
 - The environmental restoration program in section 4010(b)(2) as modified by section 4(c); and



- The voluntary water district repayment of capital debts and contract conversion program in WIIN Act section 4011(a)(b)(c)(d) and (f).
- CBO estimated in 2023 that the substantively identical HR 3675 (Bobert) would bring in \$154 million in additional revenues. This is actual money that could be used to offset authorizations.

Section 6, Deauthorization of Inactive Projects Offset.

- This section establishes a transparent process for deauthorizing Bureau of Reclamation projects that have failed to receive any funding over the past 7 years.
- Reclamation must prepare interim and final lists of such projects subject to deauthorization and this section deauthorizes all those projects within 3 years of enactment with the exception of projects that 1) Congress resumes funding or disapproves of their deauthorization in an enacted concurrent resolution; 2) the project sponsor funds to completion; or 3) Interior finds vitally important to the needs of a State or the nation

Status

S. 3738 was introduced on January 29, 2026, and has been referred to the Senate Committee on Energy and Natural Resources.

Importance to the Authority

Subsidence has impacted conveyance facilities that Water Authority member agencies depend on for their water supply deliveries, including the Delta-Mendota and San Luis Canals. The legislation would establish a federal conveyance program that could provide between 30 and 50 percent of project funding needs on a nonreimbursable basis, subject to various requirements, and authorizes \$500 million over five years to the program.

Additionally, the legislation reauthorizes and improves various provisions within the large-scale water recycling program that could be of benefit to Valley Water for the large-scale recycling program being developed, which could assist in supply diversification and potential additional partnership opportunities between Water Authority member agencies.

Suggested Amendments

Staff recommends seeking amendments to reduce the complexity of the conveyance program, with the intent of ensuring that affordability for key projects like the Delta-Mendota Canal Subsidence Correction Project can be maximized.

Guidelines for Taking Positions on Legislation

A number of controversial bills are introduced in the Congress and in the California Legislature. It is important to understand how the Authority takes positions on legislation.

Policy

By Agenda Item 7, dated December 12, 2025, the Board adopted the Policy Framework and Fiscal Year 2027 Policy Action Plan.



Water Authority's Positions on Legislation

The Water Authority takes positions on legislation that, if enacted, would impact Water Authority members, consistent with Water Authority Board adopted Goals and Objectives in the Strategic Plan, as implemented through the Policy Framework and Annual Policy Action Plan.

The Water Authority may take the following positions on legislation: Oppose, Support, Oppose Unless Amended, Support if Amended, Support and Amend, Not Favor, Favor, Not Favor Unless Amended, Favor if Amended, Favor and Amend, and Watch (neutral).

The Water Authority's staff and consultants testify and advocate with legislators and staff through direct meetings and coordination of member agency contacts on all positions except Watch, Favor and Not Favor. For Favor and Not Favor positions, written communication of the Water Authority's position is provided to the legislator, the Water Authority's delegation, and relevant Committees.

Nothing in this section should be read to preclude the Executive Director or his or her delegee from taking an informal support or informal oppose position on behalf of the Water Authority that is consistent with the Policy Framework and Annual Policy Action Plan, or to preclude the Executive Director from communicating a position on emergency legislation after obtaining the concurrence of the Chair, or the Chair's designee, provided that the Executive Director informs the Board regarding such positions on emergency legislation no later than the next regularly scheduled Board meeting.

Amendment Development Process

If the Water Authority takes a position contingent on amendments, the Water Authority will typically discuss the concepts for the amendments at the meeting. Then Water Authority staff, in consultation with Committee and/or Board Members as needed, will develop the amendments after the meeting.

Information Sharing

To provide adequate information to the entire Water Authority membership, the Water Authority provides legislative updates, posts positions and other information on our website, and sends out advisories and alerts on key legislation.

The Water Authority's legislative department is available to provide specific information on bills on request and Board Members are encouraged to communicate Water Authority positions on priority legislation in meetings with legislative staff, consistent with Water Authority policy. The Water Authority's Water Policy Director appreciates being informed by Water Authority members of positions taken by Water Authority members on legislation.



BILL TEXT

119TH CONGRESS
2D SESSION

S. _____

To amend the Infrastructure Investment and Jobs Act to reauthorize the large-scale water recycling and reuse program, to establish a Water Conveyance Improvement Program, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. PADILLA introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To amend the Infrastructure Investment and Jobs Act to reauthorize the large-scale water recycling and reuse program, to establish a Water Conveyance Improvement Program, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Making Our commu-
5 nities Resilient through Enhancing Water for Agriculture,
6 Technology, the Environment, and Residences Act” or the
7 “MORE WATER Act”.

1 **SEC. 2. REAUTHORIZATION OF LARGE-SCALE WATER RECY-**
2 **CLING AND REUSE PROGRAM.**

3 Section 40905 of the Infrastructure Investment and
4 Jobs Act (43 U.S.C. 3205) is amended—

5 (1) in subsection (a)—

6 (A) by redesignating paragraphs (1)
7 through (4) as paragraphs (2) through (5), re-
8 spectively; and

9 (B) by inserting before paragraph (2) (as
10 so redesignated) the following:

11 “(1) CONSTRUCTION.—The term ‘construction’
12 has the meaning given the term in subsection (f) of
13 section 4011 of the Water Infrastructure Improve-
14 ments for the Nation Act (Public Law 114–322; 130
15 Stat. 1881), except that any reference in paragraph
16 (2) of that subsection to ‘storage’ shall be deemed
17 to be a reference to ‘infrastructure.’”;

18 (2) by striking subsection (b) and inserting the
19 following:

20 “(b) ESTABLISHMENT.—The Secretary shall estab-
21 lish a program to provide grants to eligible entities on a
22 competitive basis for the development of feasibility studies,
23 planning, design, and construction of large-scale water re-
24 cycling and reuse projects that provide substantial water
25 supply and other benefits to the Reclamation States in ac-
26 cordance with this section.”;

1 (3) in subsection (d)(4), by striking “30” and
2 inserting “60”;

3 (4) in subsection (k)—

4 (A) by striking “The authority” and in-
5 serting the following:

6 “(1) IN GENERAL.—Except as provided in para-
7 graph (2), the authority”;

8 (B) in paragraph (1) (as so designated), by
9 striking “5” and inserting “10”; and

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

11 “(2) EXCEPTION.—Paragraph (1) shall not
12 apply to an eligible project that is under construc-
13 tion as of the termination date described in that
14 paragraph.”; and

15 (5) by adding at the end the following:

16 “(1) AUTHORIZATION OF APPROPRIATIONS.—There is
17 authorized to be appropriated to the Secretary to provide
18 grants for eligible projects and otherwise carry out this
19 section \$450,000,000 for the period of fiscal years 2028
20 through 2032.”.

21 **SEC. 3. WATER CONVEYANCE IMPROVEMENT PROGRAM.**

22 (a) DEFINITIONS.—In this section:

23 (1) CONVEYANCE PROJECT.—The term “con-
24 veyance project” means a project for the under-
25 taking of a new or improved water conveyance facil-

1 ity, or the restoration of the capacity of an existing
2 water conveyance facility, that is located in a Rec-
3 lamation State.

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

6 (A) a State, Indian Tribe, municipality, ir-
7 rigation district, water district, wastewater dis-
8 trict, or any State or regional organization with
9 statutory water or power delivery authority;

10 (B) a State, regional, or local authority,
11 the members of which include 1 or more organi-
12 zations that—

13 (i) have water or power delivery au-
14 thority; or

15 (ii) are responsible for operating con-
16 veyance facilities as a transferred works
17 under the reclamation laws and Bureau of
18 Reclamation policy;

19 (C) an agency established under State law
20 for the joint exercise of powers; and

21 (D) any combination of entities described
22 in subparagraphs (A) through (C).

23 (3) INDIAN TRIBE.—The term “Indian Tribe”
24 has the meaning given the term “Indian tribe” in

1 section 102 of the Federally Recognized Indian
2 Tribe List Act of 1994 (25 U.S.C. 5130).

3 (4) LOW-INCOME COMMUNITY.—The term “low-
4 income community” has the meaning given the term
5 in section 45D(e) of the Internal Code of 1986 (in-
6 cluding any regulations issued under that section),
7 including Tribal communities.

8 (5) MULTI-BENEFIT PROJECT.—The term
9 “multi-benefit project” means a conveyance project
10 that provides in the region of the conveyance project
11 benefits that include not fewer than 1 of the fol-
12 lowing quantified, significant benefits:

13 (A) Safe drinking water benefits for low-
14 income communities.

15 (B) Environmental benefits.

16 (6) PROGRAM.—The term “Program” means
17 the Water Conveyance Improvement Program estab-
18 lished under subsection (b).

19 (7) PROJECT PROPONENT.—The term “project
20 proponent” means an eligible entity that—

21 (A) plans and develops a non-Federal con-
22 veyance project; or

23 (B) operates an existing Reclamation
24 project that is a transferred works.

1 (8) PROJECT SPONSOR.—The term “project
2 sponsor” means an eligible entity that contributes to
3 the non-Federal share of a conveyance project.

4 (9) RECLAMATION PROJECT.—The term “Rec-
5 lamation project” means a Bureau of Reclamation
6 project that is owned by the United States.

7 (10) RECLAMATION STATE.—The term “Rec-
8 lamation State” means a State or territory described
9 in the first section of the Act of June 17, 1902 (43
10 U.S.C. 391; 32 Stat. 388, chapter 1093).

11 (11) SAFE DRINKING WATER.—The term “safe
12 drinking water” means water that meets all applica-
13 ble Federal and State primary and secondary drink-
14 ing water standards.

15 (12) SECRETARY.—The term “Secretary”
16 means the Secretary of the Interior (acting through
17 the Commissioner of Reclamation).

18 (13) STAKEHOLDER.—The term “stakeholder”
19 means—

20 (A) with respect to safe drinking water
21 benefits for low-income communities—

22 (i)(I) an elected executive official with
23 applicable authority or legislative body rep-
24 resenting a low-income community (or a
25 delegate); and

1 (II) any agency exercising primary en-
2 forcement responsibility for public water
3 systems in the State in which the applica-
4 ble project is located;

5 (ii) an Indian Tribe receiving safe
6 drinking water benefits; or

7 (iii) a nonprofit organization described
8 in section 501(c)(3) of the Internal Rev-
9 enue Code of 1986 and exempt from tax-
10 ation under section 501(a) of that Code
11 with—

12 (I) a demonstrated track record
13 of supporting improved access to safe
14 drinking water for low-income commu-
15 nities in the region of the applicable
16 project; and

17 (II) no financial conflict of inter-
18 est with the project proponent or any
19 project sponsor, except that other in-
20 stances of partnership on similar
21 projects shall not be considered a fi-
22 nancial conflict of interest for pur-
23 poses of this subclause; and

24 (B) with respect to environmental bene-
25 fits—

1 (i) a nonprofit organization described
2 in section 501(c)(3) of the Internal Rev-
3 enue Code of 1986 and exempt from tax-
4 ation under section 501(a) of that Code
5 with—

6 (I) a demonstrated track record
7 of supporting environmental restora-
8 tion in the region of the applicable
9 project, including species or species
10 habitat; and

11 (II) no financial conflict of inter-
12 est with the project proponent or any
13 project sponsor, except that other in-
14 stances of partnership on similar
15 projects shall not be considered a fi-
16 nancial conflict of interest for pur-
17 poses of this subclause; or

18 (ii) an Indian Tribe, if the project is
19 within the current or former reservation or
20 aboriginal territory of the Indian Tribe.

21 (14) WATER SUPPLY BENEFIT.—The term
22 “water supply benefit” means—

23 (A) an irrigation benefit;

24 (B) a general drinking water benefit; and

1 (C) operational flexibility that allows the
2 Bureau of Reclamation to provide multiple ben-
3 efits, including any of the benefits described in
4 subparagraphs (A) and (B).

5 (b) ESTABLISHMENT OF PROGRAM.—The Secretary
6 shall establish within the Bureau of Reclamation a Water
7 Conveyance Improvement Program to provide authority to
8 participate in, and provide grants to, conveyance projects.

9 (c) RECLAMATION-LED CONVEYANCE PROJECTS.—

10 (1) IN GENERAL.—On the request of any State,
11 department, agency, or subdivision of a State, or
12 any public agency organized pursuant to State law,
13 the Secretary may provide a grant to, and enter into
14 an agreement on behalf of the United States for the
15 design, study, and construction of, a conveyance
16 project as part of a new Reclamation project, a new
17 division of a Reclamation project, a new supple-
18 mental works on a Reclamation project, or the res-
19 toration or improvement of the capacity of an exist-
20 ing Reclamation project, in accordance with this
21 subsection.

22 (2) PROJECT COMMENCEMENT.—The construc-
23 tion of a conveyance project that is the subject of an
24 agreement under this subsection shall not commence
25 until the date on which the Secretary—

1 (A) determines that the conveyance project
2 is feasible in accordance with the reclamation
3 laws; and

4 (B) secures an agreement providing the
5 funding necessary to pay the non-Federal share
6 of the costs of the conveyance project in accord-
7 ance with subsection (e).

8 (3) FEASIBILITY DETERMINATION.—In deter-
9 mining feasibility under paragraph (2)(A), the Sec-
10 retary shall review and approve a feasibility analysis
11 provided by a project sponsor if the Secretary deter-
12 mines that the analysis meets Bureau of Reclama-
13 tion policy relating to the preparation of a feasibility
14 study.

15 (d) NON-FEDERAL CONVEYANCE PROJECTS.—

16 (1) PROPOSAL.—

17 (A) IN GENERAL.—A project proponent
18 may submit to the Secretary a proposal for the
19 design, study, and construction of a conveyance
20 project to be provided a grant under this sec-
21 tion.

22 (B) FORM.—The project proponent may
23 submit a proposal under subparagraph (A) in
24 the form of a completed feasibility study or any
25 other means that provide information to sup-

1 port a determination that the conveyance
2 project is eligible for a grant in accordance with
3 paragraph (2).

4 (2) REQUIREMENTS.—The Secretary may pro-
5 vide to the project proponent a grant for a convey-
6 ance project and enter into an agreement on behalf
7 of the United States with the project proponent for
8 the administration of the grant if—

9 (A) the project proponent determines, and
10 the Secretary concurs, through the preparation
11 of a feasibility study that is streamlined to the
12 maximum extent practicable, that the convey-
13 ance project—

14 (i) is technically and financially fea-
15 sible; and

16 (ii) is consistent with applicable Fed-
17 eral and State law;

18 (B) the project proponent has sufficient
19 non-Federal funding available to complete the
20 conveyance project, as determined by the Sec-
21 retary;

22 (C) the project proponent is financially sol-
23 vent, as determined by the Secretary; and

24 (D) not later than 60 days after the date
25 on which the Secretary concurs with the deter-

1 mination under subparagraph (A) with respect
2 to the conveyance project, the Secretary sub-
3 mits to Congress written notice of the deter-
4 mination.

5 (e) COST-SHARING REQUIREMENT.—

6 (1) IN GENERAL.—The Federal share of a con-
7 veyance project funded under this section shall not
8 exceed 50 percent of the total cost of studies, plan-
9 ning, design, and construction of the conveyance
10 project.

11 (2) PROJECTS THAT ARE NOT MULTI-BEN-
12 EFIT.—The Federal share of a conveyance project
13 other than a multi-benefit project funded under this
14 section may be used—

15 (A) solely for water supply benefits; or

16 (B) on the approval by the Secretary and,
17 in the case of a non-Federal conveyance project
18 or an existing Reclamation project that is a
19 transferred works, at the request of the project
20 proponent, for a combination of—

21 (i) water supply benefits;

22 (ii) safe drinking water benefits for
23 low-income communities;

24 (iii) environmental benefits; or

1 (iv) other benefits in accordance with
2 the reclamation laws.

3 (3) MULTI-BENEFIT PROJECTS.—In the case of
4 a multi-benefit project funded under this section—

5 (A) the Federal share of not more than 30
6 percent of the costs of studies, planning, design,
7 and construction of the multi-benefit project
8 may be used for any of the benefits described
9 in paragraph (2); and

10 (B) an additional Federal share of not
11 more than 20 percent of the costs of studies,
12 planning, design, and construction of the multi-
13 benefit project may be used for—

14 (i) quantified, significant safe drink-
15 ing water benefits for low-income commu-
16 nities in accordance with subsection
17 (f)(2)(A);

18 (ii) quantified, significant environ-
19 mental benefits described in subsection
20 (f)(3); or

21 (iii) a combination of the benefits de-
22 scribed in clauses (i) and (ii).

23 (4) AGREEMENT.—The project proponent or
24 the Secretary, in the case of any Reclamation-led
25 conveyance project that is a new project or involves

1 a reserved works, shall enter into an agreement with
2 1 or more applicable stakeholders representing
3 multi-benefit interests that describes the benefits au-
4 thorized under paragraph (3)(B) proposed for the
5 conveyance project.

6 (5) FORM OF NON-FEDERAL SHARE.—The non-
7 Federal share of the cost of a conveyance project
8 funded under this section may be in the form of—

9 (A) cash;

10 (B) in-kind contributions;

11 (C) reimbursable funding allocated pursu-
12 ant to any statutory authority, if the eligible en-
13 tity has entered into a repayment contract for
14 the funding;

15 (D) a loan under the Water Infrastructure
16 Finance and Innovation Act of 2014 (33 U.S.C.
17 3901 et seq.) or any other Federal loan pro-
18 gram;

19 (E) amounts made available from a State
20 revolving fund pursuant to the rules of the ap-
21 plicable State; or

22 (F) other non-Federal sources of funding,
23 including State funding.

24 (f) SPECIAL PROVISIONS APPLICABLE TO MULTI-
25 BENEFIT PROJECTS.—

1 (1) REQUIREMENT.—

2 (A) IN GENERAL.—A conveyance project
3 with a total cost of not less than \$800,000,000
4 that is funded under this section shall be a
5 multi-benefit project.

6 (B) LESS THAN \$800,000,000.—The Sec-
7 retary shall ensure that not less than 50 per-
8 cent of conveyance projects with a total cost of
9 less than \$800,000,000 that are funded under
10 this section shall be multi-benefit projects.

11 (2) DESCRIPTION OF SAFE DRINKING WATER
12 BENEFITS FOR LOW-INCOME COMMUNITIES.—

13 (A) IN GENERAL.—The Federal funding
14 for quantified, significant safe drinking water
15 benefits for low-income communities referred to
16 in subsection (e)(3)(B)(i) may be provided—

17 (i) directly, by paying for a sufficient
18 proportion of the capacity of the convey-
19 ance project (or, in the case of a convey-
20 ance project restoring the original capacity
21 of a conveyance facility, paying for suffi-
22 cient water from the conveyance project)
23 and any additional infrastructure necessary
24 to deliver safe drinking water to a low-in-

1 come community or other resource or facil-
2 ity accessible to the community;

3 (ii) indirectly, by—

4 (I) supporting a low-income rate-
5 payer assistance program for a project
6 sponsor, a member agency of a project
7 sponsor, or a drinking water district
8 in the region of the conveyance
9 project; or

10 (II) contributing to a Federal or
11 State program that assists in deliv-
12 ering safe drinking water to low-in-
13 come communities;

14 (iii) indirectly, by paying for a suffi-
15 cient proportion of the project capacity
16 during high-flow periods to provide a spe-
17 cific quantity of water (or, in the case of
18 a conveyance project restoring the original
19 capacity of a conveyance facility, paying
20 for sufficient water from the conveyance
21 project), with 1 of the project sponsors in
22 return delivering the same quantity of
23 water to the community through an ex-
24 change, banking water in a groundwater
25 basin during times of excess for subse-

1 quent delivery to the low-income commu-
2 nity;

3 (iv) indirectly, by paying for enhance-
4 ment, repair, or upgrades to a Bureau of
5 Indian Affairs conveyance facility in the
6 region of the project;

7 (v) by any other direct or indirect
8 means to provide safe drinking water to a
9 low-income community; or

10 (vi) through a combination of the
11 methods authorized under clauses (i)
12 through (v).

13 (B) DELIVERY OF WATER FOR DRINK-
14 ING.—Delivery of water for drinking purposes
15 shall be considered to be safe drinking water
16 benefits for low-income communities for pur-
17 poses of this section if—

18 (i) facilities exist to treat the water
19 that is to become safe drinking water; or

20 (ii) the stakeholders representing the
21 applicable low-income communities agree
22 that there are viable plans and funding
23 sources (including Federal or State fund-
24 ing) to treat the delivered water or ex-

1 changed water that is to become safe
2 drinking water.

3 (C) INCLUSION.—Any benefits described in
4 subparagraph (A) that are safe drinking water
5 benefits for low-income ratepayers shall be con-
6 sidered to meet the requirements for safe drink-
7 ing water benefits for low-income communities
8 under this section.

9 (D) EFFECT.—Nothing in this section re-
10 quires a project proponent or project sponsor to
11 pay for treatment of water delivered to low-in-
12 come communities, other than low-income com-
13 munities with which the project proponent or
14 the project sponsor has an existing contractual
15 relationship to deliver treated water.

16 (3) DESCRIPTION OF ENVIRONMENTAL BENE-
17 FITS.—The quantified, significant environmental
18 benefits referred to in subsection (e)(3)(B)(ii) in-
19 clude—

20 (A) benefits to a species listed as threat-
21 ened or endangered under the Endangered Spe-
22 cies Act of 1973 (16 U.S.C. 1531 et seq.) or
23 other species of concern affected by operation of
24 Reclamation projects or State or local water
25 projects;

1 (B) additional flows to an inland water
 2 body, including the Great Salt Lake, either di-
 3 rectly or indirectly through an exchange;

4 (C) benefits that improve aquatic or terres-
 5 trial habitats in the region of the proposed con-
 6 veyance project;

7 (D) contributions to a Federal or State
 8 program that provides environmental benefits in
 9 the region of the project;

10 (E) delivery of additional water to wildlife
 11 refuges, either directly or indirectly through an
 12 exchange; or

13 (F) strategically designed actions that si-
 14 multaneously achieve environmental and other
 15 benefits, such as habitat restoration or efforts
 16 to recover species that—

17 (i) improve the operation of the con-
 18 veyance project; or

19 (ii) have water supply or flood protec-
 20 tion benefits.

21 (4) TYPES OF PROJECTS.—Of the multi-benefit
 22 projects funded under this section, the Secretary
 23 shall ensure that, to the maximum extent prac-
 24 ticable—

1 (A) 50 percent provide at least some envi-
2 ronmental benefits (or a combination of envi-
3 ronmental benefits and safe drinking water ben-
4 efits for low-income communities); and

5 (B) 50 percent provide at least some safe
6 drinking water benefits for low-income commu-
7 nities (or a combination of safe drinking water
8 benefits for low-income communities and envi-
9 ronmental benefits).

10 (5) PHASED FUNDING OF MULTI-BENEFIT
11 PROJECTS.—

12 (A) IN GENERAL.—During the first 2
13 years in which a multi-benefit project is being
14 constructed, the applicable project sponsor may
15 apply for and receive Federal funds for con-
16 struction costs authorized under subsection
17 (e)(3)(A), subject to subparagraph (C).

18 (B) DESIGN.—Subject to the provisions of
19 this paragraph, to the maximum extent prac-
20 ticable, the project proponent shall seek to inte-
21 grate environmental benefits and safe drinking
22 water benefits for low-income communities into
23 the design of the applicable multi-benefit
24 project.

1 (C) REQUIREMENT.—To be eligible for
2 Federal funds under subparagraph (A), the ap-
3 plicable project proponent shall—

4 (i) commit to include safe drinking
5 water benefits for low-income communities
6 or environmental benefits in the multi-ben-
7 efit project on the date on which Federal
8 funds are provided under that subpara-
9 graph;

10 (ii) demonstrate that the project spon-
11 sor is in negotiations to add multi-benefit
12 project elements with stakeholders rep-
13 resenting the environment or safe drinking
14 water for low-income communities; and

15 (iii) not later than 2 years after the
16 date on which the project sponsor first re-
17 ceives construction funding for the project
18 under subsection (e)(3)(A), submit a pro-
19 posal for additional funding under sub-
20 section (e)(3)(B) that is consistent with
21 the applicable agreement entered into
22 under subsection (e)(4).

23 (D) REQUIRED RATIO.—

24 (i) IN GENERAL.—Subject to clauses
25 (ii) and (iii), on submission of a proposal

1 for additional funding under subparagraph
2 (C)(iii), for any subsequent 5-year period
3 for which Federal funds are made available
4 for the applicable multi-benefit project
5 under this section—

6 (I) 60 percent shall be made
7 available for costs relating to the ben-
8 efits referred to in subsection
9 (e)(3)(A); and

10 (II) 40 percent shall be made
11 available for costs relating to environ-
12 mental benefits or safe drinking water
13 benefits for low-income communities
14 in accordance with this subsection.

15 (ii) MODIFICATION.—Notwithstanding
16 clause (i), the project proponent or the
17 Secretary, in the case of any Reclamation-
18 led conveyance project that is a new
19 project or involves a reserved works, and
20 any stakeholders representing multi-benefit
21 interests subject to an agreement referred
22 to in subsection (e)(4) may by mutual
23 agreement modify the ratio of funding for
24 different components of the conveyance

1 project established under clause (i) for
2 funding over the specified 5-year period.

3 (iii) ALLOCATION OF TOTAL FUND-
4 ING.—The Secretary shall ensure that the
5 total allocation of funding for a multi-ben-
6 efit project shall reflect the ratio of fund-
7 ing established under clause (i).

8 (g) CRITERIA FOR SELECTING CONVEYANCE
9 PROJECTS.—In determining whether to select a convey-
10 ance project for a grant under this section, the Secretary
11 shall consider—

12 (1) the Federal benefits of the conveyance
13 project;

14 (2) whether the conveyance project, in the judg-
15 ment of the Secretary, is well-designed to achieve
16 the benefits of the conveyance project at a reason-
17 able cost;

18 (3) whether the conveyance project meets a crit-
19 ical need at the national, State, regional, or local
20 level;

21 (4) whether the conveyance project assists the
22 Federal Government in honoring contracts of the
23 Federal Government;

24 (5) diversity in the geography and size of con-
25 veyance projects; and

1 (6) such other factors as the Secretary deter-
2 mines appropriate.

3 (h) TOTAL DOLLAR CAP.—The Secretary shall not
4 impose a total dollar cap on Federal funds under this sec-
5 tion for any individual conveyance project funded under
6 the Program.

7 (i) NEW CONVEYANCE FACILITY.—No Federal funds
8 are authorized under this section for any new conveyance
9 facility that costs more than \$5,000,000,000.

10 (j) REIMBURSABILITY OF FUNDS.—Any Federal
11 funds provided by the Secretary under the Program shall
12 be nonreimbursable to the United States, including—

13 (1) funding of Reclamation-led conveyance
14 projects under subsection (c); and

15 (2) grants to eligible entities for non-Federal
16 conveyance projects under subsection (d).

17 (k) FUNDING ELIGIBILITY.—A conveyance project
18 shall not be considered ineligible for funding under the
19 Program on the basis of the conveyance project receiving
20 assistance under any other Federal funding program or
21 Federal joint use agreement.

22 (l) APPLICABLE LAW.—A conveyance project funded
23 under the Program shall be consistent with applicable
24 Federal, State, and Tribal law.

1 (m) AUTHORIZATION OF APPROPRIATIONS.—There is
2 authorized to be appropriated to the Secretary to carry
3 out this section \$500,000,000 for the period of fiscal years
4 2028 through 2032.

5 **SEC. 4. REAUTHORIZATION OF RECYCLING PROGRAM AND**
6 **ENVIRONMENTAL RESTORATION PROGRAM.**

7 (a) AUTHORIZATION OF NEW WATER RECYCLING
8 AND REUSE PROJECTS.—Section 1602(g) of the Reclama-
9 tion Wastewater and Groundwater Study and Facilities
10 Act (43 U.S.C. 390h(g)) is amended by striking para-
11 graph (1) and inserting the following:

12 “(1) There is authorized to be appropriated to
13 the Secretary of the Interior to carry out this section
14 \$550,000,000 for the period of fiscal years 2028
15 through 2032.”.

16 (b) CEILING ON FEDERAL SHARE.—Section
17 1631(d)(1) of the Reclamation Wastewater and Ground-
18 water Study and Facilities Act (43 U.S.C. 390h–13(d)(1))
19 is amended by striking “\$20,000,000 (October 1996
20 prices)” and inserting “\$50,000,000 (in December 2025
21 prices, as automatically adjusted each January based on
22 the percentage increase in the consumer price index for
23 all urban consumers (United States city average) over the
24 previous year, as published by the Bureau of Labor Statis-
25 tics)”.

1 (c) ACTIONS FOR BENEFIT OF ENDANGERED SPE-
2 CIES, IMPORTANT HABITAT, AND WATER BODIES.—Sec-
3 tion 4010(b) of the Water Infrastructure Improvements
4 for the Nation Act (Public Law 114–322; 130 Stat. 1872)
5 is amended by striking paragraph (2) and inserting the
6 following:

7 “(2) ACTIONS FOR BENEFIT OF ENDANGERED
8 SPECIES, IMPORTANT HABITAT, AND WATER BOD-
9 IES.—There is authorized to be appropriated to the
10 Secretary of the Interior (acting through the Com-
11 missioner of Reclamation) \$250,000,000 for the pe-
12 riod of fiscal years 2028 through 2032—

13 “(A) for the restoration of habitat or im-
14 provement of conditions at the Great Salt Lake
15 and other saline inland lakes affected by the op-
16 eration of the Central Utah Project or Bureau
17 of Reclamation water projects or deliveries;

18 “(B) for—

19 “(i) gravel and rearing area additions,
20 fish passage improvements, barrier re-
21 moval, and habitat restoration to the Sac-
22 ramento River, its tributaries, or other riv-
23 ers or river basins affected by the oper-
24 ation of Bureau of Reclamation facilities to
25 benefit species listed as threatened or en-

1 dangered under the Endangered Species
2 Act of 1973 (16 U.S.C. 1531 et seq.), in-
3 cluding Chinook salmon and steelhead
4 trout;

5 “*(ii)* scientifically improved and in-
6 creased real-time monitoring to inform
7 real-time operations of Bureau of Reclama-
8 tion facilities, and alternative methods,
9 models, and equipment to improve tem-
10 perature modeling, science, and monitoring
11 to support flow benefits for fish species,
12 and related forecasted information for pur-
13 poses of predicting impacts to salmon,
14 salmon habitat, species listed as threatened
15 or endangered under the Endangered Spe-
16 cies Act of 1973 (16 U.S.C. 1531 et seq.),
17 or other species of concern as a result of
18 water management at Bureau of Reclama-
19 tion facilities;

20 “*(iii)* aquatic habitat restoration ac-
21 tivities, including floodplain reconnection
22 and reactivation projects (such as off-chan-
23 nel and managed floodplain inundation
24 projects that enhance biological produc-
25 tivity and food web support for fish) that

1 enhance the ability of the Bureau of Rec-
2 lamation to meet contractual obligations
3 for water deliveries;

4 “(iv) fish hatchery modernization and
5 construction projects; and

6 “(v) structural or operational im-
7 provements, including temperature control
8 and associated facilities, necessary to im-
9 plement activities described in clauses (i)
10 through (iv); and

11 “(C) for planning, design, scientific stud-
12 ies, resource and biological monitoring, environ-
13 mental reviews, permitting, construction, imple-
14 mentation, and adaptive management associ-
15 ated with any of the activities described in sub-
16 paragraphs (A) and (B).”.

17 **SEC. 5. OFFSET FROM EXTENSION OF CERTAIN PROVI-**
18 **SIONS.**

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

22 (1) in paragraph (1), by striking “and” at the
23 end;

24 (2) in paragraph (2), by striking “in” and in-
25 serting “under”;

1 (3) by redesignating paragraph (2) as para-
2 graph (3); and

3 (4) by inserting after paragraph (1) the fol-
4 lowing:

5 “(2) section 4009(c), section 4010(b)(2), and
6 subsections (a), (b), (c), (d), and (f) of section 4011,
7 which shall expire 15 years after that date of enact-
8 ment; and”.

9 **SEC. 6. DEAUTHORIZATION OF INACTIVE PROJECTS OFF-**
10 **SET.**

11 (a) **PURPOSES.**—The purposes of this section are—

12 (1) to establish an efficient and transparent
13 process for deauthorizing Reclamation projects that
14 have failed to receive a minimum level of investment
15 to ensure active Reclamation projects can move for-
16 ward while reducing the backlog of authorized Rec-
17 lamation projects; and

18 (2) to allow for exceptions for the deauthoriza-
19 tion of Reclamation projects under paragraph (1)
20 based on—

21 (A) action by Congress;

22 (B) funding to completion by the non-Fed-
23 eral project sponsor; or

24 (C) a finding by the Secretary that certain
25 Reclamation projects should continue to be au-

1 thorized to meet vitally important needs of a
2 State or the United States.

3 (b) DEFINITIONS.—In this section:

4 (1) RECLAMATION PROJECT.—The term “Rec-
5 lamation project” means a project that is—

6 (A) owned by the United States; and

7 (B) constructed and operated under the di-
8 rection of the Bureau of Reclamation.

9 (2) SECRETARY.—The term “Secretary” means
10 the Secretary of the Interior (acting through the
11 Commissioner of Reclamation).

12 (c) INTERIM DEAUTHORIZATION LIST.—Not later
13 than 1 year after the date of enactment of this Act, the
14 Secretary shall submit to the Committee on Energy and
15 Natural Resources of the Senate and the Committee on
16 Natural Resources of the House of Representatives and
17 make available on a publicly accessible internet website in
18 a manner that is downloadable, searchable, and sortable—

19 (1) an interim deauthorization list of Reclama-
20 tion projects—

21 (A) that are authorized; and

22 (B) for which funding was not obligated
23 during the fiscal year in which this Act is en-
24 acted or any of the preceding 7 fiscal years; and

1 (2) for each Reclamation project listed under
2 paragraph (1)—

3 (A) the date of authorization of the Rec-
4 lamation project, including any subsequent
5 modifications to the original authorization;

6 (B) a brief description of the Reclamation
7 project;

8 (C) the estimated cost of completion of the
9 Reclamation project; and

10 (D) any remaining amounts authorized,
11 but not appropriated, for the Reclamation
12 project.

13 (d) FINAL DEAUTHORIZATION LIST.—

14 (1) IN GENERAL.—Not later than 1 year after
15 the date on which the interim deauthorization list is
16 submitted under subsection (c), the Secretary shall
17 submit to the Committee on Energy and Natural
18 Resources of the Senate and the Committee on Nat-
19 ural Resources of the House of Representatives and
20 make available on a publicly accessible internet
21 website in a manner that is downloadable, search-
22 able, and sortable, a final deauthorization list of all
23 Reclamation projects identified in the interim de-
24 authorization list, other than any Reclamation
25 project—

1 (A) for which funding has been provided
2 by an Act of Congress after the date of submis-
3 sion of the interim deauthorization list; or

4 (B) that the Secretary excludes under
5 paragraph (2).

6 (2) EXCLUSIONS.—The Secretary may exclude
7 from the final deauthorization list under paragraph
8 (1) a Reclamation project that the Secretary deter-
9 mines is vitally important for the interests of the
10 United States or a particular State, based on consid-
11 eration of the effects of the Reclamation project
12 on—

13 (A) public health and safety;

14 (B) the economy; or

15 (C) the environment.

16 (e) DEAUTHORIZATION; CONGRESSIONAL REVIEW.—
17 Effective beginning on the date that is 1 year after the
18 date of submission of the final deauthorization list under
19 subsection (d), a Reclamation project included on the final
20 deauthorization list under that subsection is deauthorized,
21 unless, prior to that date—

22 (1) a joint resolution disapproving the final de-
23 authorization report is enacted into law;

24 (2) funding for the Reclamation project has
25 been provided by an Act of Congress; or

1 (3) the non-Federal sponsor of the Reclamation
2 project provides sufficient funds to complete the
3 Reclamation project.