



MEMORANDUM

TO: Water Resources Committee and Alternates, Board of Directors and Alternates

FROM: Scott Petersen, Water Policy Director

DATE: May 9, 2022

RE: Water Resources Committee to Consider Recommendations on Legislation / Board of Directors to Consider Same

Recommendation

Recommend to the Board of Directors to adopt the following positions on federal legislation:

- Adopt a position of “Support and Amend” on H.R. 5716 (Harder): SAVE Water Resources Act

Recommend to the Board of Directors to adopt the following positions on state legislation:

- Adopt a position of “Oppose unless amended” on AB 2639: San Francisco Bay/Sacramento-San Joaquin Delta Estuary: water quality control plan: water rights permits (Quirk)

Summary

Federal Legislation

H.R. 5716 (Harder): SAVE Water Resources Act

RECOMMENDATION: SUPPORT AND AMEND

OBJECTIVE: Improve Water Infrastructure Affecting Authority Member Agencies

Summary

This bill would:

1. Establish the “Water Infrastructure and Drought Solutions Fund” (Fund) in the Treasury and divert \$750 million annually from the Reclamation Fund for the period of 2032 – 2062 and appropriate funding from the Fund for the following purposes:
 - a. \$250 million annually for surface and groundwater storage projects for nonreimbursable public benefits, capped at a 50 percent federal cost share,
 - b. \$250 million annually for authorized Title XVI water reclamation and reuse projects,
 - c. \$250 million annually for WaterSMART grants



2. Authorize the Secretary of the Interior to complete a study within 4 years that identifies potential groundwater storage and recharge opportunities in Reclamation states
3. Authorize \$150 million annually for fiscal year 2022-2026 to implement a “Reclamation WIFIA” program
4. Provide Congressional direction to complete all remaining feasibility studies for Del Puerto Canyon Reservoir and San Luis Reservoir
5. Reauthorize the Rural Water Supply Program through 2026
6. Increase funding authority of the Title XVI program from \$50 million annually to \$500 million annually and remove the requirement for the projects to be named in appropriations legislation
7. Establish a program to award prizes for the development of water technologies and annually authorize up to \$7.75 million for prize awards and program administration.

Status

This legislation was referred to the House Committee on Natural Resources on October 25, 2021.

Importance to the Authority

HR 5716 would provide a consistent, dedicated long-term funding stream to implement projects of importance to Water Authority member agencies, specifically by increasing funding for WaterSMART grants, the Title XVI program and public benefit investment for surface and groundwater storage projects. Additionally, the legislation provides Congressional direction to complete the San Luis Reservoir feasibility study as soon as practicable, a key project for the Water Authority and its members.

Pros:

- The legislation provides a dedicated, long-term revenue stream to increase funding for WaterSMART grants, Title XVI projects, and surface and groundwater storage projects.
- The legislation provides Congressional direction to complete the San Luis Reservoir feasibility study.
- The legislation provides funding to incentivize the development of advanced water technology.

Cons:

- Surface and groundwater storage funding is limited to nonreimbursable public benefits

Committee Options

Option 1

Recommend that the Board authorize the Executive Director and delegated staff to express support to this legislation and pursue the following amendments:

1. Clarify the criteria for new storage projects to become eligible for funding under the Water Infrastructure and Drought Solutions Fund. Include language that would enable new storage projects that have been funded through a competitive process and have received some minimum amount in state funds (e.g., \$200 million) to become eligible to receive funding from the Water Infrastructure and Drought Solutions Fund, consistent with prior Board direction in the 116th Congress.
2. Clarify that the Water Infrastructure and Drought Solutions Fund in the legislation be able to provide funding for both reimbursable and nonreimbursable purposes, rather than funding only being provided for nonreimbursable public benefits.



3. Clarify under Section 5 that the feasibility studies to be completed include the feasibility study for the San Luis Low Point Improvement Project, consistent with prior Board direction during the 116th Congress.
4. Under the Reclamation Water Infrastructure Finance and Innovation Act (RIFIA) Pilot Program, strike the provision in current law that automatically imposes a senior lien - a lien that has repayment priority over other liens - on pledged revenues and/or assets in the event of default leading to bankruptcy, insolvency, or liquidation. At a minimum, staff suggests including a clause to enable a waiver under certain circumstances.

Fiscal Impact: Unknown. Reduced costs associated with member agency water project development.

Business Analysis: Increase funding availability for member agency projects, incentivize the development of advanced water resource technologies, and provide Congressional direction on the San Luis Reservoir project feasibility study.

Option 2

Take no action.

Fiscal Impact: Unknown.

Business Analysis: Status quo.

State Legislation

AB 2639: San Francisco Bay/Sacramento-San Joaquin Delta Estuary: water quality control plan: water rights permits (Quirk)

RECOMMENDATION: OPPOSE UNLESS AMENDED

OBJECTIVE: To restore CVP water supplies to levels that meet reasonable demands within member agency boundaries and improve the reliability of those water supplies through the development and advocacy of sound water resources management and environmental policy.

Summary

Existing law establishes the State Water Resources Control Board and the 9 California regional water quality control boards as the principal state agencies with authority over matters relating to water quality. Existing law requires the state board to formulate and adopt state policy for water quality control. Existing law authorizes the state board to adopt water quality control plans for waters that require water quality standards pursuant to the Federal Water Pollution Control Act, and provides that those plans supersede any regional water quality control plans for the same waters to the extent of any conflict.

This bill would require the state board, on or before December 31, 2023, to adopt a final update of the 1995 Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta Estuary, as specified, and to implement the amendments to the plan adopted by the state board pursuant to Resolution No. 2018-0059 on December 12, 2018. The bill would prohibit the state board, on or after January 1, 2024, from approving a new water right permit that would result in new or increased diversions to surface water storage from the Sacramento River/San Joaquin River watershed until and unless the state board has taken those actions.



Status

On April 27, 2022, AB 2639 passed out of Assembly Environmental Safety and Toxic Materials on a 5-3 vote and was re-referred to the Committee on Appropriations.

Importance to the Authority

This legislation, as amended by the Assembly Environmental Safety and Toxic Materials Committee, would require the adoption of updates to the 1995 Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta Estuary, as specified, and to implement the Phase 1 (San Joaquin River) amendments to the plan adopted by the State Water Resources Control Board. In order to create an enforcement mechanism, the Board would be prohibited from approving a new water right permit that would result in new or increased diversions to surface water storage from the Sacramento River/San Joaquin River watershed, putting many water projects at risk of completion, or at minimum, significant delay.

Additionally, the legislation would effectively prohibit the State Board from considering alternatives to implementation of Phase 1 of the Bay-Delta WQCP update, eliminating the opportunity for Phase 1 parties to enter into voluntary agreements to meet WQCP objectives.

Pros:

- Would provide legislative direction on the timeline to complete an ongoing regulatory process that sets baseline standards for governing CVP water operations.

Cons:

- The proposed deadlines to adopt the San Francisco Bay/Sacramento-San Joaquin Delta Estuary Water Quality Control Plan are unworkable and counterproductive.
- The proposed prohibition on any new water right permit would have profound negative impacts on water management and work against California becoming climate resilient.

Committee Options

Option 1

Recommend that the Board authorize the Executive Director and delegated staff to express opposition to this legislation, unless the following amendments are made:

- Delete the deadline by which the State Water Board must adopt a final update to the Sacramento River portion of the Bay-Delta Plan (and instead require a report to the Legislature);
- Delete the requirement that that State Water Board implement the San Joaquin River portion of the Bay-Delta Plan (and instead require the release of a draft environmental review);
- Delete provisions that enact a moratorium on new water rights permits if the State Water Board fails to adhere to the deadlines in the bill.

Fiscal Impact: Unknown.

Business Analysis: Improved reporting to State Legislature on Bay-Delta Plan updates and continued ability to implement surface storage projects, pursuant to water rights application process, while Bay-Delta Plan updates continue to progress through the regulatory process.



Option 2

Take no action.

Fiscal Impact: Unknown. Potential loss of significant water supply and costs for project delays for significant member agency project development.

Business Analysis: Reduced flexibility to implement alternatives to staff proposals for the Bay-Delta Water Quality Control Plan update and reduced ability to implement surface storage projects.

Guidelines for Taking Positions on Legislation

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

Policy

By Agenda Item 8, dated December 9, 2021, the Board adopted the Fiscal Year 2023 Objectives.

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. The Water Authority may take the following positions on legislation: Oppose, Support, Oppose Unless Amended, Support if Amended, Not Favor, Favor, Not Favor Unless Amended, Favor if Amended, and Watch (neutral). The Water Authority's staff testifies and advocates with legislators and staff through meetings and 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. 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 adopted legislative or policy objectives, 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 an Oppose Unless Amended or Support if Amended position, 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



Memo to SLDMWA Water Resources Committee and Board Members
May 9, 2022

Water Policy Director appreciates being informed by Water Authority members of positions taken by Water Authority members on legislation.

BILL TEXT

117TH CONGRESS
1ST SESSION

H. R. 5716

To promote water supply reliability and improved water management for rural communities, the State of California, and the Nation, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 25, 2021

Mr. HARDER of California (for himself, Mr. COSTA, Mr. GARAMENDI, Mr. PANNETTA, and Mr. MCNERNEY) introduced the following bill; which was referred to the Committee on Natural Resources

A BILL

To promote water supply reliability and improved water management for rural communities, the State of California, and the Nation, 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 “Securing Access for
5 the central Valley and Enhancing (SAVE) Water Re-
6 sources Act”.

7 **SEC. 2. WATER INFRASTRUCTURE FUND.**

8 (a) ESTABLISHMENT.—There is established in the
9 Treasury of the United States a fund, to be known as the

1 “Water Infrastructure and Drought Solutions Fund” (re-
2 ferred to in this section as the “Fund”), consisting of—

3 (1) such amounts as are deposited in the Fund
4 under subsection (b); and

5 (2) any interest earned on investment of
6 amounts in the Fund under subsection (c)(1)(B).

7 (b) DEPOSITS TO FUND.—

8 (1) IN GENERAL.—For each of fiscal years
9 2032 through 2062, the Secretary of the Treasury
10 shall deposit in the Fund \$750,000,000 of the reve-
11 nues that would otherwise be deposited for the fiscal
12 year in the reclamation fund established by the first
13 section of the Act of June 17, 1902 (32 Stat. 388,
14 chapter 1093), of which—

15 (A) \$250,000,000 shall be expended by the
16 Secretary of the Interior for new surface or
17 ground water storage projects provided that—

18 (i) expenditures are made for nonre-
19 imburseable public benefits under Federal
20 reclamation law (the Act of June 17, 1902
21 (32 Stat. 388, chapter 1093), and Acts
22 supplemental to and amendatory of that
23 Act); and

1 (ii) Federal expenditures account for
2 no more than 50 percent of total costs for
3 any project;

4 (B) \$250,000,000 shall be expended by the
5 Secretary of the Interior for water reclamation
6 and reuse projects authorized under title XVI
7 of Public Law 102–575 and section 4009 of
8 Public Law 114–322; and

9 (C) \$250,000,000 shall be expended by the
10 Secretary of the Interior for WaterSMART
11 grants authorized under the Omnibus Public
12 Lands Management Act of 2009 (42 U.S.C.
13 10364).

14 (2) AVAILABILITY OF AMOUNTS.—Amounts de-
15 posited in the Fund under this section shall—

16 (A) be made available in accordance with
17 this section, without further appropriation; and

18 (B) be in addition to amounts appropriated
19 for such purposes under any other provision of
20 law.

21 (c) EXPENDITURES FROM FUND.—

22 (1) IN GENERAL.—Subject to subsection (b),
23 for each of fiscal years 2032 through 2062, the re-
24 spective Secretary may expend from the Fund, in ac-

1 cordance with this section, not more than an amount
2 equal to the sum of—

3 (A) the amounts deposited in the Fund
4 that year under subsection (b); and

5 (B) the amount of interest accrued in the
6 Fund for the fiscal year in which the expendi-
7 tures are made.

8 (2) ADDITIONAL EXPENDITURES.—

9 (A) IN GENERAL.—The Secretary may ex-
10 pend more in any fiscal year than the amounts
11 described in subsection (a) if the additional
12 amounts are available in the Fund as a result
13 of a failure of the Secretary to expend all of the
14 amounts available under subsection (a) in 1 or
15 more prior fiscal years.

16 (B) RETENTION IN ACCOUNTS.—Any addi-
17 tional amounts referred to in paragraph (1)
18 shall—

19 (i) accrue interest in accordance with
20 this section; and

21 (ii) only be expended for the purposes
22 for which expenditures from the Fund are
23 authorized.

24 **SEC. 3. GROUND WATER RECHARGE PLANNING.**

25 (a) FINDINGS AND PURPOSE.—

1 (1) FINDINGS.—The Congress finds that—

2 (A) there is a lack of information regard-
3 ing local ground water storage and recharge op-
4 portunities in the Western United States;

5 (B) additional information regarding local
6 ground water storage and recharge opportuni-
7 ties can help inform future Federal and State
8 funding activities and assist State government
9 initiatives such as implementation of part 2.74
10 of the California Water Code (commonly known
11 as the “Sustainable Groundwater Management
12 Act”); and

13 (C) challenges associated with drought and
14 extreme aridity from changing weather patterns
15 will require additional investment in ground
16 water storage and recharge.

17 (2) PURPOSE.—The purpose of this section is
18 to help inform future Federal, State, local, and other
19 investment in ground water recharge projects.

20 (b) DEFINITIONS.—In this section:

21 (1) CRITICALLY OVERDRAFTED BASINS.—The
22 term “critically overdrafted basins” means those ba-
23 sins identified by the California Department of
24 Water Resources pursuant to part 2.74 of the Cali-
25 fornia Water Code (commonly known as the “Cal-

1 fornia’s Sustainable Groundwater Management
2 Act”).

3 (2) RECLAMATION STATE.—The term “Rec-
4 lamation State” means any Reclamation State (as
5 defined in section 4014 of the Water Infrastructure
6 Improvements for the Nation Act (Public Law 114–
7 322; 43 U.S.C. 390b note)).

8 (3) SECRETARY.—The term “Secretary” means
9 the Secretary of the Interior, acting through the Di-
10 rector of the United States Geological Survey.

11 (c) EVALUATION AND REPORT.—

12 (1) IN GENERAL.—Not later than 4 years after
13 the date of the enactment of this Act, the Secretary
14 shall complete an evaluation and report to Congress
15 that identifies potential ground water storage and
16 recharge opportunities in each Reclamation State in-
17 cluding recharge opportunities in critically over-
18 drafted basins.

19 (2) REPORT.—The report to Congress shall in-
20 clude—

21 (A) an assessment of potentially beneficial
22 storage and recharge locations based on the
23 Secretary’s assessment of—

24 (i) hydrologic attributes;

25 (ii) geologic attributes;

- 1 (iii) engineering attributes;
2 (iv) water supply benefits;
3 (v) environmental benefits;
4 (vi) infrastructure benefits related to
5 mitigation of subsidence-related infrastruc-
6 ture damage; and
7 (vii) sustainability benefits for criti-
8 cally overdrafted basins; and
9 (B) an assessment of potential conveyance
10 infrastructure needs to move excess runoff to
11 the recharge locations identified by the Sec-
12 retary under this section.

13 (3) COORDINATION.—To the maximum extent
14 practicable, the Secretary shall coordinate research
15 activities with Reclamation State agencies, ground
16 water sustainability agencies, universities, and non-
17 profit organizations in a manner designed to assist
18 with implementation of State-led initiatives such as
19 part 2.74 of the California Water Code (commonly
20 known as the “Sustainable Groundwater Manage-
21 ment Act”).

1 **SEC. 4. RECLAMATION INFRASTRUCTURE FINANCE AND IN-**
2 **NOVATION PILOT PROGRAM.**

3 (a) **SHORT TITLE.**—This section may be cited as the
4 “Reclamation Infrastructure Finance and Innovation
5 Act”.

6 (b) **ESTABLISHMENT.**—The Secretary of the Interior
7 (referred to in this section as the “Secretary”) shall estab-
8 lish and carry out a pilot program under which the Sec-
9 retary shall provide to eligible entities described in section
10 5025 of the Water Resources Reform and Development
11 Act of 2014 (33 U.S.C. 3904) financial assistance in ac-
12 cordance with this section to carry out eligible projects de-
13 scribed in subsection (c).

14 (c) **ELIGIBLE PROJECTS.**—

15 (1) **IN GENERAL.**—A project eligible to receive
16 assistance under the pilot program under this sec-
17 tion is a water supply project that, as determined by
18 the Secretary—

19 (A) is located in—

20 (i) the State of Alaska;

21 (ii) the State of Hawaii; or

22 (iii) a Reclamation State (as defined
23 in section 4014 of the Water Infrastruc-
24 ture Improvements for the Nation Act
25 (Public Law 114–322; 43 U.S.C. 390b
26 note));

1 (B) would contribute directly or indirectly
2 (including through ground water recharge) to a
3 safe, adequate water supply for domestic, agri-
4 cultural, environmental, municipal, or industrial
5 use; and

6 (C) is otherwise eligible for assistance
7 under this section.

8 (2) SMALL COMMUNITY PROJECTS.—For
9 projects eligible for assistance under this section and
10 section 5028(a)(2)(B) of the Water Resources Re-
11 form and Development Act of 2014 (33 U.S.C.
12 3907(a)(2)(B)), the Secretary may assist applicants
13 in combining 1 or more projects into a single appli-
14 cation in order to meet the minimum project cost of
15 \$5,000,000 required under that section.

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

18 (1) An entity described in section 5025 of the
19 Water Resources Reform and Development Act of
20 2014 (33 U.S.C. 3904).

21 (2) A conservancy district, reclamation district,
22 or irrigation district.

23 (3) A canal company or mutual water company.

24 (4) A water users' association.

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

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

6 (e) REQUIREMENTS.—

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

11 (A) project type; and

12 (B) geographical location within the States
13 referred to in subsection (c)(1).

14 (2) IMPORTATION OF OTHER REQUIREMENTS.—
15 The following shall apply to the pilot program under
16 this section:

17 (A) Sections 5022, 5024, 5027, 5028,
18 5029, 5030, 5031, 5032, and 5034(a) of the
19 Water Resources Reform and Development Act
20 of 2014 (33 U.S.C. 3901, 3903, 3906, 3907,
21 3908, 3909, 3910, 3911, and 3913(a)), except
22 that—

23 (i) any reference contained in those
24 sections to the Secretary of the Army shall

1 be considered to be a reference to the Sec-
2 retary of the Interior;

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

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

12 (iv) subsections (e) and (f) of section
13 5030 of that Act (33 U.S.C. 3909) shall
14 not apply with respect to this section.

15 (B) The agreement between the Adminis-
16 trator of the Environmental Protection Agency
17 and the Commissioner of Reclamation required
18 under section 4301 of the America's Water In-
19 frastructure Act of 2018 (Public Law 115-
20 270).

21 (C) Other applicable environmental laws,
22 including the National Environmental Policy
23 Act of 1969 (42 U.S.C. 4321 et seq.).

24 (f) AUTHORIZATION OF APPROPRIATIONS.—

1 (1) IN GENERAL.—There is authorized to be
2 appropriated to the Secretary to carry out the pilot
3 program under this section \$150,000,000 for fiscal
4 years 2022 through 2026, to remain available until
5 expended.

6 (2) ADMINISTRATIVE COSTS.—Of the funds
7 made available under paragraph (1), the Secretary
8 may use for administrative costs of carrying out the
9 pilot program under this section (including for the
10 provision of technical assistance to project sponsors
11 pursuant to paragraph (3) and in obtaining nec-
12 essary approvals and transfer to the Administrator
13 of the Environmental Protection Agency to provide
14 assistance in administering and servicing Federal
15 credit instruments under the pilot program) not
16 more than \$5,000,000 for each applicable fiscal
17 year.

18 (3) SMALL COMMUNITY PROJECTS.—

19 (A) IN GENERAL.—Subject to subpara-
20 graph (B), the Commissioner may use the
21 funds made available under paragraph (2) to
22 provide assistance, including assistance to pay
23 the costs of acquiring the rating opinion letters
24 under section 5028(a)(1)(D) of the Water Re-
25 sources Reform and Development Act of 2014

1 (33 U.S.C. 3907(a)(1)(D)), to assist project
2 sponsors in obtaining the necessary approval for
3 small community projects that are eligible for
4 assistance under section 5028(a)(2)(B) of the
5 Water Resources Reform and Development Act
6 of 2014 (33 U.S.C. 3907(a)(1)(D)) or sub-
7 section (b)(3).

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

14 (g) LIMITATION.—No project that receives financial
15 assistance under this section may be financed (directly or
16 indirectly), in whole or in part, with proceeds of any obli-
17 gation the interest on which is exempt from the tax im-
18 posed under chapter 1 of the Internal Revenue Code of
19 1986.

20 (h) ELIGIBILITY FOR ASSISTANCE.—

21 (1) ELIGIBLE PROJECTS.—The following
22 projects may be carried out using assistance made
23 available under this section:

24 (A) A project for the reclamation and
25 reuse of municipal, industrial, domestic, and ag-

1 ricultural wastewater, and naturally impaired
2 ground water, which the Secretary, acting
3 through the Commissioner of Reclamation, is
4 authorized to undertake.

5 (B) Any water infrastructure project not
6 specifically authorized by law that—

7 (i) the Secretary determines, through
8 the completion of an appraisal investiga-
9 tion and feasibility study, would contribute
10 to a safe, adequate water supply for do-
11 mestic, agricultural, environmental, or mu-
12 nicipal and industrial use; and

13 (ii) is otherwise eligible for assistance
14 under this section.

15 (C) A new water infrastructure facility
16 project, including—

17 (i) a water conduit, pipeline, or canal;

18 and

19 (ii) pumping, power, and associated
20 facilities.

21 (D) A project for enhanced energy effi-
22 ciency in the operation of a water system.

23 (E) A project for accelerated repair and re-
24 placement of all, or a portion, of an aging water
25 distribution facility.

1 (F) A brackish or sea water desalination
2 project.

3 (G) Acquisition of real property or an in-
4 terest in real property for water storage, re-
5 claimed or recycled water, or wastewater, if the
6 acquisition is integral to a project described in
7 subparagraphs (A) through (F).

8 (H) A project to deliver water to wildlife
9 refuges.

10 (I) A combination of projects, each of
11 which is eligible under subparagraphs (A)
12 through (H), for which an eligible entity sub-
13 mits a single application.

14 (2) ACTIVITIES ELIGIBLE FOR ASSISTANCE.—
15 For the purposes of this section, an eligible activity
16 with respect to an eligible project under subsection
17 (a) includes the cost of—

18 (A) development-phase activities, including
19 planning, feasibility analysis, revenue fore-
20 casting, environmental review, permitting,
21 transaction costs, preliminary engineering and
22 design work, and other preconstruction activi-
23 ties;

24 (B) construction, reconstruction, rehabili-
25 tation, and replacement activities;

1 (C) the acquisition of real property (includ-
2 ing water rights, land relating to the project,
3 and improvements to land), environmental miti-
4 gation, construction contingencies, and acquisi-
5 tion of equipment;

6 (D) capitalized interest necessary to meet
7 market requirements, reasonably required re-
8 serve funds, capital issuance expenses, and
9 other carrying costs during construction;

10 (E) refinancing interim construction fund-
11 ing, long-term project obligations, or a secured
12 loan, loan guarantee, or other credit enhance-
13 ment made under this section;

14 (F) refinancing long-term project obliga-
15 tions or Federal credit instruments, if that refi-
16 nancing provides additional funding capacity for
17 the completion, enhancement, or expansion of
18 any project selected for assistance under this
19 Act;

20 (G) reimbursement or success payments to
21 any public or private entity that achieves pre-
22 determined outcomes on a pay-for-performance
23 or pay-for-success basis; and

24 (H) grants, loans, or credit enhancement
25 for community development financial institu-

1 tions, green banks, and other financial inter-
2 mediaries providing ongoing finance for projects
3 that meet the purposes of this section.

4 **SEC. 5. FEASIBILITY STUDIES.**

5 As soon as practicable after the date of the enactment
6 of this Act, in compliance with all environmental and other
7 applicable laws, the Secretary of the Interior shall com-
8 plete all remaining feasibility studies associated with the
9 following projects:

10 (1) Del Puerto Canyon Reservoir, located in the
11 foothills of the Coast Range mountains west of Pat-
12 terson, California.

13 (2) San Luis Reservoir in the San Joaquin Val-
14 ley, California.

15 **SEC. 6. RURAL WATER SUPPLY PROGRAM REAUTHORIZA-**
16 **TION.**

17 The Rural Water Supply Act of 2006 (Public Law
18 109–451) is amended—

19 (1) in section 109(a) (43 U.S.C. 2408(a)), by
20 striking “2016” and inserting “2026”; and

21 (2) in section 110 (43 U.S.C. 2409), by striking
22 “2016” and inserting “2026”.

1 **SEC. 7. COMPETITIVE GRANT PROGRAM FOR THE FUNDING**
2 **OF WATER RECYCLING AND REUSE**
3 **PROJECTS.**

4 (a) COMPETITIVE GRANT PROGRAM FOR THE FUND-
5 ING OF WATER RECYCLING AND REUSE PROJECTS.—Sec-
6 tion 1602(f) of the Reclamation Wastewater and Ground-
7 water Study and Facilities Act (title XVI of Public Law
8 102–575; 43 U.S.C. 390h et seq.) is amended by striking
9 paragraphs (2) and (3) and inserting the following:

10 “(2) PRIORITY.—When funding projects under
11 paragraph (1), the Secretary shall give funding pri-
12 ority to projects that meet one or more of the fol-
13 lowing criteria:

14 “(A) Projects that are likely to provide a
15 more reliable water supply for States and local
16 governments.

17 “(B) Projects that are likely to increase
18 the water management flexibility and reduce
19 impacts on environmental resources from
20 projects operated by Federal and State agen-
21 cies.

22 “(C) Projects that are regional in nature.

23 “(D) Projects with multiple stakeholders.

24 “(E) Projects that provide multiple bene-
25 fits, including water supply reliability, eco-sys-

1 tem benefits, groundwater management and en-
2 hancements, and water quality improvements.”.

3 (b) AUTHORIZATION OF APPROPRIATIONS.—Section
4 1602(g) of the Reclamation Wastewater and Groundwater
5 Study and Facilities Act (title XVI of Public Law 102–
6 575; 43 U.S.C. 390h et seq.) is amended—

7 (1) by striking “\$50,000,000” and inserting
8 “\$500,000,000 through fiscal year 2025”; and

9 (2) by striking “if enacted appropriations legis-
10 lation designates funding to them by name,”.

11 (c) DURATION.—Section 4013 of the WIIN Act (Pub-
12 lic Law 114–332; 43 U.S.C. 390b note) is amended—

13 (1) in paragraph (1), by striking “and”;

14 (2) in paragraph (2), by striking “4007,
15 4009(a), and 4009(c).” and inserting “4007 and
16 4009(a); and”

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

18 “(3) section 4009(c).”.

19 (d) LIMITATION ON FUNDING.—Section 1631(d) of
20 the Reclamation Wastewater and Groundwater Study and
21 Facilities Act (43 U.S.C. 390h–13(d)) is amended by
22 striking “\$20,000,000 (October 1996 prices)” and insert-
23 ing “\$30,000,000 (January 2019 prices)”.

1 **SEC. 8. WATER TECHNOLOGY AWARD PROGRAM AND IN-**
2 **VESTMENT PROGRAMS.**

3 (a) AWARD PROGRAM ESTABLISHED.—The Secretary
4 of the Interior, working through the Bureau of Reclama-
5 tion, shall establish a program to award prizes to eligible
6 persons described in subsection (b) for achievement in 1
7 or more of the following applications of water technology:

8 (1) Demonstration of desalination of brackish
9 or sea water with significantly less energy than com-
10 mercially available reverse osmosis technology.

11 (2) Demonstration of portable or modular de-
12 salination units that can process 1 to 5,000,000 gal-
13 lons per day that could be deployed for temporary
14 emergency uses in coastal communities or commu-
15 nities with brackish ground water supplies.

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

20 (4) Reducing open water evaporation.

21 (5) Improving methods to treat and reuse agri-
22 cultural drainage waters.

23 (6) Reducing the loss of threatened and endan-
24 gered fish due to fish predation.

25 (7) Reducing the entrainment of fish larvae on
26 screens and intakes.

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

3 (1) an individual who is—

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

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

8 (2) an entity that is incorporated and maintains
9 its primary place of business in the United States;
10 or

11 (3) a public water agency.

12 (c) ESTABLISHMENT OF BOARD.—

13 (1) IN GENERAL.—The Secretary of the Inte-
14 rior shall establish a board to administer the pro-
15 gram established under subsection (a).

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

19 (A) not less than 1 shall—

20 (i) be a representative of the interests
21 of academic, business, and nonprofit orga-
22 nizations; and

23 (ii) have expertise in—

24 (I) the field of water technology;

25 or

1 (II) administering award com-
2 petitions; and

3 (B) not less than 1 shall be—

4 (i) a representative of agricultural
5 water users;

6 (ii) a representative of municipal and
7 industrial water users;

8 (iii) a representative of the Bureau of
9 Reclamation of the Department of the In-
10 terior; and

11 (iv) a representative of the National
12 Science Foundation.

13 (d) AWARDS.—Subject to the availability of appro-
14 priations, the board established under subsection (c) may
15 make awards under the program established under sub-
16 section (a) as follows:

17 (1) FINANCIAL PRIZE.—The board may hold a
18 financial award competition and award a financial
19 award in an amount determined before the com-
20 mencement of the competition to the first competitor
21 to meet such criteria as the board shall establish.

22 (2) RECOGNITION PRIZE.—

23 (A) IN GENERAL.—The board may recog-
24 nize an eligible person for superlative achieve-

1 ment in 1 or more applications described in
2 subsection (a).

3 (B) NO FINANCIAL REMUNERATION.—An
4 award under this paragraph shall not include
5 any financial remuneration.

6 (C) NATIONAL TECHNOLOGY AND INNOVA-
7 TION MEDAL RECOMMENDATIONS.—For each
8 eligible person recognized under this paragraph,
9 the board shall recommend to the Secretary of
10 Commerce that the Secretary recommend to the
11 President under section 16(b) of the Stevenson-
12 Wylder Technology Innovation Act of 1980 (15
13 U.S.C. 3711(b)) that the President award the
14 National Technology and Innovation Medal es-
15 tablished under section 16(a) of such Act to
16 such eligible person.

17 (e) ADMINISTRATION.—

18 (1) CONTRACTING.—The board established
19 under subsection (c) may contract with a private or-
20 ganization to administer a financial award competi-
21 tion described in subsection (d)(1).

22 (2) SOLICITATION OF FUNDS.—A member of
23 the board or any administering organization with
24 which the board has a contract under paragraph (1)
25 may solicit gifts from private and public entities to

1 be used for a financial award under subsection
2 (d)(1).

3 (3) LIMITATION ON PARTICIPATION OF DO-
4 NORS.—The board may allow a donor who is a pri-
5 vate person described in paragraph (2) to participate
6 in the determination of criteria for an award under
7 subsection (d), but such donor may not solely deter-
8 mine the criteria for such award.

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

14 (f) INTELLECTUAL PROPERTY.—The Federal Gov-
15 ernment may not acquire an intellectual property right in
16 any product or idea by virtue of the submission of such
17 product or idea in any competition under subsection
18 (d)(1).

19 (g) LIABILITY.—The board established under sub-
20 section (e) may require a competitor in a financial award
21 competition under subsection (d)(1) to waive liability
22 against the Federal Government for injuries and damages
23 that result from participation in such competition.

1 (h) ANNUAL REPORT.—Each year, the board estab-
2 lished under subsection (c) shall submit to Congress a re-
3 port on the program established under subsection (a).

4 (i) AUTHORIZATION OF APPROPRIATIONS.—

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

8 (A) For administration of prize competi-
9 tions under subsection (d), \$750,000 for each
10 fiscal year.

11 (B) For the awarding of a financial prize
12 award under subsection (d)(1), in addition to
13 any amounts received under subsection (e)(2),
14 \$2,000,000 for each fiscal year.

15 (2) AVAILABILITY.—Amounts appropriated pur-
16 suant to the authorization of appropriations under
17 paragraph (1) shall remain available until expended.

18 (j) WATER TECHNOLOGY INVESTMENT PROGRAM
19 ESTABLISHED.—The Secretary of the Interior, working
20 through the Bureau of Reclamation, shall establish a pro-
21 gram, pursuant to the Reclamation Wastewater and
22 Groundwater Study and Facilities Act (title XVI of Public
23 Law 102–575), the Water Desalination Act of 1996 (Pub-
24 lic Law 104–298), and other applicable laws, to promote
25 the expanded use of technology for improving availability

1 and resiliency of water supplies and power deliveries,
2 which shall include—

3 (1) investments to enable expanded and acceler-
4 ated deployment of desalination technology;

5 (2) investments to enable expanded and acceler-
6 ated use of recycled water; and

7 (3) investments that improve water manage-
8 ment, using best available science, and include real-
9 time monitoring of wildlife and water deliveries.

10 (k) AUTHORIZATION OF APPROPRIATIONS.—There
11 are authorized to be appropriated \$5,000,000 for each fis-
12 cal year for the Secretary to carry out the purposes and
13 provisions of subsection (j). Funds made available under
14 this subsection shall be considered a nonreimbursable Fed-
15 eral expenditure and shall remain available until expended.

○

AMENDED IN ASSEMBLY APRIL 19, 2022

AMENDED IN ASSEMBLY MARCH 22, 2022

CALIFORNIA LEGISLATURE—2021–22 REGULAR SESSION

ASSEMBLY BILL

No. 2639

Introduced by Assembly Member Quirk

February 18, 2022

An act to add Section 13170.6 to the Water Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

AB 2639, as amended, Quirk. ~~Water—San Francisco Bay/Sacramento-San Joaquin Delta Estuary: water quality control plans and plan: water rights right permits.~~

Existing law establishes the State Water Resources Control Board and the 9 California regional water quality control boards as the principal state agencies with authority over matters relating to water quality. Existing law requires the state board to formulate and adopt state policy for water quality control. Existing law authorizes the state board to adopt water quality control plans for waters that require water quality standards pursuant to the Federal Water Pollution Control Act, and provides that those plans supersede any regional water quality control plans for the same waters to the extent of any conflict.

This bill would require the state board, on or before December 31, 2023, to adopt a final update of the 1995 Water Quality Control Plan for the ~~Bay-Delta, San Francisco Bay/Sacramento-San Joaquin Delta Estuary~~, as specified, and to implement the amendments to the ~~Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta Estuary plan~~ adopted by the state board pursuant to Resolution No. 2018-0059 on December 12, 2018. The bill would prohibit the state

~~board~~ board, on or after January 1, 2024, from approving ~~any~~ a new water right ~~permits or extensions of time for any existing permits resulting~~ permit that would result in new or increased diversions to surface water storage from the Sacramento River/San Joaquin River watershed until *and unless* the state board has taken those actions.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 13170.6 is added to the Water Code, to
2 read:

3 13170.6. (a) The board shall, on or before December 31, 2023,
4 adopt a final update of the 1995 Water Quality Control Plan for
5 the ~~Bay-Delta~~ San Francisco Bay/Sacramento-San Joaquin Delta
6 Estuary adopted by the board in Resolution No. 95-24 on May 22,
7 1995, as amended by the 2006 amendment adopted by the board
8 in Resolution No. 2006-0098 on December 13, 2006.

9 (b) The board shall, on or before December 31, 2023, through
10 regulation or other appropriate implementation methods, implement
11 the amendments to the Water Quality Control Plan for the San
12 Francisco Bay/Sacramento-San Joaquin Delta Estuary adopted by
13 the board pursuant to Resolution No. 2018-0059 on December 12,
14 2018.

15 (c) ~~The~~ On or after January 1, 2024, the board shall not approve
16 any a new water right ~~permits or extensions of time for any existing~~
17 ~~permits resulting~~ permit that would result in new or increased
18 diversions to surface water storage from the Sacramento River/San
19 Joaquin River watershed until *and unless* the board has taken the
20 actions described in subdivisions (a) and (b).