

118TH CONGRESS  
1ST SESSION

# S. 2169

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

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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

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## 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”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act:

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

1 (A) conducted before making funding  
2 available for a watershed pilot; and

3 (B) necessary—

4 (i) to identify specific high-impact  
5 outcome projects across an entire water-  
6 shed;

7 (ii) to identify project costs and imple-  
8 mentation feasibility constraints;

9 (iii) to identify how different groups  
10 of projects impact overall watershed tar-  
11 gets; and

12 (iv) to develop scenarios that—

13 (I) maximize outcomes; and

14 (II) are feasible to quickly imple-  
15 ment at scale.

16 (2) FEDERAL FINANCIAL SOURCE.—The term  
17 “Federal financial source” means an award, grant,  
18 loan, guarantee, incentive, or credit enhancement  
19 funding available to Federal agencies participating  
20 in watershed pilots.

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

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

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

5                 (A) a quantifiable increase in surface water  
6                 or groundwater;

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

11                (C) any other quantifiable benefit identi-  
12                fied by the management team as being desirable  
13                in the applicable watershed.

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

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

21           (8) QUALIFYING PROJECT.—The term “quali-  
22           fying project” means a project in a Reclamation  
23           State that efficiently achieves 1 or more outcomes in  
24           pursuit of a plan, as prioritized through advance wa-  
25           tershed analytics.

1           (9) RECLAMATION STATE.—The term “Rec-  
2       lamation State” means—

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

6           (B) the State of Hawaii; and

7           (C) the State of Alaska.

8           (10) SECRETARY.—The term “Secretary”  
9       means the Secretary of the Interior.

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

13 **SEC. 3. WATERSHED PILOTS.**

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

19          (b) MANAGEMENT OF WATERSHED PILOTS.—

20               (1) MANAGEMENT BY SECRETARY.—Manage-  
21       ment and responsibility for each watershed pilot  
22       shall be led by the Secretary.

23               (2) MANAGEMENT TEAM.—The Secretary shall  
24       designate a management team for the watershed

1 pilot, which shall be composed of representatives ap-  
2 pointed by the Secretary.

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

6 (A) State, local, and Tribal representa-  
7 tives;

8 (B) nongovernmental organizations, includ-  
9 ing water and irrigation districts;

10 (C) private sector representatives; and

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

14 (c) PLAN.—

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

20 (2) REQUIREMENTS.—A plan shall incor-  
21 porate—

22 (A) advance watershed analytics to estab-  
23 lish milestones, outcome targets, an implemen-  
24 tation plan, and a timeline for achieving the  
25 milestones, targets, and full implementation;

1 (B) a coordinated cross-agency funding  
2 strategy that will—

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

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

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

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

20 (C) annually updated progress tracking  
21 against milestones and targets; and

22 (D) such other information as the Sec-  
23 retary determines to be relevant to achieve out-  
24 comes on an accelerated timeline.

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

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

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

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

23          (g) USE OF ADVANCE WATERSHED ANALYTICS.—  
24 The Secretary and the management team for each water-  
25 shed pilot shall use advance watershed analytics through-

1 out the planning, implementation, measuring, and moni-  
2 toring of outcomes within the watershed pilot.

3 (h) **AUTHORITY FOR ADDITIONAL PILOTS.**—The Sec-  
4 retary, following notification of the Committee on Appro-  
5 priations of the Senate and the Committee on Appropria-  
6 tions of the House of Representatives, shall approve the  
7 establishment of more than 5 watershed pilots under this  
8 section.

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

10 (a) **USE OF PAY-FOR-PERFORMANCE CONTRACTS.**—  
11 In carrying out a watershed pilot, the Secretary shall enter  
12 into a pay-for-performance contract to achieve outcome-  
13 based goals described in the plan developed for the water-  
14 shed pilot.

15 (b) **FLEXIBILITY UNDER EXISTING PROGRAMS.**—  
16 The Secretary shall modify, expand, or streamline eligi-  
17 bility and verification criteria for existing Federal finan-  
18 cial sources to maximize flexibility, speed, and use of Fed-  
19 eral funds in the most effective manner to achieve out-  
20 comes under the watershed pilot.

21 (c) **ENVIRONMENTAL OUTCOMES FUND.**—

22 (1) **IN GENERAL.**—The Secretary shall establish  
23 an Environmental Outcomes Fund.



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

4           (3) CRITERIA.—Amounts in the Fund shall be  
5 expended in accordance with—

6                 (A) this Act, including the plan developed  
7 for the applicable watershed pilot; and

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

12                         (i) eligibility of qualifying projects;

13                         (ii) types of qualifying projects;

14                         (iii) the timing of the disbursement of  
15 funds; and

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

19           (4) MANDATORY FUNDING.—

20                 (A) IN GENERAL.—Out of any funds in the  
21 Treasury not otherwise appropriated, on Octo-  
22 ber 1, 2024, and on each October 1 thereafter  
23 through October 1, 2029, the Secretary of the  
24 Treasury shall transfer to the Secretary from  
25 the reclamation fund established by the first

1 section of the Act of June 17, 1902 (32 Stat.  
2 388, chapter 1093; 43 U.S.C. 391),  
3 \$15,000,000 to be deposited in the Fund.

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

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

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

21 **SEC. 5. REPORTS.**

22 (a) DEFINITION OF APPROPRIATE COMMITTEES OF  
23 CONGRESS.—In this section, the term “appropriate com-  
24 mittees of Congress” means—

25 (1) of the Senate—

1 (A) the Committee on Appropriations; and

2 (B) the Committee on Energy and Natural

3 Resources; and

4 (2) of the House of Representatives—

5 (A) the Committee on Appropriations; and

6 (B) the Committee on Natural Resources.

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

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

22 (1) a summary of—

23 (A) the projected results of the watershed

24 pilot in meeting the milestones described in sec-

25 tion 3(c)(2)(A);

1 (B) the projected outcomes of the water-  
2 shed pilot described in that section;

3 (C) the total amount of funds made avail-  
4 able under the watershed pilot;

5 (D) the type of funding expended under  
6 the watershed pilot; and

7 (E) such other information as the Sec-  
8 retary determines to be appropriate; and

9 (2) recommendations for continuing, termi-  
10 nating, or making permanent the watershed pilot.

11 (d) ENVIRONMENTAL OUTCOMES FUNDS.—

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

21 (2) INSPECTORS GENERAL.—

22 (A) AUDIT.—The Inspector General of the  
23 Department of the Interior shall conduct a bi-  
24 annual audit of the management of, and fund-  
25 ing (including expenditures) relating to, the

1 Fund for the purpose of ensuring proper and  
2 effective use of Federal funding by evaluating  
3 the effectiveness of the watershed pilot in  
4 achieving the plan developed for the watershed  
5 pilot, including an evaluation of the outcomes  
6 achieved and the Federal financial sources used  
7 to achieve those outcomes.

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

18 **SEC. 6. DURATION.**

19 Each watershed pilot shall terminate on the date that  
20 is 5 years after the date on which the notification is sub-  
21 mitted under section 3(d) with respect to that watershed  
22 pilot.

23 **SEC. 7. AUTHORIZATION OF APPROPRIATIONS.**

24 There are authorized to be appropriated—

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

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

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