

115TH CONGRESS  
2D SESSION

**S.** \_\_\_\_\_

To amend the Water Infrastructure Finance and Innovation Act of 2014 to include Bureau of Reclamation projects, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

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\_\_\_\_\_ introduced the following bill; which was read twice and referred to the Committee on \_\_\_\_\_

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## **A BILL**

To amend the Water Infrastructure Finance and Innovation Act of 2014 to include Bureau of Reclamation projects, 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 “Reclamation Water  
5 Infrastructure Finance and Innovation Act of 2018”.

6 **SEC. 2. DEFINITIONS.**

7 Section 5022 of the Water Infrastructure Finance  
8 and Innovation Act of 2014 (33 U.S.C. 3901) is amend-  
9 ed—

1           (1) by redesignating paragraphs (2) through  
2           (15) as paragraphs (3), (4), (5), (6), (7), (8), (9),  
3           (10), (12), (13), (14), (15), (16), and (17), respec-  
4           tively;

5           (2) by inserting after paragraph (1) the fol-  
6           lowing:

7           “(2) COMMISSIONER.—The term ‘Commis-  
8           sioner’ means the Commissioner of Reclamation.”;  
9           and

10          (3) by inserting after paragraph (10) (as so re-  
11          designated) the following:

12          “(11) RECLAMATION STATE.—The term ‘Rec-  
13          lamation State’ means any of the States of—

14                 “(A) Arizona;

15                 “(B) California;

16                 “(C) Colorado;

17                 “(D) Idaho;

18                 “(E) Kansas;

19                 “(F) Montana;

20                 “(G) Nebraska;

21                 “(H) Nevada;

22                 “(I) New Mexico;

23                 “(J) North Dakota;

24                 “(K) Oklahoma;

25                 “(L) Oregon;

1 “(M) South Dakota;

2 “(N) Texas;

3 “(O) Utah;

4 “(P) Washington; and

5 “(Q) Wyoming.”.

6 **SEC. 3. AUTHORITY TO PROVIDE ASSISTANCE.**

7 Section 5023 of the Water Infrastructure Finance  
8 and Innovation Act of 2014 (33 U.S.C. 3902) is amend-  
9 ed—

10 (1) in subsection (a)—

11 (A) by striking “The Secretary” and in-  
12 serting the following:

13 “(1) CORPS OF ENGINEERS AND EPA  
14 PROJECTS.—The Secretary”; and

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

16 “(2) BUREAU OF RECLAMATION PROJECTS.—

17 “(A) IN GENERAL.—The Commissioner, in  
18 consultation with the Administrator, shall select  
19 and recommend to the Administrator for finan-  
20 cial assistance under this subtitle any project  
21 that is—

22 “(i) eligible under paragraph (9),  
23 (10), or (12) of section 5026; and

1                   “(ii) located in a Reclamation State,  
2                   the State of Alaska, or the State of Ha-  
3                   waii.

4                   “(B) ADMINISTRATION.—The Adminis-  
5                   trator may issue and administer any financial  
6                   assistance for projects recommended by the  
7                   Commissioner under subparagraph (A).

8                   “(C) GUIDANCE.—The Commissioner shall  
9                   issue guidance that describes the information  
10                  that an applicant for a project described in sub-  
11                  paragraph (A) shall include in the application.”;  
12                  and

13                  (2) in subsection (b)—

14                         (A) in paragraph (2), by striking “and  
15                         (9)” and inserting “(9), (10), and (11)”;

16                         (B) in paragraph (3), by striking “(10)”  
17                         and inserting “(12)”.

18 **SEC. 4. APPLICATIONS.**

19                  Section 5024 of the Water Infrastructure Finance  
20                  and Innovation Act of 2014 (33 U.S.C. 3903) is amend-  
21                  ed—

22                         (1) by striking “Secretary or the Adminis-  
23                         trator” each place it appears and inserting “Sec-  
24                         retary, the Administrator, or the Commissioner”;  
25                         and

1           (2) in subsection (b), by striking “paragraph  
2           (9) or (10)” and inserting “paragraph (11) or  
3           (12)”.

4 **SEC. 5. ELIGIBLE ENTITIES.**

5           Section 5025 of the Water Infrastructure Finance  
6 and Innovation Act of 2014 (33 U.S.C. 3904) is amend-  
7 ed—

8           (1) by striking “The following entities” and in-  
9           serting the following:

10          “(a) IN GENERAL.—The following entities”; and

11          (2) by adding at the end the following:

12          “(b) BUREAU OF RECLAMATION PROJECTS.—In the  
13 case of a project eligible for assistance under paragraph  
14 (9) or (10) of section 5026, the following entities are eligi-  
15 ble to receive assistance under this subtitle:

16           “(1) An entity described in subsection (a).

17           “(2) A conservancy district, reclamation dis-  
18 trict, or irrigation district.

19           “(3) A canal company or mutual water com-  
20 pany.

21           “(4) A water users’ association.

22           “(5) An agency created by interstate compact.

23           “(6) Any individual or other entity that has the  
24 capacity to contract with the United States under  
25 Federal reclamation law.”.

1 **SEC. 6. PROJECTS ELIGIBLE FOR ASSISTANCE.**

2 Section 5026 of the Water Infrastructure Finance  
3 and Innovation Act of 2014 (33 U.S.C. 3905) is amend-  
4 ed—

5 (1) in paragraph (8)(A), by inserting “or para-  
6 graph (9) or (10)” after “through (6)”;

7 (2) by redesignating paragraphs (9) and (10)  
8 as paragraphs (11) and (12), respectively;

9 (3) by inserting after paragraph (8) the fol-  
10 lowing:

11 “(9) Any non-Federal water infrastructure  
12 project that the Commissioner determines would  
13 contribute to a safe, adequate water supply for do-  
14 mestic, agricultural, environmental, or municipal and  
15 industrial use and is otherwise eligible for assistance  
16 under this subtitle, including—

17 “(A) a project for the reclamation and  
18 reuse of wastewater, and naturally impaired  
19 ground and surface waters;

20 “(B) a new water infrastructure facility  
21 project, including a water conduit, pipeline,  
22 canal, pumping, power, and associated facilities  
23 or a water efficiency project;

24 “(C) a project for accelerated repair and  
25 replacement of an aging water distribution fa-  
26 cility;

1           “(D) a brackish or sea water desalination  
2           project, including chloride control; and

3           “(E) a project for groundwater replenish-  
4           ment, groundwater storage, or surface storage.

5           “(10) A water infrastructure project for water  
6           supply purposes as described in paragraph (9) that  
7           supports improvements to, or is associated with, Bu-  
8           reau of Reclamation projects, if—

9           “(A) the eligible entity demonstrates to the  
10          satisfaction of the Commissioner that the  
11          project is being initiated and implemented for  
12          non-Federal purposes;

13          “(B) the eligible entity retains, or secures  
14          through a long-term Federal property lease or  
15          easement agreement, which the Commissioner is  
16          authorized to enter into with the eligible entity,  
17          substantial control over the assets, operation,  
18          management, and maintenance of the project;  
19          and

20          “(C) the project meets such other criteria  
21          as the Commissioner may establish for projects  
22          under this paragraph.”; and

23          (4) in paragraph (12) (as so redesignated), by  
24          striking “or (8)” and inserting “(8), (9), or (10)”.

1 **SEC. 7. DETERMINATION OF ELIGIBILITY AND PROJECT SE-**  
2 **LECTION.**

3 Section 5028 of the Water Infrastructure Finance  
4 and Innovation Act of 2014 (33 U.S.C. 3907) is amend-  
5 ed—

6 (1) in subsection (a)—

7 (A) in paragraph (1)(E), by striking  
8 “under section 5026(9) or an entity for a  
9 project under section 5026(10)” and inserting  
10 “under section 5026(11) or an entity for a  
11 project under section 5026(12)”;

12 (B) in paragraph (2)—

13 (i) in subparagraph (A), by striking  
14 “subparagraph (B)” and inserting “sub-  
15 paragraphs (B) and (C)”; and

16 (ii) by adding at the end the fol-  
17 lowing:

18 “(C) SMALL WATER SUPPLY PROJECTS.—

19 For projects eligible for assistance under sec-  
20 tion 5026(9) that will provide water supply to  
21 an area of not more than 25,000 individuals—

22 “(i) the eligible project costs shall be  
23 reasonably anticipated to be not less than  
24 \$5,000,000; and

25 “(ii) the Commissioner may assist ap-  
26 plicants in combining 1 or more projects

1                   into a single application in order to meet  
2                   the requirement under clause (i).”; and

3                   (C) in paragraph (6)(A), by striking “Sec-  
4                   retary or the Administrator” and inserting  
5                   “Secretary, the Administrator, or the Commis-  
6                   sioner”; and

7                   (2) in subsection (b)(3), by striking “section  
8                   5026(9)” and inserting “section 5026(11)”.

9 **SEC. 8. LIMITATION.**

10           Section 5029 of the Water Infrastructure Finance  
11 and Innovation Act of 2014 (33 U.S.C. 3908) is amended  
12 by adding at the end the following:

13           “(f) LIMITATION.—No project eligible under para-  
14 graph (9) or (10) of section 5026 that receives financial  
15 assistance under this subtitle may be financed directly or  
16 indirectly, in whole or in part, with proceeds of any obliga-  
17 tion the interest on which is exempt from the tax imposed  
18 under chapter 1 of the Internal Revenue Code of 1986.”.

19 **SEC. 9. REGULATIONS.**

20           Section 5032 of the Water Infrastructure Finance  
21 and Innovation Act of 2014 (33 U.S.C. 3911) is amend-  
22 ed—

23           (1) by striking “Secretary or the Adminis-  
24           trator” and inserting “Secretary, the Administrator,  
25           or the Commissioner”; and



1 “(E) \$22,000,000 for fiscal year 2023; and

2 “(F) \$23,000,000 for fiscal year 2024.”;

3 and

4 (2) in subsection (b)—

5 (A) by striking “Of the funds” and insert-  
6 ing the following:

7 “(1) IN GENERAL.—Of the funds”; and

8 (B) by adding at the end the following:

9 “(2) BUREAU OF RECLAMATION.—Of the funds  
10 made available under subsection (a)(2)—

11 “(A) the Commissioner may use for the  
12 administration of this subtitle, including for the  
13 provision of technical assistance to aid project  
14 sponsors in obtaining the necessary approvals  
15 for the project—

16 “(i) not more than \$2,000,000 for fis-  
17 cal year 2019; and

18 “(ii) not more than \$2,200,000 for  
19 each of fiscal years 2020 through 2024;

20 and

21 “(B) the Administrator may use to admin-  
22 ister any loans recommended by the Commis-  
23 sioner under section 5023(a)(2)(A), not more  
24 than \$2,000,000 for each of fiscal years 2020  
25 through 2024.

1 “(3) SMALL WATER SUPPLY PROJECTS.—

2 “(A) IN GENERAL.—Subject to subpara-  
3 graph (B), of the funds made available under  
4 subsection (a)(2), the Commissioner may use to  
5 provide assistance, including assistance to pay  
6 the costs of acquiring the rating opinion letters  
7 under section 5028(a)(1)(D), to assist project  
8 sponsors in obtaining the necessary approvals  
9 for small water supply projects that are eligible  
10 for assistance under section 5028(a)(2)(C), not  
11 more than \$2,000,000 for each fiscal year.

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