

119TH CONGRESS
2D SESSION

S. 4234

To amend the Watershed Protection and Flood Prevention Act to improve that Act, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 26, 2026

Mr. BENNET (for himself, Mrs. FISCHER, and Mr. MERKLEY) introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

A BILL

To amend the Watershed Protection and Flood Prevention Act to improve that Act, 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 “Healthy Watersheds,
5 Healthy Communities Act of 2026”.

6 **SEC. 2. SHORT TITLE; FINDINGS; DECLARATION OF POLICY.**

7 The first section of the Watershed Protection and
8 Flood Prevention Act (16 U.S.C. 1001) is amended to
9 read as follows:

1 **“SECTION 1. SHORT TITLE; FINDINGS; DECLARATION OF**
2 **POLICY.**

3 “(a) SHORT TITLE.—This Act may be cited as the
4 ‘Watershed Protection and Flood Prevention Act’.

5 “(b) FINDINGS.—Congress finds that erosion, flood-
6 water, drought, and sediment damages in the watersheds
7 of the rivers and streams of the United States cause loss
8 of life, declines in agricultural production, harm to fish,
9 birds, wildlife, and recreation opportunities, and damage
10 to property, thereby constituting a menace to the national
11 welfare.

12 “(c) SENSE OF CONGRESS.—It is the sense of Con-
13 gress that the Federal Government should cooperate with
14 States and political subdivisions of States, Tribal organi-
15 zations described in section 2(2)(C), insular areas (as de-
16 fined in section 1404 of the National Agricultural Re-
17 search, Extension, and Teaching Policy Act of 1977 (7
18 U.S.C. 3103)), soil or water conservation districts, flood
19 prevention or control districts, irrigation districts or simi-
20 lar entities, nonprofit organizations, and other local public
21 agencies for the purposes of—

22 “(1) preventing the damages described in sub-
23 section (b);

24 “(2) furthering the conservation, development,
25 utilization, and disposal of water, and the conserva-
26 tion and utilization of land; and

1 “(3) thereby preserving, protecting, and improv-
 2 ing land and water resources and the quality of the
 3 environment.”.

4 **SEC. 3. DEFINITIONS.**

5 Section 2 of the Watershed Protection and Flood
 6 Prevention Act (16 U.S.C. 1002) is amended to read as
 7 follows:

8 **“SEC. 2. DEFINITIONS.**

9 “In this Act:

10 “(1) IRRIGATION EFFICIENCY.—The term ‘irri-
 11 gation efficiency’ means a reduction in the quantity
 12 of non-consumed water diverted at a source for irri-
 13 gation purposes, consistent with State water law.

14 “(2) LOCAL ORGANIZATION.—The term ‘local
 15 organization’ means—

16 “(A)(i) any State, political subdivision of a
 17 State, soil or water conservation district, flood
 18 prevention or control district, or combination
 19 thereof; or

20 “(ii) any other governmental agency having
 21 authority under State law to carry out, main-
 22 tain, and operate a work of improvement;

23 “(B) any irrigation district or reservoir
 24 company, water users’ association, canal com-
 25 pany, ditch association, acequia, or similar enti-

ty, or nongovernmental organization that is not
being operated for profit, with—

“(i) the capacity to engage in the
planning or implementation of land treat-
ment and related conservation measures;
or

“(ii) the authority to construct and
maintain structural measures; or

“(C) any Indian Tribe or Tribal organiza-
tion (as those terms are defined in section 4 of
the Indian Self-Determination and Education
Assistance Act (25 U.S.C. 5304)) having au-
thority under Federal, State, or Indian Tribal
law to carry out, maintain, and operate a work
of improvement.

“(3) MULTIBENEFIT WORK OF IMPROVE-
MENT.—The term ‘multibenefit work of improve-
ment’ means a work of improvement, including irri-
gation efficiency, flood damage reduction, water
management, or watershed protection, that provides
2 or more of the following public benefits:

“(A) Improvement in the condition of a
natural feature that increases fish or wildlife
habitat, reduces drought impact, or reduces
flood risk.

1 “(B) Improvement in water quality.

2 “(C) Water conservation.

3 “(D) Improvement to instream flow.

4 “(E) Enhanced fish passage or reduction
5 in fish entrainment.

6 “(F) Permanent protection of a natural
7 feature.

8 “(G) Off-channel renewable energy produc-
9 tion.

10 “(4) NATURAL FEATURE.—The term ‘natural
11 feature’ means a feature that is created through the
12 action of physical, geological, biological, and natural
13 chemical processes over time.

14 “(5) SECRETARY.—The term ‘Secretary’ means
15 the Secretary of Agriculture.

16 “(6) WATER CONSERVATION.—The term ‘water
17 conservation’ means a reduction in total annual con-
18 sumptive water use compared to total annual con-
19 sumptive water use before a work of improvement is
20 carried out under this Act.

21 “(7) WATER MANAGEMENT.—The term ‘water
22 management’ means any project or activity carried
23 out to increase the efficiency of water use, transfer,
24 diversion, or conveyance.

25 “(8) WORK OF IMPROVEMENT.—

“(A) IN GENERAL.—The term ‘work of improvement’ means any undertaking carried out in a watershed or subwatershed area not exceeding 250,000 acres (including on Federal land necessary to accomplish the purposes of the undertaking) for—

“(i) flood prevention (including structural and land treatment measures);

“(ii) the conservation, development, utilization, and disposal of water; or

“(iii) the conservation and proper utilization of land.

“(B) EXCLUSION.—The term ‘work of improvement’ does not include any single structure that provides—

“(i) more than 12,500 acre-feet of floodwater detention capacity; and

“(ii) more than 25,000 acre-feet of total capacity.

“(C) REQUIREMENT FOR AGRICULTURE OR CONSERVATION BENEFITS.—Each undertaking described in subparagraph (A) shall contain benefits directly related to agriculture or conservation, including communities in rural areas (as defined in section 343(a) of the Consoli-

1 dated Farm and Rural Development Act (7
2 U.S.C. 1991(a))), that account for at least 20
3 percent of the total benefits of the undertaking.

4 “(D) CONSOLIDATED PLANNING.—1 or
5 more subwatersheds, when the subwatersheds
6 are components of a larger watershed, may be
7 planned together at the discretion of the local
8 organization sponsoring the applicable under-
9 taking.”.

10 **SEC. 4. ASSISTANCE TO LOCAL ORGANIZATIONS.**

11 Section 3 of the Watershed Protection and Flood
12 Prevention Act (16 U.S.C. 1003) is amended—

13 (1) by redesignating subsection (b) as sub-
14 section (e);

15 (2) in subsection (a)(6), in the first sentence,
16 by striking “occupiers, individually” and inserting
17 the following: “occupiers in accordance with sub-
18 section (b).

19 “(b) AGREEMENTS WITH LANDOWNERS, OPERA-
20 TORS, AND OCCUPIERS.—

21 “(1) IN GENERAL.—The Secretary may enter
22 into agreements under subsection (a)(6) with land-
23 owners, operators, and occupiers, individually”;

24 (3) in subsection (b) (as so designated)—

(A) by striking “supplemented. Applications” and inserting the following: “supplemented.

“(2) APPLICATIONS.—Applications”;

(B) in paragraph (2) (as so designated)—

(i) in the first sentence, by striking “such conservation plans” and inserting “conservation plans described in paragraph (1)”;

(ii) by striking “such district. In return” and all that follows through “interest. The portion” and inserting the following: “that district.

“(3) COST SHARING.—

“(A) IN GENERAL.—The Secretary may agree to share the costs of carrying out a work of improvement, or specific practices and measures described in such an agreement, if the Secretary determines that cost sharing is appropriate and in the public interest.”;

“(B) PORTION OF COSTS.—The portion”;

and

(iii) in subparagraph (B) (as so designated)—

1 (I) by striking “programs. The
 2 Secretary” and inserting the fol-
 3 lowing: “programs.

4 “(4) TERMINATION; MODIFICATIONS.—The Sec-
 5 retary”;

6 (C) in paragraph (4) (as so designated)—

7 (i) in the first sentence, by striking
 8 “hereunder, as he” and inserting “under
 9 this subsection, as the Secretary”; and

10 (ii) by striking “herein. Notwith-
 11 standing” and inserting the following:
 12 “under this subsection.

13 “(5) PRESERVATION OR SURRENDER OF HIS-
 14 TORY.—Notwithstanding”; and

15 (D) in paragraph (5) (as so designated)—

16 (i) by striking “he” and inserting “the
 17 Secretary”;

18 (ii) by striking “paragraph” and in-
 19 serting “subsection”;

20 (iii) by striking “hereunder for (1)
 21 preservation” and inserting the following:
 22 “under this paragraph for—

23 “(A) preservation”; and

24 (iv) in subparagraph (A) (as so des-
 25 ignated), by striking “crop; or (2) sur-

1 render” and inserting the following: “crop;

2 or

3 “(B) surrender”;

4 (4) by inserting after subsection (b) (as so des-
5 ignated) the following:

6 “(c) DELEGATION OF AUTHORITIES.—The Secretary
7 shall delegate final decisionmaking authority to the State
8 Conservationist, or the agency having that responsibility,
9 of the State in which the work of improvement is located
10 for the determination of when the watershed plan for a
11 work of improvement shall be released for final public
12 comment.

13 “(d) DEADLINE FOR APPROVAL OR DISAPPROVAL.—

14 “(1) IN GENERAL.—Subject to paragraph (2),
15 not later than 45 days after the date on which an
16 application for a work of improvement is submitted
17 to the Secretary, the Secretary shall approve or dis-
18 approve the application.

19 “(2) EXTENSIONS.—The Secretary may extend
20 the deadline described in paragraph (1) by 45 days,
21 if necessary.”;

22 (5) in subsection (e) (as so redesignated)—

23 (A) in the matter preceding paragraph

24 (1)—

1 (i) by inserting “or the delegated au-
 2 thority under subsection (c)” after “The
 3 Secretary”; and

4 (ii) by inserting “or the delegated au-
 5 thority” after “if the Secretary”; and

6 (B) in paragraph (2), by striking “section
 7 4” and inserting “section 7”; and

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

9 “(f) APPROVAL OF PLANS THAT IMPROVE THE CON-
 10 DITION OF A NATURAL FEATURE.—Notwithstanding sub-
 11 section (a)(3), the Secretary may approve a plan for a
 12 multibenefit work of improvement, regardless of the ratio
 13 of costs to benefits of the multibenefit work of improve-
 14 ment.

15 “(g) GUARANTEE OF FUNDING FOR CERTAIN CON-
 16 STRUCTION MATERIALS.—

17 “(1) IN GENERAL.—Except as provided in para-
 18 graph (2), the Secretary may approve funding under
 19 a work of improvement for construction materials
 20 for pipes to convey water if the Secretary determines
 21 that the construction materials—

22 “(A) are fully recyclable;

23 “(B) maintain structural integrity for not
 24 less than 100 years; and

1 “(C) are capable of being manufactured
2 on-site.

3 “(2) CONSTRUCTION MATERIALS WITH LESS
4 THAN 100-YEAR STRUCTURAL INTEGRITY.—The Sec-
5 retary, at the election of a project sponsor and with
6 the recommendation of the applicable State Con-
7 servationist of the project sponsor, may approve
8 funding under a work of improvement for construc-
9 tion materials for pipes to convey water that do not
10 meet the criteria described in subparagraphs (A)
11 through (C) of paragraph (1).”.

12 **SEC. 5. NOTIFICATION REQUIREMENT.**

13 Section 4 of the Watershed Protection and Flood
14 Prevention Act (16 U.S.C. 1004) is amended to read as
15 follows:

16 **“SEC. 4. NOTIFICATION REQUIREMENT.**

17 “(a) IN GENERAL.—

18 “(1) APPROVAL BY SECRETARY REQUIRED.—

19 No amounts shall be provided under this Act for any
20 plan for a work of improvement involving an esti-
21 mated Federal contribution to construction costs in
22 excess of \$50,000,000, or that includes any struc-
23 ture that provides more than 2,500 acre-feet of total
24 capacity, unless the Secretary has approved the work
25 of improvement.

1 “(2) NOTICE.—Except in the case of a flood
2 prevention project described in subsection (b), not
3 less than 60 days before approving a plan described
4 in paragraph (1), the Secretary shall provide to the
5 Committee on Agriculture, Nutrition, and Forestry
6 of the Senate and the Committee on Agriculture of
7 the House of Representatives a notice of the ap-
8 proval, including a description of the justification for
9 the approval and a copy of the plan.

10 “(b) FLOOD PREVENTION PROJECTS.—

11 “(1) PROJECTS LESS THAN 4,000 ACRE-FEET OF
12 CAPACITY.—In the case of any plan for a flood pre-
13 vention project under this Act involving no single
14 structure providing more than 4,000 acre-feet of
15 total capacity, not less than 60 days before approv-
16 ing a plan described in subsection (a)(1), the Sec-
17 retary shall provide to the Committee on Agri-
18 culture, Nutrition, and Forestry of the Senate and
19 the Committee on Agriculture of the House of Rep-
20 resentatives a notice of the approval, including a de-
21 scription of the justification for the approval and a
22 copy of the plan.

23 “(2) PROJECTS MORE THAN 4,000 ACRE-FEET
24 OF CAPACITY.—In the case of any plan for a flood
25 prevention project under this Act involving any sin-

1 gle structure providing more than 4,000 acre-feet of
2 total capacity, not less than 60 days before approv-
3 ing a plan described in subsection (a)(1), the Sec-
4 retary shall provide to the Committee on Environ-
5 ment and Public Works of the Senate and the Com-
6 mittee on Transportation and Infrastructure of the
7 House of Representatives a notice of the approval,
8 including a description of the justification for the
9 approval and a copy of the plan.

10 “(c) WATERSHED OR SUBWATERSHED AREAS.—If
11 the estimated Federal contribution to the construction
12 cost of works of improvement in the plan for any water-
13 shed or subwatershed area exceeds \$50,000,000 or in-
14 cludes any structure that provides more than 2,500 acre-
15 feet of total capacity, the Secretary shall provide a copy
16 of the plan and a justification for the plan to—

17 “(1) the Committee on Agriculture, Nutrition,
18 and Forestry of the Senate and the Committee on
19 Agriculture of the House of Representatives, if the
20 plan includes no single structure providing more
21 than 4,000 acre-feet of total capacity; or

22 “(2) the Committee on Environment and Public
23 Works of the Senate and the Committee on Trans-
24 portation and Infrastructure of the House of Rep-
25 resentatives, if the plan includes any single structure

1 providing more than 4,000 acre-feet of total capac-
2 ity.”.

3 **SEC. 6. MULTIBENEFIT WORK OF IMPROVEMENT ALLOCA-**
4 **TION.**

5 Section 5 of the Watershed Protection and Flood
6 Prevention Act (16 U.S.C. 1005) is amended to read as
7 follows:

8 **“SEC. 5. MULTIBENEFIT WORK OF IMPROVEMENT ALLOCA-**
9 **TION.**

10 “The Secretary shall allocate not less than 50 percent
11 of the total amount made available under this Act for each
12 fiscal year for the planning, design, or construction of
13 multibenefit works of improvement.”.

14 **SEC. 7. REPEALS; REDESIGNATIONS.**

15 (a) REPEALS.—Sections 9 and 11 of the Watershed
16 Protection and Flood Prevention Act (16 U.S.C. 1006b;
17 16 U.S.C. 1001 note; 68 Stat. 668; 70 Stat. 1090) are
18 repealed.

19 (b) REDESIGNATIONS.—The Watershed Protection
20 and Flood Prevention Act is amended by redesignating
21 sections 3A, 6, 7, 8, 12, 13, 14, and 15 (16 U.S.C. 1003a,
22 1006; 68 Stat. 668; 16 U.S.C. 1006a, 1008, 1010, 1012,
23 1012a) as sections 6, 9, 11, 12, 13, 14, 15, and 16, respec-
24 tively.

25 (c) CONFORMING AMENDMENTS.—

1 (1) Section 515(b)(8)(B) of the Surface Mining
2 Control and Reclamation Act of 1977 (30 U.S.C.
3 1265(b)(8)(B)) is amended by striking “Public Law
4 83–566 (16 U.S.C. 1006)” and inserting “section 9
5 of the Watershed Protection and Flood Prevention
6 Act”.

7 (2) Section 1211(a)(3)(D) of the Food Security
8 Act of 1985 (16 U.S.C. 3811(a)(3)(D)) is amend-
9 ed—

10 (A) by striking “or 8”;

11 (B) by striking “and 1006a”; and

12 (C) by inserting “or section 12 of that
13 Act” before the period at the end.

14 (3) Section 1221(b)(3)(D) of the Food Security
15 Act of 1985 (16 U.S.C. 3821(b)(3)(D)) is amend-
16 ed—

17 (A) by striking “or 8”;

18 (B) by striking “and 1006a”; and

19 (C) by inserting “or section 12 of that
20 Act” before the period at the end.

21 (4) Section 1271A(1)(F) of the Food Security
22 Act of 1985 (16 U.S.C. 3871a(1)(F)) is amended by
23 striking “section 14 (16 U.S.C. 1012) of that Act”
24 and inserting “section 15 of that Act”.

1 (5) Section 10 of the Watershed Protection and
2 Flood Prevention Act (16 U.S.C. 1007) is amended,
3 in the second sentence, by striking “provisions of
4 section 3 or clause (a) of section 8 of this Act” and
5 inserting “section 3 or subsection (a) of the first
6 sentence of section 12”.

7 **SEC. 8. COST SHARE ASSISTANCE.**

8 Section 6 of the Watershed Protection and Flood
9 Prevention Act (16 U.S.C. 1001 et seq.) (as redesignated
10 by section 7(b)) is amended—

11 (1) in subsection (a), by inserting “, as deter-
12 mined by the Secretary,” after “assistance”; and

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

14 “(c) TREATMENT OF OTHER FEDERAL FUNDS FOR
15 WORKS OF IMPROVEMENT.—Any funds provided for a
16 work of improvement through any Federal department or
17 agency other than the Department of Agriculture shall be
18 considered to be part of the non-Federal share of the cost
19 of the work of improvement provided by the sponsor of
20 the work of improvement.”.

21 **SEC. 9. CONDITIONS FOR FEDERAL ASSISTANCE.**

22 The Watershed Protection and Flood Prevention Act
23 (16 U.S.C. 1001 et seq.) is amended by inserting after
24 section 6 (as redesignated by section 7(b)) the following:

1 **“SEC. 7. CONDITIONS FOR FEDERAL ASSISTANCE.**

2 “(a) IN GENERAL.—The Secretary shall require, as
3 a condition of providing Federal assistance for the instal-
4 lation of a work of improvement, that a local organization
5 sponsoring the work of improvement shall—

6 “(1) acquire, or, with respect to interests in
7 land to be acquired by condemnation, provide assur-
8 ances satisfactory to the Secretary that they will ac-
9 quire, without cost to the Federal Government from
10 funds appropriated for the purposes of this Act (ex-
11 cept as provided in subsection (b)), such land, ease-
12 ments, or rights-of-way as will be needed in connec-
13 tion with works of improvement installed with Fed-
14 eral assistance;

15 “(2) make arrangements satisfactory to the
16 Secretary for defraying costs of operating and main-
17 taining such works of improvement, in accordance
18 with regulations presented by the Secretary;

19 “(3) acquire, or provide assurance that land-
20 owners or water users have acquired, such water
21 rights, pursuant to State law, as may be needed in
22 the installation and operation of the work of im-
23 provement;

24 “(4) obtain agreements to carry out rec-
25 ommended soil conservation measures and proper
26 farm plans from owners of not less than 50 percent

1 of the land situated in the drainage area above each
 2 retention reservoir to be installed with Federal as-
 3 sistance; and

4 “(5) submit a plan of repayment satisfactory to
 5 the Secretary for any loan or advancement made
 6 under section 12.

7 “(b) COST SHARE OR ADVANCE PAYMENTS FOR CER-
 8 TAIN ACTIVITIES.—

9 “(1) PUBLIC FISH AND WILDLIFE OR REC-
 10 REATIONAL DEVELOPMENT.—

11 “(A) IN GENERAL.—If a local organization
 12 agrees to operate and maintain any reservoir or
 13 other area included in a plan for public fish and
 14 wildlife or recreational development, the Sec-
 15 retary shall not bear more than 50 percent of
 16 the costs of—

17 “(i) the land, easements, or rights-of-
 18 way acquired or to be acquired by the local
 19 organization for such reservoir or other
 20 area; and

21 “(ii) minimum basic facilities needed
 22 for public health and safety, access to, and
 23 use of such reservoir or other area for such
 24 purposes.

25 “(B) RECREATIONAL DEVELOPMENT.—

1 “(i) CONDITIONS.—The Secretary
 2 may participate in recreational develop-
 3 ment in any watershed project under sub-
 4 paragraph (A) only to the extent that the
 5 need for the recreational development is
 6 demonstrated in accordance with standards
 7 established by the Secretary—

8 “(I) taking into account the an-
 9 ticipated man-days of use of the pro-
 10 jected recreational development; and

11 “(II) giving consideration to the
 12 availability within the region of exist-
 13 ing water-based outdoor recreational
 14 developments.

15 “(ii) LIMITATIONS.—The Secretary
 16 may participate in—

17 “(I) not more than 1 recreational
 18 development in a watershed project
 19 containing less than 75,000 acres;

20 “(II) not more than 2 rec-
 21 reational developments in a watershed
 22 project containing—

23 “(aa) not less than 75,000
 24 acres; and

1 “(bb) not more than
2 150,000 acres; or
3 “(III) not more than 3 rec-
4 reational developments in a watershed
5 project containing more than 150,000
6 acres.

7 “(2) ADVANCE PAYMENTS.—If the Secretary
8 and a local organization have agreed that the imme-
9 diate acquisition by the local organization of land,
10 easements, or rights-of-way is advisable for the pres-
11 ervation of sites for works of improvement included
12 in a plan from encroachment by residential, commer-
13 cial, industrial, or other development—

14 “(A) the Secretary may advance to the
15 local organization from funds appropriated for
16 construction of works of improvement the
17 amounts required for the acquisition of such
18 land, easements, or rights-of-way; and

19 “(B) except where such costs are to be
20 borne by the Secretary, such advance shall be
21 repaid by the local organization, with interest,
22 prior to construction of the works of improve-
23 ment, for credit to such construction funds.

24 “(3) MITIGATION OF FISH AND WILDLIFE HABI-
25 TAT LOSSES.—

1 “(A) IN GENERAL.—The Secretary may
 2 bear an amount not to exceed 50 percent of the
 3 costs of the land, easements, or rights-of-way
 4 acquired or to be acquired by a local organiza-
 5 tion for mitigation of fish and wildlife habitat
 6 losses.

7 “(B) OUTSIDE BOUNDARIES.—An acquisi-
 8 tion under subparagraph (A) shall not be lim-
 9 ited to the confines of the watershed project
 10 boundaries.

11 “(c) FUTURE DEMANDS.—

12 “(1) IN GENERAL.—The Secretary shall re-
 13 quire, as a condition of providing Federal assistance
 14 for the installation of works of improvement, that—

15 “(A) the cost of water storage to meet fu-
 16 ture demands may not exceed 30 percent of the
 17 total estimated cost of the reservoir structure;
 18 and

19 “(B) the local organization shall give rea-
 20 sonable assurances, and provide evidence, that
 21 such demands for the use of such storage will
 22 be made within a period of time which will per-
 23 mit repayment within the life of the reservoir
 24 structure of the cost of such storage.

1 “(2) ASSURANCES.—The Secretary shall deter-
2 mine prior to initiation of construction or modifica-
3 tion of any reservoir structure including water sup-
4 ply storage that there are adequate assurances by
5 the local organization or by an agency of the State
6 having authority to give such assurances, that—

7 “(A) the Secretary will be reimbursed the
8 cost of water supply storage for anticipated fu-
9 ture demands; and

10 “(B) the local organization will pay not
11 less than 50 percent of the cost of storage for
12 present water supply demands.

13 “(3) REPAYMENT.—

14 “(A) IN GENERAL.—The cost to be borne
15 by the local organization for anticipated future
16 demands may be repaid within the life of the
17 reservoir structure but in no event to exceed 50
18 years after the reservoir structure is first used
19 for the storage of water for anticipated future
20 water supply demands, except that—

21 “(i) no reimbursement of the cost of
22 such water supply storage for anticipated
23 future demands need be made until such
24 supply is first used; and

1 “(ii) no interest shall be charged on
 2 the cost of such water supply storage for
 3 anticipated future demands until such sup-
 4 ply is first used, but in no case shall the
 5 interest-free period exceed 10 years.

6 “(B) INTEREST RATE.—The interest rate
 7 used for purposes of computing the interest on
 8 the unpaid balance under subparagraph (A)(ii)
 9 shall be determined in accordance with section
 10 12.

11 “(d) CONDITION OF FUNDS.—Nothing in this Act
 12 shall be construed to supersede or in any manner affect
 13 or conflict with State water law, Federal water law, inter-
 14 state compacts, or treaty obligations.”.

15 **SEC. 10. CONTRACT SERVICES.**

16 The Watershed Protection and Flood Prevention Act
 17 (16 U.S.C. 1001 et seq.) is amended by inserting after
 18 section 7 (as added by section 9) the following:

19 **“SEC. 8. CONTRACT SERVICES.**

20 “(a) IN GENERAL.—

21 “(1) SECURING SERVICES.—A local organiza-
 22 tion may secure services, including for the planning,
 23 design, preparation of contracts and specifications,
 24 awarding of contracts, and supervision of construc-
 25 tion, in connection with works of improvement, if—

1 “(A) the Secretary and the interested local
2 organization have agreed on a plan for the
3 works of improvement;

4 “(B) the Secretary, in consultation with
5 the delegated authority under section 3(c), has
6 determined that the benefits exceed the costs,
7 except that the benefits of fish and wildlife
8 habitat or water quality improvement shall not
9 be required to be monetized to be considered
10 against costs;

11 “(C) the local organization has met the re-
12 quirements for participation in carrying out the
13 works of improvement described in section 7;
14 and

15 “(D) the Secretary, in consultation with
16 the delegated authority under section 3(c), has
17 determined that the services are satisfactory,
18 based on the works of improvement.

19 “(2) SERVICES PROVIDED BY THE SEC-
20 RETARY.—The Secretary may provide services under
21 paragraph (1) on request by the local organization,
22 with priority given to multibenefit works of improve-
23 ment.

24 “(3) REIMBURSEMENT.—If the local organiza-
25 tion elects to secure services under paragraph (1),

1 the Secretary shall reimburse the local organization
 2 for the costs charged for work in an amount not to
 3 exceed the amount agreed upon in the plan for
 4 works of improvement or any modification thereof.

5 “(4) ADVANCE PAYMENTS.—

6 “(A) IN GENERAL.—The Secretary may
 7 advance such amounts as may be necessary to
 8 pay for services described in paragraph (1).

9 “(B) LIMITATIONS.—Advances under sub-
 10 paragraph (A) shall not exceed—

11 “(i) in the case of a work of improve-
 12 ment for flood prevention or drought resil-
 13 iency, 5 percent of the estimated installa-
 14 tion cost of the work of improvement; and

15 “(ii) in the case of a work of improve-
 16 ment the primary purpose of which is fish
 17 and wildlife habitat or water quality im-
 18 provement, 75 percent of the estimated in-
 19 stallation cost of the work of improvement.

20 “(b) CONSTRUCTION OF STRUCTURES.—

21 “(1) IN GENERAL.—Except as to the installa-
 22 tion of works of improvement on Federal land and
 23 as provided in paragraph (2), the Secretary shall not
 24 construct or enter into any contract for the con-
 25 struction of any structure.

1 “(2) REQUESTS OF LOCAL ORGANIZATION.—

2 The Secretary may enter into a contract for the con-
3 struction of structures on request of a local organi-
4 zation.”.

5 **SEC. 11. MAXIMUM LOAN AMOUNT.**

6 Section 12 of the Watershed Protection and Flood
7 Prevention Act (16 U.S.C. 1001 et seq.) (as redesignated
8 by section 7(b)) is amended, in the third sentence, by
9 striking “five million dollars” and inserting
10 “\$10,000,000”.

11 **SEC. 12. DATA.**

12 Section 14 of the Watershed Protection and Flood
13 Prevention Act (16 U.S.C. 1001 et seq.) (as redesignated
14 by section 7(b)) is amended—

15 (1) in the matter preceding paragraph (1), by
16 striking “collect and maintain” and inserting “col-
17 lect, maintain, and publish on the website of the De-
18 partment of Agriculture”;

19 (2) in paragraph (1), by striking “control and
20 conservation” and inserting “control, conservation,
21 and drought resilience”; and

22 (3) by striking paragraph (2) and inserting the
23 following:

24 “(2) expenditures for—

1 “(A) improvement in the condition of a
2 natural feature that increases fish or wildlife
3 habitat, reduces drought impact, or reduces
4 flood risk;

5 “(B) improvement in water quality;

6 “(C) water conservation;

7 “(D) improvement to instream flow;

8 “(E) enhanced fish passage or reduction in
9 fish entrainment;

10 “(F) permanent protection of a natural
11 feature; and

12 “(G) off-channel renewable energy produc-
13 tion.”.

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