

## **SEC. 1. SHORT TITLE.**

**This Act may be cited as the “ ”.**

## **SEC. 2. DEFINITIONS.**

In this Act:

(1) **ELIGIBLE ENTITY.**—The term “eligible entity” means—

(A) a State, Indian Tribe, municipality, irrigation district, water district, wastewater district, or other organization with water or power delivery authority;

(B) a State, regional, or local authority, the members of which include 1 or more organizations with water or power delivery authority; or

(C) an agency established under State law for the joint exercise of powers or a combination of entities described in subparagraph (A) through (B).

(2) **INDIAN TRIBE.**—The term “Indian Tribe” has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304)).

(3) **RECLAMATION STATE.**—The term “Reclamation State” means a State or territory described in the first section of the Act of June 17, 1902 (32 Stat. 388, chapter 1093; 43 U.S.C. 391).

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

## **SEC. 3. COMPETITIVE GRANT PROGRAM FOR LARGE-SCALE WATER RECYCLING AND REUSE PROJECTS.**

(a) **IN GENERAL.**—The Secretary of the Interior shall establish a grant program to provide grants on a competitive basis to eligible entities for the planning, design, and construction of large-scale water reclamation and reuse projects that provide substantial water supply and other benefits to drought stricken regions within the Reclamation States in accordance with this Act.

(b) **ELIGIBLE PROJECT.**—A project shall be considered eligible for consideration under this Act if —

(1) the project reclaims and reuses —

(A) municipal, industrial, domestic, or agricultural wastewater; or

(B) impaired ground or surface waters;

(2) the project —

(A) has a total estimated cost of \$500,000,000 or greater;

(3) the project is located within a Reclamation State;

(4) the project is constructed, operated, and maintained by an eligible entity; and

(5) the project provides a Federal benefit in accordance with the reclamation laws.

(c) **PROJECT EVALUATION.**—The Secretary may participate in an eligible project under this Act if—

(1) an eligible entity determines through the preparation of a feasibility or equivalent study, and the Secretary concurs, that—

(A) the eligible project —

(i) is technically and financially feasible;

(ii) provides a Federal benefit in accordance with the reclamation laws; and

(iii) is consistent with applicable Federal and State laws;

(B) sufficient non-Federal funding is available to complete the eligible project;

(C) the eligible entity is financially solvent; and

(2) the Secretary submits to Congress a written notification of the determinations under paragraph (1) by not later than 30 days after the date of the determinations.

(d) **PRIORITY.**—When funding projects under this Act, the Secretary shall give funding priority to projects that meet one or more of the following criteria:

(1) Projects that provide multiple benefits, including water supply reliability benefits for drought-stricken states and communities, fish and wildlife benefits, and water quality improvements.

(2) Projects that are likely to reduce impacts on environmental resources from water projects owned or operated by Federal and State agencies, including through measurable reductions in water diversions from imperiled ecosystems.

(3) Projects that help advance water management plans across a multi-state area, such as drought contingency plans in the Colorado River Basin.

(4) Projects that are regional in nature.

(5) Projects collaboratively developed or supported by multiple stakeholders.

(e) **FEDERAL ASSISTANCE.**—

(1) **FEDERAL COST SHARE.**—Except as provided in paragraph (2), the Federal share of the cost of any eligible project shall not exceed 25 percent of the total cost of the eligible project.

(2) **INCREASED FEDERAL COST SHARE FOR PROJECTS WITH ADDITIONAL MEASURABLE BENEFITS.**—The Federal share of the cost of an eligible project may be increased to a maximum of 75 percent of the total project costs, if the project advances at least a proportionate share of non-reimbursable benefits authorized under the reclamation laws, including fish and wildlife benefits provided through measurable reductions in water diversions from imperiled ecosystems.

(3) **TOTAL DOLLAR CAP.**—The Secretary shall not impose a total dollar cap on Federal contributions for all individual projects under the grant program established by this Act.

(4) **NONREIMBURSABLE FUNDS.**—Any funds provided by the Secretary to an eligible entity under this Act shall be considered nonreimbursable.

(5) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to carry out this Act \$750,000,000 for the period of fiscal years 2023 through 2027.

(6) **FUNDING ELIGIBILITY.**—An eligible project shall not be considered ineligible for assistance under this Act if the project has received assistance authorized under title XVI of Public Law 102–575 or section 4009 of Public Law 114–322.

(f) **ENVIRONMENTAL LAWS.**—In providing a grant for an eligible project under this Act, the Secretary shall comply with all applicable environmental laws, including the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

(g) GUIDANCE. —The Secretary shall issue guidance on the implementation of this Act, including guidelines for the preparation of feasibility or equivalent studies by eligible entities, no later than 12 months after the date of enactment of this Act.

(h) CONGRESSIONAL APPROVAL. —

(1) NOTIFICATION. —

(A) IN GENERAL. —At least 60 days before making a grant for a project under this Act, the Secretary shall notify the Committee on Natural Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate in writing of the proposed grant. The notification shall include an evaluation and justification for the project and the amount of the proposed grant award.

(B) CONGRESSIONAL DISAPPROVAL. —The Secretary shall not make a grant or any other obligation or commitment to fund a project under this Act that exceeds \$100,000,000 if a joint resolution is enacted disapproving funding for the project before the last day of the 60-day period described in subparagraph (A).

(i) REPORTS. —

(1) ANNUAL REPORT. —The Secretary shall make available on the Web site of the Department of the Interior at the end of each fiscal year an annual report that lists each project for which a grant has been provided under this Act during that fiscal year.

(2) COMPTROLLER GENERAL. —

(A) ASSESSMENT. —The Comptroller General of the United States shall conduct an assessment of the administrative establishment, solicitation, selection, and justification process with respect to the funding of grants under this Act.

(B) REPORT. —Not later than 1 year after the initial awarding of grants under this Act, the Comptroller General shall submit to the Committee on Natural Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a report that describes —

(i) the adequacy and effectiveness of the process by which each project was selected, if applicable; and

(ii) the justification and criteria used for the selection of each project, if applicable.

(j) TREATMENT OF CONVEYANCE. —The Secretary shall consider the planning, design, and construction of an eligible project's conveyance system to be eligible for grant funding under this Act.