

115TH CONGRESS
2D SESSION

S. 3564

To amend the Safe Drinking Water Act and the Federal Water Pollution Control Act to establish pilot programs to assist low-income households in maintaining access to sanitation services and drinking water, and for other purposes.

IN THE SENATE OF THE UNITED STATES

OCTOBER 10, 2018

Mr. CARDIN (for himself and Mr. WICKER) introduced the following bill; which was read twice and referred to the Committee on Environment and Public Works

A BILL

To amend the Safe Drinking Water Act and the Federal Water Pollution Control Act to establish pilot programs to assist low-income households in maintaining access to sanitation services and drinking water, 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 “Low-Income Water
5 Customer Assistance Programs Act of 2018”.

1 **SEC. 2. LOW-INCOME DRINKING WATER ASSISTANCE PILOT**
 2 **PROGRAM.**

3 Part E of the Safe Drinking Water Act (42 U.S.C.
 4 300j et seq.) is amended by adding at the end the fol-
 5 lowing:

6 **“SEC. 1459C. LOW-INCOME DRINKING WATER ASSISTANCE**
 7 **PILOT PROGRAM.**

8 “(a) DEFINITIONS.—In this section:

9 “(1) ELIGIBLE ENTITY.—The term ‘eligible en-
 10 tity’ means a municipality or public entity that owns
 11 or operates a community water system.

12 “(2) HOUSEHOLD.—The term ‘household’
 13 means any individual or group of individuals who
 14 are living together as 1 economic unit.

15 “(3) LOW-INCOME HOUSEHOLD.—The term
 16 ‘low-income household’ means a household—

17 “(A) in which 1 or more individuals are re-
 18 ceiving—

19 “(i) assistance under a State program
 20 funded under part A of title IV of the So-
 21 cial Security Act (42 U.S.C. 601 et seq.);

22 “(ii) supplemental security income
 23 payments under title XVI of the Social Se-
 24 curity Act (42 U.S.C. 1381 et seq.);

25 “(iii) supplemental nutrition assist-
 26 ance program benefits under the Food and

1 Nutrition Act of 2008 (7 U.S.C. 2011 et
2 seq.); or

3 “(iv) payments under—

4 “(I) section 1315, 1521, 1541, or
5 1542 of title 38, United States Code;
6 or

7 “(II) section 306 of the Veterans’
8 and Survivors’ Pension Improvement
9 Act of 1978 (38 U.S.C. 1521 note;
10 Public Law 95–588); or

11 “(B) that has an income that, as deter-
12 mined by the State in which the household is lo-
13 cated, does not exceed the greater of—

14 “(i) an amount equal to 150 percent
15 of the poverty level for that State; and

16 “(ii) an amount equal to 60 percent of
17 the median income for that State.

18 “(4) SMALL COMMUNITY-SERVING ELIGIBLE
19 ENTITY.—The term ‘small community-serving eligi-
20 ble entity’ means an eligible entity that provides
21 drinking water services to a city, county, or munici-
22 pality with a population of fewer than 10,000 resi-
23 dents, at least 20 percent of whom are at or below
24 the Federal poverty level.

25 “(b) ESTABLISHMENT.—

1 “(1) IN GENERAL.—The Administrator shall es-
2 tablish a pilot program to award grants to not fewer
3 than 32 eligible entities in accordance with para-
4 graph (2) to develop and implement programs to as-
5 sist low-income households in maintaining access to
6 affordable drinking water.

7 “(2) REQUIREMENTS.—

8 “(A) IN GENERAL.—The Administrator
9 shall award grants under the pilot program de-
10 scribed in paragraph (1) to—

11 “(i) not fewer than 8 eligible entities
12 that provide drinking water services to a
13 population of 1,000,000 or more residents;

14 “(ii) not fewer than 8 eligible entities
15 that provide drinking water services to a
16 population of 100,000 or more, but fewer
17 than 1,000,000, residents;

18 “(iii) not fewer than 8 eligible entities
19 that provide drinking water services to a
20 population of 10,000 or more, but fewer
21 than 100,000, residents;

22 “(iv) subject, as applicable, to sub-
23 paragraph (B), not fewer than 8 eligible
24 entities that provide drinking water serv-

1 ices to a population of fewer than 10,000
2 residents; and

3 “(v) not more than 2 eligible entities
4 in each State.

5 “(B) SMALL COMMUNITY-SERVING ELIGI-
6 BLE ENTITIES.—To be eligible to receive a
7 grant under the pilot program under this sub-
8 section, a small community-serving eligible enti-
9 ty shall enter into a memorandum of under-
10 standing with the State in which the small com-
11 munity-serving eligible entity is located, under
12 which the State shall—

13 “(i) submit to the Administrator an
14 application under paragraph (6) on behalf
15 of the small community-serving eligible en-
16 tity; and

17 “(ii) on receipt of a grant under the
18 pilot program, administer the low-income
19 household assistance program developed by
20 the small community-serving eligible entity.

21 “(3) LIMITATIONS.—

22 “(A) USE.—A grant awarded under the
23 pilot program—

24 “(i) shall not be used to replace funds
25 for any existing similar program; but

1 “(ii) may be used to supplement or
2 enhance an existing program.

3 “(B) GRANTS UNDER MULTIPLE PRO-
4 GRAMS.—An eligible entity—

5 “(i) may apply for a grant under the
6 pilot program and under the low-income
7 wastewater assistance pilot program estab-
8 lished under section 124(b)(1) of the Fed-
9 eral Water Pollution Control Act; but

10 “(ii) may be awarded a grant under
11 only 1 of the programs described in clause
12 (i).

13 “(4) TERM.—The term of a grant awarded
14 under the pilot program shall be 5 years.

15 “(5) MINIMUM PROGRAM REQUIREMENTS.—

16 “(A) IN GENERAL.—Not later than 2 years
17 after the date of enactment of this section, the
18 Administrator shall develop, in consultation
19 with all relevant stakeholders, the minimum re-
20 quirements for a program carried out by an eli-
21 gible entity (or a State, on behalf of a small
22 community-serving eligible entity) using a grant
23 under this subsection.

1 “(B) INCLUSIONS.—The program require-
2 ments developed under subparagraph (A) may
3 include—

4 “(i) direct financial assistance;

5 “(ii) a lifeline rate:

6 “(iii) bill discounting;

7 “(iv) special hardship provisions;

8 “(v) a percentage-of-income payment
9 plan; or

10 “(vi) water efficiency assistance, in-
11 cluding direct installation of water efficient
12 fixtures and leak repair, which may be
13 completed through a contracted third
14 party.

15 “(C) ASSISTANCE EXEMPT FROM TAX-
16 ATION.—Notwithstanding any other provision of
17 law, assistance provided to a low-income house-
18 hold under a program carried out by an eligible
19 entity (or a State, on behalf of a small commu-
20 nity-serving eligible entity) using a grant under
21 this subsection shall be exempt from income tax
22 under the Internal Revenue Code of 1986.

23 “(6) APPLICATION.—To receive a grant under
24 this subsection, an eligible entity (or a State, on be-
25 half of a small community-serving eligible entity)

1 shall submit to the Administrator an application
2 that demonstrates that—

3 “(A) the proposed program of the eligible
4 entity or small community-serving eligible enti-
5 ty, as applicable, meets the requirements devel-
6 oped under paragraph (5)(A);

7 “(B) the eligible entity or small commu-
8 nity-serving eligible entity, as applicable, has a
9 long-term financial plan to fund the activities
10 necessary to achieve or maintain compliance
11 with this Act; and

12 “(C) a grant awarded under this sub-
13 section would support the efforts of the eligible
14 entity (or the State, on behalf of a small com-
15 munity-serving eligible entity) to generate the
16 necessary funds to achieve or maintain compli-
17 ance with this Act while mitigating the cost to
18 low-income households.

19 “(7) PRIORITY.—In awarding grants under this
20 subsection, the Administrator shall give priority to
21 eligible entities or small community-serving eligible
22 entities, as applicable—

23 “(A) that are affected by consent decrees
24 relating to compliance with the Federal Water
25 Pollution Control Act (33 U.S.C. 1251 et seq.);

1 “(B) the residential customers of which
2 have experienced rate or fee increases for drink-
3 ing water, wastewater, or stormwater services
4 greater than or equal to 30 percent during the
5 period beginning on the date that is 3 years be-
6 fore the date of enactment of this section;

7 “(C) that—

8 “(i) develop an equivalent program, as
9 determined by the Administrator, that is
10 administered separately by the eligible en-
11 tity or small community-serving eligible en-
12 tity, as applicable; or

13 “(ii) provide matching funds equal to
14 or greater than the amount of the grant
15 from—

16 “(I) the applicable State or unit
17 of local government; or

18 “(II) a State-sponsored nonprofit
19 organization or private entity; or

20 “(D) that are described in subsection
21 (a)(1)(B).

22 “(8) LOWER INCOME LIMIT.—For purposes of
23 this section, an eligible entity (or a State, on behalf
24 of a small community-serving eligible entity) may
25 adopt an income limit that is lower than the limit

1 described in subsection (a)(3)(B), except that the el-
 2 ible entity or State, respectively, may not exclude
 3 a household from eligibility in a fiscal year based
 4 solely on household income if that income is less
 5 than 110 percent of the poverty level for the State.

6 “(9) REPORTING REQUIREMENTS.—

7 “(A) IN GENERAL.—In addition to any
 8 other applicable Federal or agency-specific
 9 grant reporting requirements, as a condition of
 10 receiving a grant under this subsection, an eli-
 11 gible entity (or a State, on behalf of a small
 12 community-serving eligible entity) shall submit
 13 to the Administrator an annual report that
 14 summarizes, in a manner determined by the
 15 Administrator, the low-income household assist-
 16 ance program developed by the eligible entity or
 17 small community-serving eligible entity, as ap-
 18 plicable, using the grant, including—

19 “(i) key features;

20 “(ii) sources of funding;

21 “(iii) eligibility criteria;

22 “(iv) participation rates;

23 “(v) the monetary benefit per partici-
 24 pant;

25 “(vi) program costs;

1 “(vii) the demonstrable impacts of the
2 program on arrearage and service dis-
3 connection for residential customers, to the
4 maximum extent practicable; and

5 “(viii) other relevant information re-
6 quired by the Administrator.

7 “(B) PUBLICATION.—The Administrator
8 shall publish each report submitted under sub-
9 paragraph (A).

10 “(c) TECHNICAL ASSISTANCE.—The Administrator
11 shall provide technical assistance to each eligible entity,
12 and each State, on behalf of a small community-serving
13 eligible entity, that receives a grant under this section to
14 ensure—

15 “(1) full implementation of the pilot program;
16 and

17 “(2) maximum enrollment of low-income house-
18 holds.

19 “(d) REPORT.—Not later than 2 years after the date
20 on which grant funds are first disbursed to an eligible enti-
21 ty (or a State, on behalf of a small community-serving eli-
22 gible entity) under this section, and every year thereafter
23 for the duration of the terms of the grants, the Adminis-
24 trator shall submit to Congress a report on the results
25 of the pilot program established under this section.”.

1 **SEC. 3. LOW-INCOME WASTEWATER ASSISTANCE PILOT**
2 **PROGRAM.**

3 Title I of the Federal Water Pollution Control Act
4 (33 U.S.C. 1251 et seq.) is amended by adding at the end
5 the following:

6 **“SEC. 124. LOW-INCOME WASTEWATER ASSISTANCE PILOT**
7 **PROGRAM.**

8 “(a) DEFINITIONS.—In this section:

9 “(1) ELIGIBLE ENTITY.—The term ‘eligible en-
10 tity’ means—

11 “(A) a municipality or public entity that
12 owns or operates—

13 “(i) a publicly owned treatment
14 works;

15 “(ii) a municipal wastewater treat-
16 ment system; or

17 “(iii) a municipal separate stormwater
18 sewer system; and

19 “(B) 2 or more municipalities or public en-
20 tities described in subparagraph (A) that have
21 entered into a partnership agreement or a coop-
22 erative agreement.

23 “(2) HOUSEHOLD.—The term ‘household’
24 means any individual or group of individuals who
25 are living together as 1 economic unit.

1 “(3) LOW-INCOME HOUSEHOLD.—The term
2 ‘low-income household’ means a household—

3 “(A) in which 1 or more individuals are re-
4 ceiving—

5 “(i) assistance under a State program
6 funded under part A of title IV of the So-
7 cial Security Act (42 U.S.C. 601 et seq.);

8 “(ii) supplemental security income
9 payments under title XVI of the Social Se-
10 curity Act (42 U.S.C. 1381 et seq.);

11 “(iii) supplemental nutrition assist-
12 ance program benefits under the Food and
13 Nutrition Act of 2008 (7 U.S.C. 2011 et
14 seq.); or

15 “(iv) payments under—

16 “(I) section 1315, 1521, 1541, or
17 1542 of title 38, United States Code;
18 or

19 “(II) section 306 of the Veterans’
20 and Survivors’ Pension Improvement
21 Act of 1978 (38 U.S.C. 1521 note;
22 Public Law 95–588); or

23 “(B) that has an income that, as deter-
24 mined by the State in which the household is lo-
25 cated, does not exceed the greater of—

1 “(i) an amount equal to 150 percent
2 of the poverty level for that State; and

3 “(ii) an amount equal to 60 percent of
4 the median income for that State.

5 “(4) SMALL COMMUNITY-SERVING ELIGIBLE
6 ENTITY.—The term ‘small community-serving eligi-
7 ble entity’ means an eligible entity that provides
8 wastewater or municipal stormwater services to a
9 city, county, or municipality with a population of
10 fewer than 10,000 residents, at least 20 percent of
11 whom are at or below the Federal poverty level.

12 “(b) ESTABLISHMENT.—

13 “(1) IN GENERAL.—The Administrator shall es-
14 tablish a pilot program to award grants to not fewer
15 than 32 eligible entities in accordance with para-
16 graph (2) to develop and implement programs to as-
17 sist low-income households in maintaining access to
18 affordable wastewater or municipal stormwater serv-
19 ices.

20 “(2) REQUIREMENTS.—

21 “(A) IN GENERAL.—The Administrator
22 shall award grants under the pilot program de-
23 scribed in paragraph (1) to—

1 “(i) not fewer than 8 eligible entities
2 that provide drinking water services to a
3 population of 1,000,000 or more residents;

4 “(ii) not fewer than 8 eligible entities
5 that provide drinking water services to a
6 population of 100,000 or more, but fewer
7 than 1,000,000, residents;

8 “(iii) not fewer than 8 eligible entities
9 that provide drinking water services to a
10 population of 10,000 or more, but fewer
11 than 100,000, residents;

12 “(iv) subject, as applicable, to sub-
13 paragraph (B), not fewer than 8 eligible
14 entities that provide drinking water serv-
15 ices to a population of fewer than 10,000
16 residents; and

17 “(v) not more than 2 eligible entities
18 in each State.

19 “(B) SMALL COMMUNITY-SERVING ELIGI-
20 BLE ENTITIES.—To be eligible to receive a
21 grant under the pilot program under this sub-
22 section, a small community-serving eligible enti-
23 ty shall enter into a memorandum of under-
24 standing with the State in which the small com-

1 munity-serving eligible entity is located, under
2 which the State shall—

3 “(i) submit to the Administrator an
4 application under paragraph (6) on behalf
5 of the small community-serving eligible en-
6 tity; and

7 “(ii) on receipt of a grant under the
8 pilot program, administer the low-income
9 household assistance program developed by
10 the small community-serving eligible entity.

11 “(3) LIMITATIONS.—

12 “(A) USE.—A grant awarded under the
13 pilot program shall not be used to replace funds
14 for any existing similar program.

15 “(B) GRANTS UNDER MULTIPLE PRO-
16 GRAMS.—An eligible entity—

17 “(i) may apply for a grant under the
18 pilot program and under the low-income
19 drinking water assistance pilot program es-
20 tablished under section 1459C(b)(1) of the
21 Safe Drinking Water Act; but

22 “(ii) may be awarded a grant under
23 only 1 of the programs described in clause
24 (i).

1 “(4) TERM.—The term of a grant awarded
2 under the pilot program shall be 5 years.

3 “(5) MINIMUM PROGRAM REQUIREMENTS.—

4 “(A) IN GENERAL.—Not later than 2 years
5 after the date of enactment of this section, the
6 Administrator shall develop, in consultation
7 with all relevant stakeholders, the minimum re-
8 quirements for a program to be carried out by
9 an eligible entity (or a State, on behalf of a
10 small community-serving eligible entity) using a
11 grant under this subsection.

12 “(B) INCLUSIONS.—The program require-
13 ments developed under subparagraph (A) may
14 include—

15 “(i) direct financial assistance;

16 “(ii) a lifeline rate;

17 “(iii) bill discounting;

18 “(iv) special hardship provisions;

19 “(v) a percentage-of-income payment
20 plan; or

21 “(vi) water efficiency assistance, in-
22 cluding direct installation of water efficient
23 fixtures and leak repair, which may be
24 completed through a contracted third
25 party.

1 “(C) ASSISTANCE EXEMPT FROM TAX-
2 ATION.—Notwithstanding any other provision of
3 law, assistance provided to a low-income house-
4 hold under a program carried out by an eligible
5 entity (or a State, on behalf of a small commu-
6 nity-serving eligible entity) using a grant under
7 this subsection shall be exempt from income tax
8 under the Internal Revenue Code of 1986.

9 “(6) APPLICATION.—To receive a grant under
10 this subsection, an eligible entity (or a State, on be-
11 half of a small community-serving eligible entity)
12 shall submit to the Administrator an application
13 that demonstrates that—

14 “(A) the proposed program of the eligible
15 entity or small community-serving eligible enti-
16 ty, as applicable, meets the requirements devel-
17 oped under paragraph (5)(A);

18 “(B) the eligible entity or small commu-
19 nity-serving eligible entity, as applicable, has a
20 long-term financial plan to fund the activities
21 necessary to achieve or maintain compliance
22 with this Act; and

23 “(C) a grant awarded under this sub-
24 section would support the efforts of the eligible
25 entity (or the State, on behalf of a small com-

1 munity-serving eligible entity) to generate the
2 necessary funds to achieve or maintain compli-
3 ance with this Act while mitigating the cost to
4 low-income households.

5 “(7) PRIORITY.—In awarding grants under this
6 subsection, the Administrator shall give priority to
7 eligible entities or small community-serving eligible
8 entities, as applicable—

9 “(A) that are affected by consent decrees
10 relating to compliance with this Act;

11 “(B) the residential customers of which
12 have experienced rate or fee increases for
13 wastewater, stormwater, or drinking water serv-
14 ices greater than or equal to 30 percent during
15 the period beginning on the date that is 3 years
16 before the date of enactment of this section;

17 “(C) that—

18 “(i) develop an equivalent program, as
19 determined by the Administrator, that is
20 administered separately by the eligible en-
21 tity or small community-serving eligible en-
22 tity, as applicable; or

23 “(ii) provide matching funds equal to
24 or greater than the amount of the grant
25 from—

1 “(I) the applicable State or unit
2 of local government; or

3 “(II) a State-sponsored nonprofit
4 organization or private entity; or

5 “(D) that are described in subsection
6 (a)(1)(B).

7 “(8) LOWER INCOME LIMIT.—For purposes of
8 this section, an eligible entity (or a State, on behalf
9 of a small community-serving eligible entity) may
10 adopt an income limit that is lower than the limit
11 described in subsection (a)(3)(B), except that the el-
12 igible entity or State, respectively, may not exclude
13 a household from eligibility in a fiscal year based
14 solely on household income if that income is less
15 than 110 percent of the poverty level for the State.

16 “(9) REPORTING REQUIREMENTS.—

17 “(A) IN GENERAL.—In addition to any
18 other applicable Federal or agency-specific
19 grant reporting requirements, as a condition of
20 receiving a grant under this subsection, an eli-
21 gible entity (or a State, on behalf of a small
22 community-serving eligible entity) shall submit
23 to the Administrator an annual report that
24 summarizes, in a manner determined by the
25 Administrator, the low-income household assist-

1 ance program developed by the eligible entity or
2 small community-serving eligible entity, as ap-
3 plicable, using the grant amount, including—

4 “(i) key features;

5 “(ii) sources of funding;

6 “(iii) eligibility criteria;

7 “(iv) participation rates;

8 “(v) the monetary benefit per partici-
9 pant;

10 “(vi) program costs;

11 “(vii) the demonstrable impacts of the
12 program on arrearage and service dis-
13 connection for residential customers, to the
14 maximum extent practicable; and

15 “(viii) other relevant information re-
16 quired by the Administrator.

17 “(B) PUBLICATION.—The Administrator
18 shall publish each report submitted under sub-
19 paragraph (A).

20 “(c) TECHNICAL ASSISTANCE.—The Administrator
21 shall provide technical assistance to each eligible entity
22 and each State, on behalf of a small community-serving
23 eligible entity, that receives a grant under this section to
24 ensure—

1 “(1) full implementation of the pilot program;
2 and

3 “(2) maximum enrollment of low-income house-
4 holds.

5 “(d) REPORT.—Not later than 2 years after the date
6 on which grant funds are first disbursed to an eligible enti-
7 ty (or a State, on behalf of a small community-serving eli-
8 gible entity) under this section, and every year thereafter
9 for the duration of the terms of the grants, the Adminis-
10 trator shall submit to Congress a report on the results
11 of the pilot program established under this section.”.

12 **SEC. 4. NEEDS ASSESSMENT FOR NATIONWIDE RURAL AND**
13 **URBAN LOW-INCOME COMMUNITY WATER AS-**
14 **SISTANCE PROGRAM.**

15 (a) DEFINITIONS.—In this section:

16 (1) ADMINISTRATOR.—The term “Adminis-
17 trator” means the Administrator of the Environ-
18 mental Protection Agency.

19 (2) LOW-INCOME HOUSEHOLD.—The term
20 “low-income household” means a household—

21 (A) in which 1 or more individuals are re-
22 ceiving—

23 (i) assistance under a State program
24 funded under part A of title IV of the So-
25 cial Security Act (42 U.S.C. 601 et seq.);

1 (ii) supplemental security income pay-
 2 ments under title XVI of the Social Secu-
 3 rity Act (42 U.S.C. 1381 et seq.);

4 (iii) supplemental nutrition assistance
 5 program benefits under the Food and Nu-
 6 trition Act of 2008 (7 U.S.C. 2011 et
 7 seq.); or

8 (iv) payments under—

9 (I) section 1315, 1521, 1541, or
 10 1542 of title 38, United States Code;

11 or

12 (II) section 306 of the Veterans'
 13 and Survivors' Pension Improvement
 14 Act of 1978 (38 U.S.C. 1521 note;
 15 Public Law 95–588); or

16 (B) that has an income that, as deter-
 17 mined by the State in which the household is lo-
 18 cated, does not exceed the greater of—

19 (i) an amount equal to 150 percent of
 20 the poverty level for that State; and

21 (ii) an amount equal to 60 percent of
 22 the median income for that State.

23 (b) STUDY; REPORT.—

24 (1) IN GENERAL.—Not later than 2 years after
 25 the date of enactment of this Act, the Administrator

1 shall conduct, and submit to Congress a report de-
2 scribing the results of, a study regarding the preva-
3 lence throughout the United States of low-income
4 households that do not have access to—

5 (A) affordable and functional centralized
6 or onsite wastewater services that protect the
7 health of individuals in the households;

8 (B) affordable municipal stormwater serv-
9 ices; or

10 (C) affordable public drinking water serv-
11 ices to meet household needs.

12 (2) INCLUSIONS.—The report under paragraph
13 (1) shall include—

14 (A) recommendations of the Administrator
15 regarding the best methods to increase access
16 to affordable and functional centralized and on-
17 site wastewater, stormwater, and drinking
18 water services;

19 (B) a description of the cost of each meth-
20 od described in subparagraph (A);

21 (C) with respect to the development of the
22 report, a consultation with all relevant stake-
23 holders; and

24 (D) a description of the results of the
25 study with respect to low-income renters who do

1 not receive bills for wastewater, stormwater,
2 and drinking water services but pay for the
3 services indirectly through rent payments.

○