

Calendar No. 587

118TH CONGRESS
2D SESSION**S. 2169**

To authorize the Secretary of the Interior to carry out watershed pilots,
and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 22, 2023

Mr. WYDEN introduced the following bill; which was read twice and referred
to the Committee on Energy and Natural Resources

NOVEMBER 21, 2024

Reported by Mr. MANCHIN, with an amendment and an amendment to the
title

[Strike out all after the enacting clause and insert the part printed in *italic*]

A BILL

To authorize the Secretary of the Interior to carry out
watershed pilots, 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 “Watershed Results
5 Act”.

1 **SEC. 2. DEFINITIONS.**

2 In this Act:

3 (1) **ADVANCE WATERSHED ANALYTICS.**—The
4 term “advance watershed analytics” means the tech-
5 nical analysis that is—

6 (A) conducted before making funding
7 available for a watershed pilot; and

8 (B) necessary—

9 (i) to identify specific high-impact
10 outcome projects across an entire water-
11 shed;

12 (ii) to identify project costs and imple-
13 mentation feasibility constraints;

14 (iii) to identify how different groups
15 of projects impact overall watershed tar-
16 gets; and

17 (iv) to develop scenarios that—

18 (I) maximize outcomes; and

19 (II) are feasible to quickly imple-
20 ment at scale.

21 (2) **FEDERAL FINANCIAL SOURCE.**—The term
22 “Federal financial source” means an award, grant,
23 loan, guarantee, incentive, or credit enhancement
24 funding available to Federal agencies participating
25 in watershed pilots.

1 (3) FUND.—The term “Fund” means the Envi-
 2 ronmental Outcomes Fund established by the Sec-
 3 retary under section 4(c)(1).

4 (4) MANAGEMENT TEAM.—The term “manage-
 5 ment team” means the management team for a wa-
 6 tershed pilot designated under section 3(b)(2).

7 (5) OUTCOME.—The term “outcome” means—

8 (A) a quantifiable increase in surface water
 9 or groundwater;

10 (B) a measurable increase in aquatic habi-
 11 tat quality or quantity in a watershed affected
 12 by the operation of a Bureau of Reclamation
 13 project; or

14 (C) any other quantifiable benefit identi-
 15 fied by the management team as being desirable
 16 in the applicable watershed.

17 (6) PAY-FOR-PERFORMANCE CONTRACT.—The
 18 term “pay-for-performance contract” means a con-
 19 tract to purchase successfully implemented outcomes
 20 at a negotiated per-unit price.

21 (7) PLAN.—The term “plan” means an action-
 22 able implementation and funding plan developed for
 23 a watershed pilot under section 3(c)(1).

24 (8) QUALIFYING PROJECT.—The term “quali-
 25 fying project” means a project in a Reclamation

1 State that efficiently achieves 1 or more outcomes in
 2 pursuit of a plan, as prioritized through advance wa-
 3 tershed analytics.

4 (9) RECLAMATION STATE.—The term “Ree-
 5 lamation State” means—

6 (A) a State or territory described in the
 7 first section of the Act of June 17, 1902 (32
 8 Stat. 388, chapter 1093; 43 U.S.C. 391);

9 (B) the State of Hawaii; and

10 (C) the State of Alaska.

11 (10) SECRETARY.—The term “Secretary”
 12 means the Secretary of the Interior.

13 (11) WATERSHED PILOT.—The term “water-
 14 shed pilot” means a watershed pilot established
 15 under section 3(a).

16 **SEC. 3. WATERSHED PILOTS.**

17 (a) IN GENERAL.—Not later than 180 days after the
 18 date of enactment of this Act and subject to subsection
 19 (h), the Secretary shall establish a total of not less than
 20 2 and not more than 5 watershed pilots in a Reclamation
 21 State.

22 (b) MANAGEMENT OF WATERSHED PILOTS.—

23 (1) MANAGEMENT BY SECRETARY.—Manage-
 24 ment and responsibility for each watershed pilot
 25 shall be led by the Secretary.

1 ~~(2) MANAGEMENT TEAM.~~—The Secretary shall
 2 designate a management team for the watershed
 3 pilot, which shall be composed of representatives ap-
 4 pointed by the Secretary.

5 ~~(3) CONSULTATION.~~—In establishing and ear-
 6 rying out a watershed pilot, the Secretary and the
 7 management team shall consult with—

8 ~~(A)~~ State, local, and Tribal representa-
 9 tives;

10 ~~(B)~~ nongovernmental organizations, includ-
 11 ing water and irrigation districts;

12 ~~(C)~~ private sector representatives; and

13 ~~(D)~~ such other individuals or entities as
 14 the Secretary and the management team deter-
 15 mine to be appropriate.

16 ~~(c) PLAN.~~—

17 ~~(1) IN GENERAL.~~—Not later than 1 year after
 18 the date on which a watershed pilot is established,
 19 the management team for the applicable watershed
 20 pilot shall develop and implement a 5-year plan for
 21 carrying out the watershed pilot.

22 ~~(2) REQUIREMENTS.~~—A plan shall incor-
 23 porate—

24 ~~(A)~~ advance watershed analytics to estab-
 25 lish milestones, outcome targets, an implemen-

1 tation plan, and a timeline for achieving the
2 milestones, targets, and full implementation;

3 ~~(B)~~ a coordinated cross-agency funding
4 strategy that will—

5 (i) achieve the milestones and outcome
6 targets established under subparagraph
7 ~~(A)~~ in an effective and flexible manner by
8 efficiently and quickly delivering Federal
9 financial sources to qualifying projects;

10 (ii) leverage amounts made available
11 under sections 4(c)(4) and 7 with existing
12 Federal financial sources;

13 (iii) use Federal financial sources and
14 amounts from the Fund to leverage and
15 attract investments from private or philan-
16 thropic sources to accelerate greater out-
17 comes-based results; and

18 (iv) concentrate Federal financial
19 source commitments from multiple agen-
20 cies in a watershed pilot during the period
21 of the watershed pilot;

22 ~~(C)~~ annually updated progress tracking
23 against milestones and targets; and

1 (D) such other information as the Sec-
 2 retary determines to be relevant to achieve out-
 3 comes on an accelerated timeline.

4 (3) REVIEW.—A plan shall be reviewed annu-
 5 ally by the management team.

6 (d) NOTIFICATION.—On adoption of each plan, the
 7 Secretary shall submit to the Committee on Appropria-
 8 tions of the Senate and the Committee on Appropriations
 9 of the House of Representatives a notification that the wa-
 10 tershed pilot has been established and the plan has been
 11 adopted.

12 (e) DISBURSEMENT OF FUNDS TO QUALIFYING
 13 PROJECTS.—Not later than 30 days after the date on
 14 which the Secretary and the management team for a wa-
 15 tershed pilot verify outcomes from the qualifying project,
 16 the Secretary and the management team for the watershed
 17 pilot shall disburse amounts from Federal financial
 18 sources, including amounts made available under sections
 19 4(c)(4) and 7, to a qualifying project, through pay-for-
 20 performance contracts, at agreed upon outcome prices.

21 (f) MINIMUM OUTCOME PRICES.—Not later than 1
 22 year after the date on which a watershed pilot is estab-
 23 lished, the Secretary and the management team for the
 24 watershed pilot shall set and publish minimum per-unit
 25 outcome prices.

1 (g) ~~USE OF ADVANCE WATERSHED ANALYTICS.—~~

2 The Secretary and the management team for each water-
3 shed pilot shall use advance watershed analytics through-
4 out the planning, implementation, measuring, and moni-
5 toring of outcomes within the watershed pilot.

6 (h) ~~AUTHORITY FOR ADDITIONAL PILOTS.—~~The Sec-

7 retary, following notification of the Committee on Appro-
8 priations of the Senate and the Committee on Appropria-
9 tions of the House of Representatives, shall approve the
10 establishment of more than 5 watershed pilots under this
11 section.

12 **SEC. 4. FINANCING AND FUNDING OF WATERSHED PILOTS.**

13 (a) ~~USE OF PAY-FOR-PERFORMANCE CONTRACTS.—~~

14 In carrying out a watershed pilot, the Secretary shall enter
15 into a pay-for-performance contract to achieve outcome-
16 based goals described in the plan developed for the water-
17 shed pilot.

18 (b) ~~FLEXIBILITY UNDER EXISTING PROGRAMS.—~~

19 The Secretary shall modify, expand, or streamline eligi-
20 bility and verification criteria for existing Federal finan-
21 cial sources to maximize flexibility, speed, and use of Fed-
22 eral funds in the most effective manner to achieve out-
23 comes under the watershed pilot.

24 (c) ~~ENVIRONMENTAL OUTCOMES FUND.—~~

1 ~~(1) IN GENERAL.—~~The Secretary shall establish
 2 an Environmental Outcomes Fund.

3 ~~(2) USE OF FUND.—~~Amounts in the Fund shall
 4 only be expended on pay-for-performance contracts
 5 under a watershed pilot.

6 ~~(3) CRITERIA.—~~Amounts in the Fund shall be
 7 expended in accordance with—

8 ~~(A)~~ this Act, including the plan developed
 9 for the applicable watershed pilot; and

10 ~~(B)~~ criteria established by the Secretary
 11 and the management team for the applicable
 12 watershed pilot, which shall include criteria
 13 for—

14 ~~(i)~~ eligibility of qualifying projects;

15 ~~(ii)~~ types of qualifying projects;

16 ~~(iii)~~ the timing of the disbursement of
 17 funds; and

18 ~~(iv)~~ such other matters as the Sec-
 19 retary and the management team deter-
 20 mine to be appropriate.

21 ~~(4) MANDATORY FUNDING.—~~

22 ~~(A) IN GENERAL.—~~Out of any funds in the
 23 Treasury not otherwise appropriated, on Octo-
 24 ber 1, 2024, and on each October 1 thereafter
 25 through October 1, 2029, the Secretary of the

1 Treasury shall transfer to the Secretary from
2 the reclamation fund established by the first
3 section of the Act of June 17, 1902 (32 Stat.
4 388, chapter 1093, 43 U.S.C. 391),
5 \$15,000,000 to be deposited in the Fund.

6 (B) RECEIPT AND ACCEPTANCE.—The
7 Secretary shall be entitled to receive, shall ac-
8 cept, and shall deposit into the Fund for use in
9 accordance with this subsection the funds trans-
10 ferred under subparagraph (A), without further
11 appropriation.

12 (5) REPORT TO CONGRESS.—If a watershed
13 pilot is established as a permanent program, the
14 Secretary may submit to Congress recommendations
15 for modifications to funding levels and a permanent
16 authorization of funding for the permanent program.

17 (d) COST-SHARE WAIVER.—Any otherwise applicable
18 cost-share requirements for existing Federal financial
19 sources, including under section 212(a)(1) of the Public
20 Lands Corps Act of 1993 (16 U.S.C. 1729(a)(1)), shall
21 be waived for watershed pilots carried out using amounts
22 made available under this Act.

1 **SEC. 5. REPORTS.**

2 (a) **DEFINITION OF APPROPRIATE COMMITTEES OF**
 3 **CONGRESS.**—In this section, the term “appropriate com-
 4 mittees of Congress” means—

5 (1) of the Senate—

6 (A) the Committee on Appropriations; and

7 (B) the Committee on Energy and Natural
 8 Resources; and

9 (2) of the House of Representatives—

10 (A) the Committee on Appropriations; and

11 (B) the Committee on Natural Resources.

12 (b) **ANNUAL REPORTS.**—The Secretary shall, not
 13 later than the date on which the budget of the United
 14 States Government is submitted by the President under
 15 section 1105 of title 31, United States Code, for each fis-
 16 cal year for which the watershed pilot is being carried out,
 17 submit to the appropriate committees of Congress a report
 18 describing the status of each watershed pilot, including
 19 progress towards the milestones described in section
 20 3(e)(2)(A).

21 (c) **5-YEAR REPORT.**—Not later than October 1 of
 22 the fifth fiscal year in which a watershed pilot is carried
 23 out under section 3, the Secretary shall submit to the ap-
 24 propriate committees of Congress a report describing, in
 25 accordance with the plan developed for the applicable wa-
 26 tershed pilot—

1 ~~(1) a summary of—~~

2 ~~(A) the projected results of the watershed~~
 3 ~~pilot in meeting the milestones described in sec-~~
 4 ~~tion 3(c)(2)(A);~~

5 ~~(B) the projected outcomes of the water-~~
 6 ~~shed pilot described in that section;~~

7 ~~(C) the total amount of funds made avail-~~
 8 ~~able under the watershed pilot;~~

9 ~~(D) the type of funding expended under~~
 10 ~~the watershed pilot; and~~

11 ~~(E) such other information as the Sec-~~
 12 ~~retary determines to be appropriate; and~~

13 ~~(2) recommendations for continuing, termi-~~
 14 ~~nating, or making permanent the watershed pilot.~~

15 ~~(d) ENVIRONMENTAL OUTCOMES FUNDS.—~~

16 ~~(1) SECRETARY.—The Secretary, not later than~~
 17 ~~the date on which the budget of the United States~~
 18 ~~Government is submitted by the President under~~
 19 ~~section 1105 of title 31, United States Code, for~~
 20 ~~each fiscal year for which the watershed pilot is~~
 21 ~~being carried out, submit to the appropriate commit-~~
 22 ~~tees of Congress a report describing the outcomes~~
 23 ~~achieved using amounts made available from, man-~~
 24 ~~agement of, and expenditures from, the Fund.~~

25 ~~(2) INSPECTORS GENERAL.—~~

1 (A) ~~AUDIT.~~—The Inspector General of the
 2 Department of the Interior shall conduct a bi-
 3 annual audit of the management of, and fund-
 4 ing (including expenditures) relating to, the
 5 Fund for the purpose of ensuring proper and
 6 effective use of Federal funding by evaluating
 7 the effectiveness of the watershed pilot in
 8 achieving the plan developed for the watershed
 9 pilot, including an evaluation of the outcomes
 10 achieved and the Federal financial sources used
 11 to achieve those outcomes.

12 (B) ~~REPORTS.~~—The Inspector General of
 13 the Department of the Interior shall, not later
 14 than the date on which the budget of the
 15 United States Government is submitted by the
 16 President under section 1105 of title 31, United
 17 States Code, for each fiscal year for which the
 18 watershed pilot is being carried out, submit to
 19 the appropriate committees of Congress a re-
 20 port describing the 2 audits most recently con-
 21 ducted under subparagraph (A).

22 **SEC. 6. DURATION.**

23 Each watershed pilot shall terminate on the date that
 24 is 5 years after the date on which the notification is sub-

mitted under section 3(d) with respect to that watershed pilot.

SEC. 7. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated—

(1) for each watershed pilot, \$15,000,000 for each of fiscal years 2024 through 2029, which shall be in addition to the amounts made available under section 4(c)(4); and

(2) to carry out advance watershed analytics for each watershed pilot, \$2,000,000 for each of fiscal years 2024 through 2026.

SECTION 1. SHORT TITLE.

This Act may be cited as the “Watershed Results Act”.

SEC. 2. DEFINITIONS.

In this Act:

(1) *ADVANCE WATERSHED ANALYTICS.*—The term “advance watershed analytics” means the technical analysis that—

(A) *is conducted before providing funding for a watershed outcomes project;*

(B) *identifies and quantifies the outcomes and costs of all potential qualifying activities across the watershed outcomes project; and*

(C) *assesses how different groups of qualifying activities in the watershed outcomes project*

1 *could efficiently maximize outcomes for the least*
 2 *cost.*

3 (2) *APPROPRIATE COMMITTEES OF CONGRESS.*—

4 *The term “appropriate committees of Congress”*
 5 *means—*

6 (A) *the Committee on Energy and Natural*
 7 *Resources of the Senate; and*

8 (B) *the Committee on Natural Resources of*
 9 *the House of Representatives.*

10 (3) *ELIGIBLE ENTITY.*—*The term “eligible enti-*
 11 *ty” includes—*

12 (A) *a State, Indian Tribe, Tribal organiza-*
 13 *tion, irrigation district, or water district;*

14 (B) *a State, regional, or local authority, the*
 15 *members of which include 1 or more organiza-*
 16 *tions with water or power delivery authority;*

17 (C) *any other organization with water or*
 18 *power delivery authority; and*

19 (D) *any nongovernmental entity.*

20 (4) *PAY-FOR-PERFORMANCE CONTRACT.*—*The*
 21 *term “pay-for-performance contract” means a con-*
 22 *tract to purchase verified outcomes produced by im-*
 23 *plemented qualifying activities in a watershed out-*
 24 *comes project at a negotiated price.*

1 (5) *QUALIFYING ACTIVITY.*—*The term “quali-*
 2 *fying activity” means a conservation project carried*
 3 *out in a watershed identified through advance water-*
 4 *shed analytics as having a high likelihood of cost-ef-*
 5 *fectively achieving 1 or more outcomes if implement*
 6 *consistent with applicable performance standards*
 7 *made available under section 3(e)(4).*

8 (6) *RECLAMATION STATE.*—*The term “Reclama-*
 9 *tion State” means—*

10 (A) *a State or territory described in the*
 11 *first section of the Act of June 17, 1902 (32 Stat.*
 12 *388, chapter 1093; 43 U.S.C. 391);*

13 (B) *the State of Hawaii;*

14 (C) *the State of Alaska; and*

15 (D) *the Commonwealth of Puerto Rico.*

16 (7) *SECRETARY.*—*The term “Secretary” means*
 17 *the Secretary of the Interior, acting through the Com-*
 18 *missioner of Reclamation.*

19 (8) *WATERSHED OUTCOMES PROJECT.*—*The*
 20 *term “watershed outcomes project” means the overall*
 21 *watershed project managed by the watershed partner.*

22 (9) *WATERSHED PARTNER.*—*The term “water-*
 23 *shed partner” means an eligible entity selected by the*
 24 *Secretary under section 3(a)(2) to carry out a water-*
 25 *shed outcomes project.*

1 **SEC. 3. WATERSHED OUTCOMES PROJECTS.**

2 (a) *PROPOSALS; SELECTION.*—*The Secretary shall—*

3 (1) *not later than 1 year after the date of enact-*
 4 *ment of this Act, solicit the submission from eligible*
 5 *entities of proposals to develop and implement a*
 6 *strategy that develops and uses advance watershed*
 7 *analytics to cost-effectively carry out watershed out-*
 8 *comes projects to achieve meaningful watershed-scale*
 9 *outcomes in a Reclamation State; and*

10 (2) *from among the proposals submitted under*
 11 *paragraph (1), select a watershed partner for each*
 12 *watershed to complete advance watershed analytics,*
 13 *carry out watershed outcomes projects in a Reclama-*
 14 *tion State, manage watershed partnership duties dur-*
 15 *ing the term of the partnership agreement, and sup-*
 16 *port pay-for-performance contracts.*

17 (b) *GUIDELINES AND CRITERIA FOR PROPOSALS.*—*The*
 18 *Secretary—*

19 (1) *shall develop criteria and guidelines for the*
 20 *submission and selection of proposals under sub-*
 21 *section (a); and*

22 (2) *for purposes of developing the criteria and*
 23 *guidelines under paragraph (1), may consider—*

24 (A) *the scope of the proposed watershed out-*
 25 *comes project, including the selected subregion or*
 26 *basin-level watershed for consideration;*

1 (B) the purpose and goals of the proposed
2 watershed outcomes project;

3 (C) any stakeholder outreach conducted
4 with respect to the proposed watershed outcomes
5 project;

6 (D) evidence of widespread support within
7 the local community for, the proposed watershed
8 outcomes project;

9 (E) the capability of the watershed partner
10 to perform the required duties in accordance
11 with subsection (d);

12 (F) how the watershed partner will procure
13 and use advance watershed analytics to identify
14 and quantify the outcomes and costs of all poten-
15 tial qualifying activities for the proposed water-
16 shed outcomes project;

17 (G) estimated costs of completing advance
18 watershed analytics and operating the proposed
19 watershed outcomes project;

20 (H) the anticipated qualifying activity
21 types that are relevant for the selected watershed
22 identified under subparagraph (A); and

23 (I) plans for monitoring, evaluating, and
24 reporting on progress made toward achieving the

1 *outcomes of the proposed watershed outcomes*
 2 *project.*

3 *(c) PARTNERSHIP AGREEMENTS.—*

4 *(1) IN GENERAL.—The Secretary may enter into*
 5 *a partnership agreement with a watershed partner se-*
 6 *lected under subsection (a)(2) to design and imple-*
 7 *ment a watershed outcomes project that uses advance*
 8 *watershed analytics to achieve meaningful watershed-*
 9 *scale outcomes in accordance with this section.*

10 *(2) TERM.—*

11 *(A) IN GENERAL.—A partnership agreement*
 12 *entered into under paragraph (1) shall be for a*
 13 *term—*

14 *(i) of not more 5 years; or*

15 *(ii) if the Secretary determines that a*
 16 *longer term is necessary to meet the objec-*
 17 *tives of the watershed outcomes project, a*
 18 *longer term established by the Secretary.*

19 *(B) RENEWAL.—A partnership agreement*
 20 *entered into under paragraph (1) may be re-*
 21 *newed for a term of not more than 5 years.*

22 *(C) EXTENSION.—A partnership agreement*
 23 *entered into under paragraph (1) or renewed*
 24 *under subparagraph (B) may be extended 1 time*

1 *for a term of not more than 2 years, as deter-*
 2 *mined by the Secretary.*

3 (3) *TECHNICAL AND FINANCIAL ASSISTANCE.*—
 4 *Through a partnership agreement entered into under*
 5 *paragraph (1), the Secretary shall provide to a water-*
 6 *shed partner—*

7 (A) *technical or financial assistance to de-*
 8 *sign and implement a watershed outcomes*
 9 *project; and*

10 (B) *grants, cooperative agreements, or other*
 11 *financial assistance to support—*

12 (i) *the activities under subparagraph*
 13 (A); *and*

14 (ii) *performance payments to quali-*
 15 *fying activities under subsection (g)(4).*

16 (4) *PROJECT DEVELOPMENT COSTS.*—*The Sec-*
 17 *retary may annually award to a watershed partner*
 18 *an amount equal to not more than 50 percent of esti-*
 19 *mated costs of the watershed outcomes project to carry*
 20 *out the duties described in subsection (d).*

21 (d) *DUTIES OF WATERSHED PARTNERS.*—*Under a*
 22 *partnership agreement entered into under subsection (c)(1),*
 23 *the Secretary shall establish duties to be carried out by the*
 24 *watershed partner, including considering establishing the*
 25 *following duties:*

1 (1) *Preparing a funding and implementation*
2 *strategy that uses advance watershed analytics to*
3 *cost-effectively carry out a watershed outcomes project*
4 *by selecting a sufficient number of qualifying activi-*
5 *ties to achieve meaningful watershed-scale outcomes*
6 *by—*

7 (A) *completing advance watershed analytics*
8 *to identify and quantify the outcomes and costs*
9 *of all potential qualifying activities for the wa-*
10 *tershed outcomes project;*

11 (B) *establishing baseline metrics to support*
12 *the development of setting outcome prices and*
13 *performance standards for the watershed out-*
14 *comes project;*

15 (C) *developing performance standards for*
16 *the watershed outcomes project;*

17 (D) *leveraging financial assistance provided*
18 *by the Secretary to secure additional funds for*
19 *the watershed outcomes project;*

20 (E) *designing, recruiting, and verifying*
21 *qualifying activities for the watershed outcomes*
22 *project; and*

23 (F) *providing outcome and financial ac-*
24 *counting services relating to qualifying activities*
25 *carried out to achieve outcomes.*

1 (2) *Using the strategy prepared under para-*
 2 *graph (1) to prioritize qualifying activity outreach ef-*
 3 *forts.*

4 (3) *Working with local stakeholders to recruit*
 5 *and design an implementation-ready queue of pri-*
 6 *ority qualifying activities.*

7 (4) *Ensuring that any proposed priority quali-*
 8 *fying activities have the support of affected local*
 9 *stakeholders.*

10 (5) *Setting activity outcome prices and devel-*
 11 *oping performance standards for qualifying activities.*

12 (6) *Developing a plan to carry out qualifying*
 13 *activities having a high likelihood of cost-effectively*
 14 *achieving 1 or more outcomes described in subsection*
 15 *(f) if implemented consistent with the applicable per-*
 16 *formance standards made available by the Secretary*
 17 *under subsection (e)(4).*

18 (7) *Selecting, developing pay-for-performance*
 19 *contracts for, funding, and carrying out qualifying*
 20 *activities, in accordance with the plan developed*
 21 *under paragraph (6), to achieve meaningful water-*
 22 *shed-scale outcomes.*

23 (8)(A) *Quantifying the outcomes for qualifying*
 24 *activities.*

1 (B) *Verifying that qualifying activities have been*
 2 *implemented consistent with applicable performance*
 3 *standards.*

4 (C) *Providing applicable documentation to the*
 5 *Secretary with respect to the information quantified*
 6 *and verified under subparagraphs (A) and (B).*

7 (9) *Monitoring qualifying activities at appro-*
 8 *priate levels to confirm ongoing performance.*

9 (10) *Other duties necessary to carry out a water-*
 10 *shed outcomes project, as determined to be necessary*
 11 *by the Secretary.*

12 (e) *DUTIES OF SECRETARY.*—*Under a partnership*
 13 *agreement entered into under subsection (c), the Secretary*
 14 *shall—*

15 (1) *ensure that there is widespread support with-*
 16 *in the local community for the watershed outcomes*
 17 *project;*

18 (2) *verify the advance watershed analytics com-*
 19 *pleted by the watershed partner, to the maximum ex-*
 20 *tent practicable;*

21 (3) *ensure that there are made available to the*
 22 *public outcome price tables, by qualifying activity*
 23 *type, for use as the basis for negotiating pay-for-per-*
 24 *formance contracts for the applicable watershed out-*
 25 *comes project;*

1 (4) *ensure that there are made available to the*
 2 *public qualifying activity and watershed outcomes*
 3 *project performance standards that are to be used as*
 4 *the basis for—*

5 (A) *identifying, quantifying, and verifying*
 6 *qualifying activity outcomes; and*

7 (B) *executing pay-for-performance con-*
 8 *tracts;*

9 (5) *review outcome quantification and*
 10 *verification documentation provided by the watershed*
 11 *partner under subsection (d)(8)(C);*

12 (6) *provide to a watershed partner financial as-*
 13 *sistance to purchase verified outcomes from qualifying*
 14 *activities in a watershed outcomes project, at prices*
 15 *set for the watershed outcomes project in accordance*
 16 *with this section; and*

17 (7) *coordinate with other Federal agencies, to the*
 18 *maximum extent practicable, to help leverage and*
 19 *concentrate funding into watershed outcomes projects.*

20 (f) *REQUIRED OUTCOMES FOR QUALIFYING ACTIVI-*
 21 *TIES.—To be eligible for a performance payment under sub-*
 22 *section (g)(4), a qualified activity shall produce 1 or more*
 23 *measurable, clearly defined outcomes that result in a quan-*
 24 *tifiable and verifiable—*

25 (1) *increase in surface water or groundwater;*

1 (2) *increase in aquatic habitat quality, quantity,*
2 *connectivity, or access in a watershed;*

3 (3) *surface water or groundwater quality im-*
4 *provement, including water temperature reductions,*
5 *or a reduction in salinity or nutrient or sediment*
6 *runoff associated with irrigated agriculture; or*

7 (4) *other quantifiable benefits, as determined by*
8 *the Secretary, likely to improve watershed health in*
9 *the watershed outcomes project.*

10 (g) *FINANCIAL ASSISTANCE FOR QUALIFYING ACTIVI-*
11 *TIES IN WATERSHED OUTCOMES PROJECTS.—*

12 (1) *LEVERAGING FEDERAL FUNDING.—To*
13 *achieve meaningful watershed-scale outcomes,*
14 *amounts made available under section 5 may be used*
15 *to satisfy any cost-sharing requirement with respect*
16 *to carrying out a watershed outcomes project.*

17 (2) *FEDERAL SHARE.—The Federal share of*
18 *grants or other financial assistance for a watershed*
19 *outcomes project under this Act shall be not more*
20 *than 75 percent of the total cost of the watershed out-*
21 *comes project.*

22 (3) *WATERSHED PARTNER CONTRIBUTIONS.—*
23 *The Secretary may—*

24 (A) *accept non-Federal contributions for a*
25 *watershed outcomes project, including funding or*

1 *financing secured by the watershed partner in*
 2 *accordance with the strategy developed under*
 3 *subsection (d)(1); and*

4 *(B) use amounts accepted under subpara-*
 5 *graph (A) to carry out activities authorized*
 6 *under this Act in the watershed outcomes project.*

7 *(4) PERFORMANCE PAYMENTS.—Not later than*
 8 *90 days after the date on which a watershed partner*
 9 *verifies the outcomes generated from qualifying activi-*
 10 *ties and confirms that the qualifying activity has*
 11 *been implemented consistent with the performance*
 12 *standards of the applicable watershed outcomes*
 13 *project, the Secretary shall provide financial assist-*
 14 *ance to the watershed partner to support performance*
 15 *payments.*

16 *(h) MAXIMUM NUMBER OF WATERSHED OUTCOMES*
 17 *PROJECTS.—Not more than a total of 5 watershed outcomes*
 18 *projects may be carried out under this section.*

19 *(i) RESTRICTIONS ON USE OF ADVANCE WATERSHED*
 20 *ANALYTICS DATA.—*

21 *(1) IN GENERAL.—Nothing in this Act affects or*
 22 *modifies existing law with respect to the treatment of*
 23 *personal data in the conduct by an employee of the*
 24 *Federal Government or a designee of an employee of*
 25 *the Federal Government in carrying out official du-*

1 *ties of the Federal employee or designee under this*
 2 *Act.*

3 (2) *DATA COLLECTION.*—*All information or data*
 4 *collected or assembled by a Federal employee or a des-*
 5 *ignee of a Federal employee to complete advance wa-*
 6 *tershed analytics activities, directly or indirectly,*
 7 *under this Act—*

8 (A) *shall be used for the sole purpose of*
 9 *identifying, prioritizing, and funding qualifying*
 10 *activities in a watershed outcomes project; and*

11 (B) *shall be considered to be confidential*
 12 *commercial information that is exempt from dis-*
 13 *closure under section 552(b)(4) of title 5, United*
 14 *States Code (commonly known as the “Freedom*
 15 *of Information Act”).*

16 (3) *APPLICABILITY TO WATERSHED PARTNERS.*—
 17 *Any restrictions on a Federal employee under this*
 18 *section shall apply to an employee of a watershed*
 19 *partner.*

20 (j) *EFFECT.*—*Nothing in this Act creates, impairs, al-*
 21 *ters, or supersedes a Federal or State water right.*

22 **SEC. 4. BRIEFING; REPORTS.**

23 (a) *ANNUAL BRIEFING OR REPORT.*—*For each fiscal*
 24 *year for which a watershed outcomes project is carried out*
 25 *under section 3, not later than the date on which the budget*

1 *of the United States Government is submitted by the Presi-*
 2 *dent under section 1105 of title 31, United States Code, for*
 3 *that fiscal year, the Secretary shall provide to the appro-*
 4 *priate committees of Congress a briefing or report describ-*
 5 *ing the status of each watershed outcomes project, including*
 6 *progress towards the applicable strategy prepared under*
 7 *section 3(d)(1), including any payments made for outcomes.*

8 (b) *5-YEAR REPORT.*—*Not later than October 1 of the*
 9 *fifth fiscal year in which a watershed outcomes project is*
 10 *carried out under section 3, the Secretary shall submit to*
 11 *the appropriate committees of Congress a report that—*

12 (1) *summarizes—*

13 (A) *the projected results of the qualifying*
 14 *activities in the watershed outcomes project in*
 15 *meeting the strategy prepared under section*
 16 *3(d)(1);*

17 (B) *the projected outcomes of the watershed*
 18 *outcomes project;*

19 (C) *the total amount of funds secured for*
 20 *the watershed outcomes project;*

21 (D) *the type of funding expended under the*
 22 *watershed outcomes project; and*

23 (E) *such other information as the Secretary*
 24 *determines to be appropriate; and*

1 (2) *includes recommendations for continuing,*
2 *terminating, or making permanent the authorizations*
3 *under this Act.*

4 ***SEC. 5. AUTHORIZATION OF APPROPRIATIONS.***

5 *There is authorized to be appropriated to the Secretary*
6 *to carry out this Act \$17,000,000 for each of fiscal years*
7 *2025 through 2030.*

Amend the title so as to read: “A bill to authorize
the conduct of watershed outcomes projects, and for
other purposes.”.

Calendar No. 587

118TH CONGRESS
2D Session

S. 2169

A BILL

To authorize the Secretary of the Interior to carry out watershed pilots, and for other purposes.

NOVEMBER 21, 2024

Reported with an amendment and an amendment to the title