

Union Calendar No. 253

115TH CONGRESS
1ST SESSION

H. R. 1769

[Report No. 115-349]

To affirm an agreement between the United States and Westlands Water District dated September 15, 2015, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 28, 2017

Mr. VALADAO introduced the following bill; which was referred to the Committee on Natural Resources

OCTOBER 16, 2017

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

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

[For text of introduced bill, see copy of bill as introduced on March 28, 2017]

A BILL

To affirm an agreement between the United States and Westlands Water District dated September 15, 2015, 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; TABLE OF CONTENTS.**

4 (a) *SHORT TITLE.*—*This Act may be cited as the “San*
 5 *Luis Unit Drainage Resolution Act”.*

6 (b) *TABLE OF CONTENTS.*—*The table of contents for*
 7 *this Act is as follows:*

Sec. 1. Short title; table of contents.

Sec. 2. Definitions.

Sec. 3. Approval of agreement.

Sec. 4. Relief from drainage obligation.

Sec. 5. Drainage implementation.

Sec. 6. Water delivery contracts.

Sec. 7. Repayment obligations.

Sec. 8. Transfer of title to certain facilities.

Sec. 9. Compliance with applicable law.

Sec. 10. No water supply or financial impacts on other Central Valley Project
contractors.

Sec. 11. Restoration Fund payments by Westlands Water District.

8 **SEC. 2. DEFINITIONS.**

9 *In this Act:*

10 (1) *CENTRAL VALLEY PROJECT IMPROVEMENT*
 11 *ACT OF 1992 DEFINITIONS.*—*As used herein, the terms*
 12 *“repayment contractor”, “water service contractor”,*
 13 *“water service contract”, “exchange contractor”, “ex-*
 14 *change contract”, “water rights settlement con-*
 15 *tractor”, “water rights settlement contract”, “refuge*
 16 *contractor”, and “refuge contract” shall have the*
 17 *same meanings respectively as each of those terms has*
 18 *in title XXXIV of the Central Valley Project Improve-*
 19 *ment Act of 1992 (106 Stat. 4706).*

1 (2) *CONDITION OF SHORTAGE.*—*The term “Con-*
2 *dition of Shortage” means “Condition of Shortage” as*
3 *that term is defined in existing San Luis Unit water*
4 *service contracts.*

5 (3) *CONTRACTING OFFICER.*—*The term “Con-*
6 *tracting Officer” means “Contracting Officer” as that*
7 *term is defined in existing San Luis Unit water serv-*
8 *ice contracts.*

9 (4) *PROJECT.*—*The term “Project” means the*
10 *Central Valley Project, owned by the United States*
11 *and managed by the Department of the Interior, Bu-*
12 *reau of Reclamation.*

13 (5) *PROJECT WATER.*—*The term “Project Water”*
14 *means all water that is developed, diverted, stored, or*
15 *delivered by the Secretary in accordance with the*
16 *statutes authorizing the Project and in accordance*
17 *with the terms and conditions of water rights ac-*
18 *quired pursuant to California law.*

19 (6) *REPAYMENT CONTRACT.*—*The term “repay-*
20 *ment contract” means the repayment contract con-*
21 *verted under section 6(a).*

22 (7) *SAN LUIS ACT.*—*The term “San Luis Act”*
23 *means the Act of June 3, 1960 (Public Law 86–488),*
24 *and all Acts amendatory thereof and supplementary*
25 *thereto.*

1 (8) *SAN LUIS UNIT.*—*The term “San Luis Unit”*
2 *means those lands identified in section 1 of the San*
3 *Luis Act.*

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

6 (10) *WESTLANDS AGREEMENT.*—*The term*
7 *“Westlands Agreement” means the “Agreement be-*
8 *tween the United States and Westlands Water Dis-*
9 *trict August 2015”, signed September 15, 2015.*

10 (11) *WESTLANDS.*—*The term “Westlands” means*
11 *the Westlands Water District (including Broadview*
12 *Water District lands annexed within Westlands Water*
13 *District) located in Fresno and Kings Counties, Cali-*
14 *fornia.*

15 **SEC. 3. APPROVAL OF AGREEMENT.**

16 *Notwithstanding any other provision of law, unless*
17 *otherwise specified herein, the Westlands Agreement is ap-*
18 *proved and the Secretary is hereby directed to implement*
19 *the terms and conditions of the Westlands Agreement.*

20 **SEC. 4. RELIEF FROM DRAINAGE OBLIGATION.**

21 *The San Luis Act is amended as follows:*

22 (1) *In the second sentence of section 1(a) after*
23 *the words “related facilities,”, strike “but” and add*
24 *“but such features do not include distribution systems*
25 *or drains within Westlands, and”.*

1 (2) *In the sixth sentence of section 1(a), by in-*
2 *serting the following at the end of the sentence before*
3 *the period: “, except that the provision of drainage or*
4 *drainage service under section 1(a) shall not apply to*
5 *lands within Westlands”.*

6 (3) *In section 5, by striking the first sentence*
7 *and inserting “Notwithstanding any other provision*
8 *of law, the Secretary of the Interior shall have no*
9 *duty to provide drainage or drainage service to*
10 *Westlands. Westlands shall be responsible for the man-*
11 *agement of drainage water within its boundaries, in*
12 *accordance with Federal and California law con-*
13 *sistent with the ‘Agreement between the United States*
14 *and Westlands Water District August 2015’, signed*
15 *September 15, 2015.”.*

16 (4) *In the first sentence of section 8 by striking*
17 *the words “other than distribution systems and*
18 *drains,”.*

19 (5) *In the third sentence of section 8, strike ev-*
20 *erything between the word “required” through and in-*
21 *cluding “(b)”, inserting a period following the word*
22 *“unit”, and striking the remainder of the proviso in*
23 *section 8.*

1 **SEC. 5. DRAINAGE IMPLEMENTATION.**

2 *Upon enactment of this Act, and as provided in the*
3 *Westlands Agreement, Westlands shall assume all legal re-*
4 *sponsibility for the management of drainage water within*
5 *its boundaries in accordance with Federal and California*
6 *law, provided that Westlands shall not discharge drainage*
7 *water outside of its boundaries.*

8 **SEC. 6. WATER DELIVERY CONTRACTS.**

9 *(a) CONTRACT CONVERSION.—The Secretary shall con-*
10 *vert Westlands' existing long-term or interim renewal water*
11 *service contracts entered into under section 9(e) of the Act*
12 *of August 4, 1939 (53 Stat. 1196), to a repayment contract*
13 *under sections 9(d) and 9(c)(1) of the Act of August 4, 1939*
14 *(53 Stat. 1195, 1194), consistent with the Westlands Agree-*
15 *ment. Such contract shall continue so long as Westlands*
16 *fulfills its obligations under the contract.*

17 *(b) ALLOCATION DECISIONS.—*

18 *(1) Notwithstanding subsection (a) and as pro-*
19 *vided in the Westlands Agreement, the Secretary shall*
20 *make allocation decisions in the Project affecting*
21 *Westlands consistent with the requirements of all cur-*
22 *rent or future enacted Federal law including, but not*
23 *limited, to the Endangered Species Act of 1973 (16*
24 *U.S.C. 1531 et seq.), Reclamation law, and all deci-*
25 *sions of the California State Water Resources Control*

1 *Board establishing conditions on applicable licenses*
2 *and permits for the Central Valley Project.*

3 (2) *Conversion of Westlands' contracts in sub-*
4 *section (a) shall not afford Westlands a greater or*
5 *lesser right to an annual allocation of Project Water*
6 *than it had prior to the conversion of its contract*
7 *under this Act.*

8 (3) *If there is a Condition of Shortage in the*
9 *amount of water available for delivery to Westlands*
10 *because of errors in physical operations of the Project,*
11 *drought, other physical causes beyond the control of*
12 *the Contracting Officer or actions taken by the Con-*
13 *tracting Officer to meet legal obligations, no liability*
14 *shall accrue against the United States or any of its*
15 *officers, agents or employees for any damage, direct or*
16 *indirect, arising therefrom.*

17 (c) *WATER SERVICE CONTRACT FOR LEMOORE NAVAL*
18 *AIR STATION.—*

19 (1) *The Secretary shall enter into a contract*
20 *under section 9(d) and 9(c)(1) of the Act of August*
21 *4, 1939 (53 Stat. 1195, 1194), with the Secretary of*
22 *the Navy for the delivery of Project Water to the*
23 *Lemoore Naval Air Station to meet the needs, as de-*
24 *termined under paragraph (2), of Lemoore Naval Air*
25 *Station, and all associated remaining repayment ob-*

1 *ligations owing to the United States on the date of*
2 *enactment of this Act are discharged, and the Sec-*
3 *retary shall certify that the lands within the Lemoore*
4 *Naval Air Station are free from the ownership and*
5 *full cost pricing limitations of Federal Reclamation*
6 *law. Such contract shall continue so long as the Sec-*
7 *retary of the Navy pays all applicable charges con-*
8 *sistent with applicable law.*

9 *(2) The contract amount of Project Water made*
10 *available to the Lemoore Naval Air Station under the*
11 *contract entered into pursuant to paragraph (1) shall*
12 *be determined by the Secretary through technical*
13 *analysis in cooperation with the Lemoore Naval Air*
14 *Station.*

15 *(3) In any year in which there may occur a*
16 *Condition of Shortage in the amount of water avail-*
17 *able for delivery, the Contracting Officer shall allocate*
18 *the available Project Water to Lemoore Naval Air*
19 *Station in the same percentage as allocated to munic-*
20 *ipal and industrial water service contractors in the*
21 *San Luis Unit of the Project.*

22 **SEC. 7. REPAYMENT OBLIGATIONS.**

23 *(a) SUSPENSION OF CAPITAL OBLIGATION.—Upon en-*
24 *actment of this Act, Westlands' capital repayment obliga-*
25 *tion and payments under its existing water service con-*

1 *tracts and the April 1, 1965, repayment contract between*
2 *the United States and Westlands (contract numbered 14–*
3 *06–200–2020–A) as further defined in subsection (d), shall*
4 *be suspended until the execution of the section 9(d) repay-*
5 *ment contract referenced in section 6(a) of this Act, and*
6 *upon execution of the section 9(d) repayment contract,*
7 *Westlands shall receive a credit against future operation*
8 *and maintenance costs payable to the United States in the*
9 *amount of the capital costs under the existing water service*
10 *contracts and the 1965 Repayment Contract paid by*
11 *Westlands between the date of the Westlands Agreement and*
12 *the date of enactment of this Act.*

13 *(b) COSTS.—Costs incurred by the United States for*
14 *purposes of re-evaluating, planning, or providing drainage*
15 *service to Westlands shall be non-reimbursable as set forth*
16 *in paragraph (9)(C)(iv) of the Westlands Agreement.*

17 *(c) RELIEF OF CAPITAL REPAYMENT OBLIGATIONS.—*

18 *(1) Upon the date of execution of the section 9(d)*
19 *repayment contracts referenced in section 6(a) of this*
20 *Act, and as set forth in the Westlands Agreement,*
21 *Westlands shall be relieved of—*

22 *(A) its capital repayment obligations under*
23 *the June 5, 1963, water service contract between*
24 *the United States and Westlands (contract num-*
25 *ber 14–06–200–495–A) providing for water serv-*

1 *ice, or any renewals thereof, and any water serv-*
2 *ice contracts assigned to Westlands, Westlands*
3 *Distribution District No. 1, and Westlands Dis-*
4 *tribution District No. 2 existing as of the date*
5 *of execution of the Westlands Agreement; and*

6 *(B) Westlands shall be relieved of any re-*
7 *maining repayment obligation under the April*
8 *1, 1965, repayment contract between the United*
9 *States and Westlands (contract numbered 14-*
10 *06-200-2020-A).*

11 *(2) Repayment relief granted in paragraph (1)*
12 *shall not extend to Westlands' operation and mainte-*
13 *nance obligations, whether payable to the United*
14 *States or to an operating non-Federal entity, or to*
15 *construction costs or other capitalized costs not yet al-*
16 *located to or incurred by Westlands as of the date of*
17 *the Westlands Agreement, respectively, including, but*
18 *not limited to costs attributable to the Folsom Safety*
19 *of Dams modifications, or the B.F. Sisk corrective ac-*
20 *tion study, or any Safety of Dams or to the repay-*
21 *ment of future capital costs incurred after the date of*
22 *execution of the Westlands Agreement.*

23 *(3) Central Valley Project construction costs or*
24 *other capitalized costs allocated to Westlands after the*
25 *date of the Westlands Agreement, and properly as-*

1 *signable to Westlands, shall be repaid in not more*
2 *than 5 years after notification of the allocation of*
3 *such amount of less than \$5,000,000. If such amount*
4 *is \$5,000,000 or greater, such cost shall be repaid as*
5 *provided by applicable Reclamation law. Any addi-*
6 *tional costs that may have been assigned to Westlands*
7 *pursuant to paragraph (9)(C)(iv) of the Westlands*
8 *Agreement related to the Central Valley Project final*
9 *cost allocation shall be non-reimbursable.*

10 *(d) APPLICABILITY OF CERTAIN PROVISIONS.—*

11 *(1) RECLAMATION REFORM ACT.—Upon dis-*
12 *charge of the capital repayment obligation as pro-*
13 *vided in subsection (c), the provisions of section*
14 *213(a) and (b) of the Reclamation Reform Act of*
15 *1982 (96 Stat. 1269) shall be deemed to apply to*
16 *lands in Westlands, and the ownership and full cost*
17 *pricing limitations in any provision of Federal rec-*
18 *lamation law shall not apply to lands in Westlands*
19 *notwithstanding the subsequent allocation of construc-*
20 *tion costs or other capitalized costs to Westlands.*
21 *These exemptions shall be carried out in accordance*
22 *with the process set forth in the Westlands Agreement.*

23 *(2) OTHER PROVISIONS.—Nothing in this Act is*
24 *intended to relieve Westlands of any other obligations*
25 *under Reclamation law including Restoration Fund*

1 *charges pursuant to section 3407(d) of Public Law*
2 *102-575.*

3 **SEC. 8. TRANSFER OF TITLE TO CERTAIN FACILITIES.**

4 *(a) IN GENERAL.—Upon the execution of the section*
5 *9(d) repayment contract, or as soon thereafter as prac-*
6 *ticable, the Secretary shall transfer to Westlands title to:*

7 *(1) San Luis Canal System, excluding the main*
8 *canal which is integrated with the California Aque-*
9 *duct. These appurtenant features include:*

10 *(A) Internal water distribution system*
11 *within Westlands, including approximately*
12 *1,045 miles of buried pipeline.*

13 *(B) Pumping plants within Westlands, in-*
14 *cluding: San Luis Canal Left and Right Bank*
15 *pumping plants which includes but is not lim-*
16 *ited to, Pumping Plants P1 through P38 located*
17 *at the head end of the gravity laterals to supply*
18 *the head required for the “P” laterals; and*
19 *pumping plants, tanks, reservoirs, and re-lift*
20 *pumping plants to serve lands west of the San*
21 *Luis Canal; and Pumping Plant 7.05 off Lateral*
22 *7.*

23 *(C) Related structures, appurtenances,*
24 *pumping plants, pumps, motors, meters, valves,*
25 *tanks, transformers and electrical equipment as*

1 *specifically identified through the title transfer*
2 *process of federally owned facilities, equipment,*
3 *and real property.*

4 (2) *Mendota Pool diversion facilities operated by*
5 *Westlands, including:*

6 (A) *Inlet Canal from the Fresno Slough.*

7 (B) *Pumping plants 6–1, 6–2, 7–1, 7–2.*

8 (C) *Related structures, appurtenances,*
9 *pumps, motors, meters, valves, tanks, trans-*
10 *formers and electrical equipment as specifically*
11 *identified through the title transfer process of*
12 *federally owned facilities, equipment, and real*
13 *property.*

14 (3) *Pleasant Valley System, including:*

15 (A) *Intake canal and pipeline.*

16 (B) *Pleasant Valley Pumping Plant.*

17 (C) *Coalinga Canal, including related check*
18 *structures, turnouts, and headworks.*

19 (D) *Pleasant Valley distribution system and*
20 *pumping plants along the Coalinga Canal.*

21 (E) *Related structures, appurtenances,*
22 *pumps, motors, meters, valves, tanks, trans-*
23 *formers and electrical equipment as specifically*
24 *identified through the title transfer process of*

1 *federally owned facilities, equipment, and real*
2 *property.*

3 *(4) Drainage collection system, including:*

4 *(A) Carrier and collector pipelines, sumps,*
5 *and sump pumps.*

6 *(B) San Luis Drain from Sta 6678+45 to*
7 *Sta 8520+22.87 (Crossing with DMC to Laguna*
8 *Ave. crossing).*

9 *(C) Related structures, appurtenances,*
10 *pumps, motors, meters, valves, tanks, trans-*
11 *formers, and electrical equipment as specifically*
12 *identified through the title transfer process of*
13 *federally owned facilities, equipment, and real*
14 *property.*

15 *(5) Tranquillity Field Office, including:*

16 *(A) Buildings at 32650 West Adams Ave-*
17 *nue, Tranquillity, CA 93668.*

18 *(B) All related fixtures and furnishings as*
19 *specifically identified through the title transfer*
20 *process of federally owned facilities, equipment,*
21 *and real property.*

22 *(6) Huron Field Office, including:*

23 *(A) Buildings at 32450 South Lassen Ave-*
24 *nue, Huron, CA 93234.*

1 (B) *All related fixtures and furnishings as*
2 *specifically identified through the title transfer*
3 *process of federally owned facilities, equipment,*
4 *and real property.*

5 (7) *All real property interests held by the United*
6 *States in lands underlying or otherwise associated*
7 *with the facilities and equipment listed in this sub-*
8 *section, including all fee title, easements, and rights*
9 *of way.*

10 (b) *TRANSFER OF TITLE.—Except as specifically pro-*
11 *vided in this Act, any transfer of title to the Pleasant Valley*
12 *Pumping Plant, the Coalinga Canal, and any associated*
13 *facilities shall not relieve any other Project Water service*
14 *or repayment contractor of the requirement to pay any allo-*
15 *cated costs associated with those conveyance or pumping fa-*
16 *cilities that are properly allocated to those contractors*
17 *under existing law and Project rate setting policies.*

18 (c) *CONDITION OF TRANSFER.—Upon transfer of title*
19 *to any facilities pursuant to this section, Westlands shall,*
20 *as a condition to such transfer, formally agree that as of*
21 *the date of transfer—*

22 (1) *to hold the United States harmless and in-*
23 *demnify the United States for any and all claims,*
24 *cost, damages, and judgments of any kind arising out*
25 *of any act, omission, or occurrence relating to the*

1 *transferred facilities, except for such claims, costs,*
2 *damages arising from acts of negligence committed by*
3 *the United States or by its employees, agents, or con-*
4 *tractors, prior to the date of title transfer, for which*
5 *the United States is found liable under the Federal*
6 *Tort Claims Act; and*

7 *(2) the United States shall have no responsibility*
8 *for correcting and financing any repairs or defi-*
9 *ciencies that may exist at the time of or following*
10 *title transfer.*

11 *(d) APPLICABLE LAW.—The Secretary shall transfer*
12 *title pursuant to this section consistent with all applicable*
13 *Federal Reclamation policies and procedures. The Secretary*
14 *and Westlands shall comply with all applicable require-*
15 *ments under Federal and California law before title to a*
16 *facility is transferred pursuant to this section.*

17 **SEC. 9. COMPLIANCE WITH APPLICABLE LAW.**

18 *In implementing the measures authorized by this Act,*
19 *the Secretary shall comply with all applicable Federal laws,*
20 *rules, and regulations, including the National Environ-*
21 *mental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and*
22 *the Endangered Species Act of 1973 (16 U.S.C. 1531 et*
23 *seq.), as necessary.*

1 **SEC. 10. NO WATER SUPPLY OR FINANCIAL IMPACTS ON**
2 **OTHER CENTRAL VALLEY PROJECT CONTRAC-**
3 **TORS.**

4 *Implementation of this Act and the Agreements au-*
5 *thorized thereunder shall not—*

6 *(1) result in the involuntary reduction in the*
7 *contract water allocation to any Project water service*
8 *or repayment contractor, water rights settlement con-*
9 *tractor, exchange contractor, or refuge contractor in-*
10 *cluding contractors in the Friant Division of the*
11 *Project;*

12 *(2) modify, amend or affect any of the rights or*
13 *obligations of the parties to any Project water service*
14 *or repayment contract, water rights settlement con-*
15 *tract, exchange contract, or refuge contract, including*
16 *contracts in the Friant Division of the Project;*

17 *(3) alter the repayment obligation, if any, of any*
18 *Project—*

19 *(A) water service or repayment contractor;*

20 *(B) settlement, refuge, or exchange con-*
21 *tractor; or*

22 *(C) preference power contractor receiving*
23 *water or power from the Project, or shift any*
24 *costs to such contractors that would otherwise*
25 *have been properly assignable to Westlands, in-*
26 *cluding operations and maintenance costs, con-*

1 *struction costs, or other capitalized costs allo-*
2 *cated to Westlands after the date of this Act;*

3 (4) *impair the ability of the United States to*
4 *implement the Stipulation of Settlement approved by*
5 *the district court in Natural Resources Defense Coun-*
6 *cil, et al. v. Rogers, et al. (Case No. CIV S-88-1658*
7 *(LKK/GGH) E.D.Cal.), on October 23, 2006, as au-*
8 *thorized to be implemented by title X of Public Law*
9 *111-11, including the Restoration Goal and Water*
10 *Management Goal; and*

11 (5) *diminish, impair, or otherwise affect in any*
12 *manner any priorities for the allocation, delivery or*
13 *use of water under applicable law, including any*
14 *purposes of use and priorities established by sections*
15 *3402 and 3406 of the Central Valley Project Improve-*
16 *ment Act (Public Law 102-575; 106 Stat. 4706,*
17 *4714).*

18 **SEC. 11. RESTORATION FUND PAYMENTS BY WESTLANDS**

19 **WATER DISTRICT.**

20 *For any year in which the allocation of water for*
21 *south-of-Delta Project long-term water irrigation service*
22 *contractors or irrigation repayment contractors is greater*
23 *than 75 percent, the Secretary shall calculate for Westlands*
24 *a per acre foot Restoration Fund payment based on a pro-*
25 *jection that Westlands would take delivery of the full alloca-*

- 1 *tion made to south-of-Delta Project long-term water service*
- 2 *contractors or repayment contractors.*

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