

104TH CONGRESS
1ST SESSION

H. R. 2747

To direct the Administrator of the Environmental Protection Agency to make grants to States for the purpose of financing the construction, rehabilitation, and improvement of water supply systems, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 7, 1995

Mr. SHUSTER (for himself, Mr. OBERSTAR, Mr. BOEHLERT, Mr. BORSKI, Mr. CLINGER, Mr. RAHALL, Mr. PETRI, Mr. LIPINSKI, Mr. WISE, Mr. TRAFICANT, Mr. HAYES, Mr. COBLE, Mr. ZELIFF, Mr. COSTELLO, Mr. POSHARD, Mr. HUTCHINSON, Mr. CRAMER, Mr. BAKER of California, Miss COLLINS of Michigan, Ms. NORTON, Mr. HORN, Mr. FRANKS of New Jersey, Ms. DANNER, Mr. BLUTE, Mr. QUINN, Mrs. FOWLER, Mr. BARCIA, Mr. EHLERS, Mr. BACHUS, Mr. TUCKER, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. WAMP, Mr. BREWSTER, Mr. LATHAM, Mr. LATOURETTE, Mr. MASCARA, Mrs. SEASTRAND, Mr. LAHOOD, Mr. MARTINI, and Mr. MCHALE) introduced the following bill; which was referred to the Committee on Transportation and Infrastructure

A BILL

To direct the Administrator of the Environmental Protection Agency to make grants to States for the purpose of financing the construction, rehabilitation, and improvement of water supply systems, 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Water Supply Infra-
3 structure Assistance Act of 1995”.

4 **SEC. 2. PURPOSES.**

5 The purposes of this Act are as follows:

6 (1) To provide grants for establishment of
7 State revolving funds for the purpose of providing fi-
8 nancial and technical assistance for the construction,
9 rehabilitation, and improvement of water supply sys-
10 tems, including treatment to remove pollutants from
11 navigable waters for the purpose of making such wa-
12 ters useable by water supply systems and for source
13 water quality protection programs.

14 (2) To provide for administrative efficiencies
15 through implementation of this Act relying on exist-
16 ing mechanisms of State water pollution control re-
17 volving loan fund programs established pursuant to
18 title VI of the Federal Water Pollution Control Act.

19 **SEC. 3. LIMITATION ON STATUTORY CONSTRUCTION.**

20 Nothing in this Act shall be construed as affecting
21 the requirements of title XIV of the Public Health Service
22 Act (42 U.S.C. 300f–300j–9), commonly referred to as the
23 Safe Drinking Water Act.

24 **SEC. 4. GRANTS TO STATES.**

25 Subject to the provisions of this Act, the Adminis-
26 trator shall make grants to each State for the purpose

1 of establishing a water supply infrastructure account in
2 the State water pollution control revolving loan fund pro-
3 grams established pursuant to title VI of the Federal
4 Water Pollution Control Act, if any, to provide assistance
5 for the construction, rehabilitation, and improvement of
6 water supply systems.

7 **SEC. 5. GRANT AGREEMENTS.**

8 (a) GENERAL RULE.—To receive a grant with funds
9 made available under this Act, a State shall enter into an
10 agreement with the Administrator which shall include, but
11 not be limited to, the specifications set forth in subsection
12 (b) of this section.

13 (b) SPECIFIC REQUIREMENTS.—The Administrator
14 shall enter into an agreement under this section with a
15 State only after the State has established to the satisfac-
16 tion of the Administrator that—

17 (1) the State will accept grant payments with
18 funds to be made available under this Act and will
19 deposit all such payments in the water supply infra-
20 structure account established by the State in accord-
21 ance with this Act;

22 (2) if the State has a water pollution control re-
23 volving fund established in accordance with title VI
24 of the Federal Water Pollution Control Act, the

1 State will establish the water supply infrastructure
2 account as a separate account in such fund;

3 (3) the State will deposit in the water supply
4 infrastructure account from State moneys an
5 amount equal to at least 20 percent of the total
6 amount of all grants which will be made to the State
7 with funds to be made available under this Act on
8 or before the date on which each grant payment will
9 be made to the State under this Act;

10 (4) the State will enter into binding commit-
11 ments to provide assistance in accordance with the
12 requirements of this Act an amount equal to 120
13 percent of the amount of each such grant payment
14 within 1 year after the receipt of such grant pay-
15 ment;

16 (5) the State will not make available any assist-
17 ance from the account unless the State has first de-
18 termined that the applicant—

19 (A) has adopted or will adopt a system of
20 charges to ensure that each recipient of water
21 supply services within the applicant's jurisdic-
22 tion will pay its proportionate share of the cost
23 of operation and maintenance (including re-
24 placement) of any such services provided by the
25 applicant; and

1 (B) has legal, institutional, managerial,
2 and financial capability to ensure adequate con-
3 struction, operation, and maintenance of water
4 supply systems throughout the applicant's juris-
5 diction;

6 (6) the State will take such action as may be
7 necessary to ensure that, after construction, rehabili-
8 tation, and improvement of a water supply system
9 undertaken with funds directly made available by
10 grants under this Act, such system will provide
11 water supply services at the most economical cost;
12 and

13 (7) the State will make annual reports to the
14 Administrator on the actual use of funds in accord-
15 ance with section 606(d) of the Federal Water Pol-
16 lution Control Act.

17 **SEC. 6. INCORPORATION OF FWPCA BY REFERENCE.**

18 (a) GENERAL RULE.—The provisions of title VI of
19 the Federal Water Pollution Control Act shall apply as
20 provided in this Act to accounts established by States
21 under this Act. For purposes of this Act, any reference
22 to the Federal Water Pollution Control Act and to any
23 section thereof shall be treated as a reference to such Act
24 or section as in effect on the date of the enactment of
25 this Act.

1 (b) TYPES OF ASSISTANCE.—Section 603(d) of the
2 Federal Water Pollution Control Act shall apply to ac-
3 counts established by States under this Act to the same
4 extent and in the same manner as such section applies
5 to water pollution control revolving funds under such Act;
6 except that the percentage of grant awards available for
7 administrative expenses under paragraph (7) of such sec-
8 tion shall be 5 percent instead of 4 percent.

9 (c) CORRECTIVE ACTION.—Section 605 of such Act
10 shall apply to a State’s agreement with the Administrator
11 under this Act and to requirements of this Act to the same
12 extent and in the same manner as such section applies
13 to a State’s agreement under section 602 of such Act and
14 the requirements of title VI of such Act.

15 (d) AUDITS, REPORTS, AND FISCAL CONTROLS.—
16 Subsections (a), (b), (d), and (e) of section 606 of such
17 Act shall apply to a State establishing an account under
18 this Act and to such account to the same extent and in
19 the same manner as such subsections apply to a State es-
20 tablishing a water pollution control revolving fund under
21 title VI of such Act and to such fund.

22 **SEC. 7. WATER SUPPLY INFRASTRUCTURE REVOLVING**
23 **LOAN FUNDS.**

24 (a) REQUIREMENTS FOR OBLIGATION OF GRANT
25 FUNDS.—Before a State may receive a grant with funds

1 made available under this Act, the State shall first estab-
2 lish a water supply infrastructure account which complies
3 with the requirements of this Act.

4 (b) ADMINISTRATOR.—Each State water supply in-
5 frastructure account shall be administered by an instru-
6 mentality of the State with such powers and limitations
7 as may be required to operate such account in accordance
8 with the requirements and objectives of this Act.

9 (c) PROJECTS ELIGIBLE FOR ASSISTANCE.—The
10 amounts of funds available to each State water supply in-
11 frastructure account shall be used only for providing fi-
12 nancial assistance for construction, rehabilitation, and im-
13 provement of a water supply system and for providing the
14 types of assistance authorized by subsection (d). The ac-
15 count shall be established, maintained, and credited with
16 repayments, and the account balance shall be available in
17 perpetuity for providing such assistance.

18 (d) TYPES OF ASSISTANCE.—In addition to the types
19 of assistance which may be made available under section
20 603(d) of the Federal Water Pollution Control Act from
21 a water supply infrastructure account of a State under
22 this Act—

23 (1) such account may be used to provide tech-
24 nical assistance with respect to construction, reha-
25 bilitation, and improvement of water supply systems;

1 (2) the interest derived from funds in such ac-
 2 count or from loans made from such account may be
 3 used by the State to make grants to pay up to 50
 4 percent of the cost of construction, rehabilitation,
 5 and improvement of a water supply system; and

6 (3) up to 10 percent of the funds in such ac-
 7 count may be used to provide assistance, consistent
 8 with nonpoint source management programs estab-
 9 lished under section 319 of the Federal Water Pollu-
 10 tion Control Act, for source water quality protection
 11 programs to address pollutants in navigable waters
 12 for the purpose of making such waters useable by
 13 water supply systems.

14 **SEC. 8. ALLOTMENT OF FUNDS.**

15 (a) FISCAL YEAR 1996.—Sums authorized to be ap-
 16 propriated pursuant to this Act for fiscal year 1996 shall
 17 be allotted for such year by the Administrator not later
 18 than the 10th day which begins after the date of the enact-
 19 ment of this Act. Sums authorized for such fiscal year
 20 shall be allotted in accordance with the following table:

States:	Percentages:
Alabama	0.98
Alaska	2.34
Arizona	1.36
Arkansas	0.98
California	6.27
Colorado	1.35
Connecticut	1.73
Delaware	0.63
District of Columbia	0.52
Florida	3.72
Georgia	2.10

Hawaii	0.60
Idaho	1.13
Illinois	3.16
Indiana	2.10
Iowa	1.36
Kansas	1.12
Kentucky	0.95
Louisiana	1.65
Maine	1.00
Maryland	1.42
Massachusetts	1.15
Michigan	4.93
Minnesota	3.47
Mississippi	1.32
Missouri	1.77
Montana	1.19
Nebraska	1.02
Nevada	0.85
New Hampshire	1.09
New Jersey	2.28
New Mexico	1.01
New York	4.90
North Carolina	3.80
North Dakota	0.76
Ohio	3.55
Oklahoma	1.41
Oregon	1.53
Pennsylvania	4.41
Rhode Island	0.61
South Carolina	1.18
South Dakota	0.82
Tennessee	1.01
Texas	5.81
Utah	0.87
Vermont	0.81
Virginia	2.41
Washington	2.55
West Virginia	0.98
Wisconsin	3.42
Wyoming	0.81
American Samoa	0.18
Guam	0.17
Northern Marianas	0.17
Puerto Rico	0.81
Pacific Trust Territories	0.17
Virgin Islands	0.31.

1 (b) FISCAL YEARS 1997 AND 1998.—Sums author-
2 ized to be appropriated pursuant to this Act for each of
3 fiscal years 1997 and 1998 shall be allotted by the Admin-
4 istrator in accordance with the relative needs of the States

1 for construction, rehabilitation, and improvement of water
2 supply systems as determined by the Administrator, in
3 consultation with the States.

4 (c) RESERVATION OF FUNDS FOR INDIAN TRIBES.—

5 Notwithstanding subsections (a) and (b), the Adminis-
6 trator shall reserve for each fiscal year not to exceed 1.5
7 percent of the amount made available to carry out this
8 Act for such fiscal year for the purpose of making grants
9 to Indian tribes for construction, rehabilitation, and im-
10 provement of water supply systems.

11 (d) ALLOTMENT PERIOD.—

12 (1) PERIOD OF AVAILABILITY FOR GRANT
13 AWARD.—Sums allotted to a State under this section
14 for a fiscal year shall be available for obligation by
15 the State during the fiscal year for which sums are
16 authorized and during the following fiscal year; ex-
17 cept that for sums allotted in fiscal year 1996, such
18 period of availability shall be fiscal years 1996
19 through 1998.

20 (2) REALLOTMENT OF UNOBLIGATED FUNDS.—

21 The amount of any allotment not obligated by the
22 State by the last day of the period of availability es-
23 tablished by paragraph (1) shall be immediately re-
24 allotted by the Administrator on the basis of the
25 same ratio as is applicable to sums allotted under

1 this Act for the second fiscal year of such period.
2 None of the funds reallocated by the Administrator
3 shall be reallocated to any State which has not obli-
4 gated all sums allotted to such State in the first fis-
5 cal year of such period.

6 **SEC. 9. DETERMINATION OF PRIORITY.**

7 Each State establishing a water supply infrastructure
8 account shall determine the priority to be given projects
9 for construction, rehabilitation, and improvement of water
10 supply systems within the boundaries of the State taking
11 into account the relative financial and other needs for such
12 construction, rehabilitation, and improvement.

13 **SEC. 10. NEEDS SURVEY.**

14 (a) IN GENERAL.—The Administrator, in cooperation
15 with the States, shall make—

16 (1) a detailed estimate, biennially revised, of the
17 cost of needed construction, rehabilitation, and im-
18 provement of water supply systems in all of the
19 States and of the cost of needed construction in each
20 of the States; and

21 (2) a comprehensive study of the economic im-
22 pact on affected units of government of the cost of
23 installation of water supply systems and parts there-
24 of.

1 (b) SUBMISSION TO CONGRESS.—The Administrator
2 shall submit the detailed estimate and the comprehensive
3 study of costs under subsection (a) to Congress no later
4 than January 1, 1998, and January 1 of each even-num-
5 bered year thereafter. The Administrator shall also submit
6 recommendations for allotment of funds under this Act to
7 the States based on such estimates and on such additional
8 factors as the Administrator deems appropriate, including
9 financial need. Whenever the Administrator, pursuant to
10 this section, requests and receives an estimate of cost from
11 a State, the Administrator shall furnish copies of such es-
12 timate together with such detailed estimate to Congress.

13 **SEC. 11. BUY AMERICAN.**

14 (a) SENSE OF CONGRESS.—It is the sense of Con-
15 gress that a recipient of assistance under this Act should
16 purchase American-made equipment and products.

17 (b) NOTICE.—The Administrator shall provide to
18 each recipient of assistance under this Act a notice de-
19 scribing the sense of Congress set forth in subsection (a).

20 **SEC. 12. DEFINITIONS.**

21 In this Act, the following definitions apply:

22 (1) ADMINISTRATOR.—The term “Adminis-
23 trator” means the Administrator of the Environ-
24 mental Protection Agency.

1 (2) INDIAN TRIBE.—The term “Indian tribe”
2 has the meaning such term has under section 518
3 of the Federal Water Pollution Control Act and in-
4 cludes Alaska Native Villages and former Indian res-
5 ervations in Oklahoma.

6 (3) STATE.—The term “State” means a State,
7 the District of Columbia, the Commonwealth of
8 Puerto Rico, the Virgin Islands, Guam, American
9 Samoa, the Commonwealth of the Northern Mariana
10 Islands, and the Trust Territory of the Pacific Is-
11 lands.

12 (4) WATER SUPPLY SYSTEM.—The term “water
13 supply system” means a system (owned by a govern-
14 mental entity, a nonprofit organization, or any other
15 private person regulated by a State public utility
16 commission and having the greatest public need for
17 assistance under this Act) for the provision to the
18 public of piped water for human consumption, if
19 such system has at least 15 service connections or
20 regularly serves at least 25 individuals. Such term
21 includes (A) any collection, treatment, storage, and
22 distribution facilities under control of the operator of
23 such system and used primarily in connection with
24 such system, and (B) any collection or pretreatment

1 facilities not under such control that are used pri-
2 marily in connection with such system.

3 **SEC. 13. AUTHORIZATION OF APPROPRIATIONS.**

4 There are authorized to be appropriated for purposes
5 of this Act the following sums:

- 6 (1) \$500,000,000 for fiscal year 1996;
- 7 (2) \$750,000,000 for fiscal year 1997; and
- 8 (3) \$1,000,000,000 for fiscal year 1998.

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