

**Union Calendar No. 60**

103D CONGRESS  
1ST SESSION

**H. R. 1865**

**[Report No. 103-1151]**

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**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.

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MAY 27, 1993

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

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 27, 1993

Mr. MINETA (for himself, Mr. SHUSTER, Mr. APPELEGATE, and Mr. BOEHLERT) introduced the following bill; which was referred to the Committee on Public Works and Transportation

MAY 27, 1993

Additional sponsor: Mr. FALEOMAVAEGA

MAY 27, 1993

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 April 27, 1993]

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## 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 Construc-*  
3 *tion Assistance Act of 1993”.*

4 **SEC. 2. PURPOSES.**

5 *The purposes of this Act are as follows:*

6 *(1) To provide grants for establishment of State*  
7 *revolving funds for the purpose of providing financial*  
8 *and technical assistance for the construction, rehabili-*  
9 *tation, and improvement of water supply systems, in-*  
10 *cluding treatment to remove pollutants from navi-*  
11 *gable waters for the purpose of making such waters*  
12 *useable by water supply systems.*

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

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

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

23 **SEC. 4. GRANTS TO STATES.**

24 *Subject to the provisions of this Act, the Administrator*  
25 *shall make grants to each State for the purpose of establish-*  
26 *ing a water supply construction account in the State water*

1 *pollution control revolving loan fund programs established*  
2 *pursuant to title VI of the Federal Water Pollution Control*  
3 *Act, if any, to provide assistance for the construction, reha-*  
4 *ilitation, and improvement of water supply systems.*

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

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

11       (b) *SPECIFIC REQUIREMENTS.*—*The Administrator*  
12 *shall enter into an agreement under this section with a*  
13 *State only after the State has established to the satisfaction*  
14 *of the Administrator that—*

15               (1) *the State will accept grant payments with*  
16 *funds to be made available under this Act and will*  
17 *deposit all such payments in the water supply con-*  
18 *struction account established by the State in accord-*  
19 *ance with this Act;*

20               (2) *if the State has a water pollution control re-*  
21 *volving fund established in accordance with title VI*  
22 *of the Federal Water Pollution Control Act, the State*  
23 *will establish the water supply construction account*  
24 *as a separate account in such fund;*

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

8           (4) the State will enter into binding commit-  
9 ments to provide assistance in accordance with the re-  
10 quirements of this Act an amount equal to 120 per-  
11 cent of the amount of each such grant payment with-  
12 in 1 year after the receipt of such grant payment;

13           (5) the State will not make available any assist-  
14 ance from the account unless the State has first deter-  
15 mined that the applicant—

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

23                   (B) has legal, institutional, managerial,  
24 and financial capability to ensure adequate con-  
25 struction, operation, and maintenance of water

1            *supply systems throughout the applicant's juris-*  
2            *diction;*

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

9            *(7) the State will take such action as may be*  
10           *necessary with respect to construction, rehabilitation,*  
11           *and improvement of a water supply system under-*  
12           *taken with funds directly made available by grants*  
13           *under this Act as the Administrator is required to*  
14           *take under section 513 of the Federal Water Pollution*  
15           *Control Act with respect to treatment works carried*  
16           *out with assistance provided under such Act; and*

17           *(8) the State will make annual reports to the Ad-*  
18           *ministrator on the actual use of funds in accordance*  
19           *with section 606(d) of the Federal Water Pollution*  
20           *Control Act.*

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

22           *(a) GENERAL RULE.—The provisions of title VI of the*  
23           *Federal Water Pollution Control Act shall apply as pro-*  
24           *vided in this Act to accounts established by States under*  
25           *this Act. For purposes of this Act, any reference to the Fed-*

1 *eral Water Pollution Control Act and to any section thereof*  
2 *shall be treated as a reference to such Act or section as in*  
3 *effect on the date of the enactment of this Act.*

4 (b) *TYPES OF ASSISTANCE.*—Section 603(d) of the  
5 *Federal Water Pollution Control Act shall apply to accounts*  
6 *established by States under this Act to the same extent and*  
7 *in the same manner as such section applies to water pollu-*  
8 *tion control revolving funds under such Act; except that the*  
9 *percentage of grant awards available for administrative ex-*  
10 *penses under paragraph (7) of such section shall be 5 per-*  
11 *cent instead of 4 percent.*

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

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

1 **SEC. 7. WATER SUPPLY CONSTRUCTION REVOLVING LOAN**  
2 **FUNDS.**

3 (a) *REQUIREMENTS FOR OBLIGATION OF GRANT*  
4 *FUNDS.*—Before a State may receive a grant with funds  
5 made available under this Act, the State shall first establish  
6 a water supply construction account which complies with  
7 the requirements of this Act.

8 (b) *ADMINISTRATOR.*—Each State water supply con-  
9 struction account shall be administered by an instrumental-  
10 ity of the State with such powers and limitations as may  
11 be required to operate such account in accordance with the  
12 requirements and objectives of this Act.

13 (c) *PROJECTS ELIGIBLE FOR ASSISTANCE.*—The  
14 amounts of funds available to each State water supply con-  
15 struction account shall be used only for providing financial  
16 assistance for construction, rehabilitation, and improve-  
17 ment of a water supply system. The account shall be estab-  
18 lished, maintained, and credited with repayments, and the  
19 account balance shall be available in perpetuity for provid-  
20 ing such financial assistance.

21 (d) *TYPES OF ASSISTANCE.*—In addition to the types  
22 of assistance which may be made available under section  
23 603(d) of the Federal Water Pollution Control Act from a  
24 water supply construction account of a State under this  
25 Act—

1           (1) such account may be used to provide tech-  
 2           nical assistance with respect to construction, rehabili-  
 3           tation, and improvement of water supply systems;  
 4           and

5           (2) the interest derived from funds in such ac-  
 6           count or from loans made from such account may be  
 7           used by the State to make grants to pay up to 50 per-  
 8           cent of the cost of construction, rehabilitation, and  
 9           improvement of a water supply system.

10 **SEC. 8. ALLOTMENT OF FUNDS.**

11           (a) FISCAL YEAR 1994.—Sums authorized to be ap-  
 12           propriated pursuant to this Act for fiscal year 1994 shall  
 13           be allotted for such year by the Administrator not later than  
 14           the 10th day which begins after the date of the enactment  
 15           of this Act. Sums authorized for such fiscal year shall be  
 16           allotted in accordance with the following table:

<i>States:</i>	<i>Percentages:</i>
<i>Alabama</i> .....	<i>0.96</i>
<i>Alaska</i> .....	<i>2.38</i>
<i>Arizona</i> .....	<i>1.40</i>
<i>Arkansas</i> .....	<i>0.99</i>
<i>California</i> .....	<i>6.75</i>
<i>Colorado</i> .....	<i>1.33</i>
<i>Connecticut</i> .....	<i>1.77</i>
<i>Delaware</i> .....	<i>0.50</i>
<i>District of Columbia</i> .....	<i>0.50</i>
<i>Florida</i> .....	<i>3.82</i>
<i>Georgia</i> .....	<i>2.13</i>
<i>Hawaii</i> .....	<i>0.50</i>
<i>Idaho</i> .....	<i>0.98</i>
<i>Illinois</i> .....	<i>3.29</i>
<i>Indiana</i> .....	<i>2.04</i>
<i>Iowa</i> .....	<i>1.35</i>
<i>Kansas</i> .....	<i>1.12</i>
<i>Kentucky</i> .....	<i>0.90</i>
<i>Louisiana</i> .....	<i>1.66</i>

Maine .....	0.99
Maryland .....	1.48
Massachusetts .....	1.11
Michigan .....	5.05
Minnesota .....	3.51
Mississippi .....	1.33
Missouri .....	1.80
Montana .....	1.17
Nebraska .....	1.00
Nevada .....	0.70
New Hampshire .....	1.07
New Jersey .....	2.31
New Mexico .....	1.00
New York .....	5.35
North Carolina .....	3.94
North Dakota .....	0.53
Ohio .....	3.71
Oklahoma .....	1.43
Oregon .....	1.52
Pennsylvania .....	4.54
Rhode Island .....	0.50
South Carolina .....	1.23
South Dakota .....	0.63
Tennessee .....	1.01
Texas .....	5.95
Utah .....	0.73
Vermont .....	0.58
Virginia .....	2.44
Washington .....	2.64
West Virginia .....	0.96
Wisconsin .....	3.66
Wyoming .....	0.62
American Samoa .....	0.09
Guam .....	0.07
Northern Marianas .....	0.04
Puerto Rico .....	0.62
Pacific Trust Territories .....	0.13
Virgin Islands .....	0.27.

1           (b) *FISCAL YEARS 1995 AND 1996.*—Sums authorized  
2 to be appropriated pursuant to this Act for each of fiscal  
3 years 1995 and 1996 shall be allotted by the Administrator  
4 in accordance with the relative needs of the States for con-  
5 struction, rehabilitation, and improvement of water supply  
6 systems as determined by the Administrator, in consulta-  
7 tion with the States.

1       (c) *RESERVATION OF FUNDS FOR INDIAN TRIBES.*—  
2 *Notwithstanding subsections (a) and (b) of this section, the*  
3 *Administrator shall reserve for each fiscal year not to exceed*  
4 *1.5 percent of the amount made available to carry out this*  
5 *Act for such fiscal year for the purpose of making grants*  
6 *to Indian tribes for construction, rehabilitation, and im-*  
7 *provement of water supply systems.*

8       (d) *ALLOTMENT PERIOD.*—

9           (1) *PERIOD OF AVAILABILITY FOR GRANT*  
10 *AWARD.*—*Sums allotted to a State under this section*  
11 *for a fiscal year shall be available for obligation by*  
12 *the State during the fiscal year for which sums are*  
13 *authorized and during the following fiscal year; ex-*  
14 *cept that for sums allotted in fiscal year 1994, such*  
15 *period of availability shall be fiscal years 1994–1996.*

16           (2) *REALLOTMENT OF UNOBLIGATED FUNDS.*—  
17 *The amount of any allotment not obligated by the*  
18 *State by the last day of the period of availability es-*  
19 *tablished by paragraph (1) shall be immediately real-*  
20 *lotted by the Administrator on the basis of the same*  
21 *ratio as is applicable to sums allotted under this Act*  
22 *for the second fiscal year of such period. None of the*  
23 *funds reallocated by the Administrator shall be reallo-*  
24 *ted to any State which has not obligated all sums al-*

1        *lotted to such State in the first fiscal year of such*  
2        *period.*

3        **SEC. 9. DETERMINATION OF PRIORITY.**

4        *Each State establishing a water supply construction*  
5        *account shall determine the priority to be given projects for*  
6        *construction, rehabilitation, and improvement of water sup-*  
7        *ply systems within the boundaries of the State taking into*  
8        *account the relative financial and other needs for such con-*  
9        *struction, rehabilitation, and improvement.*

10       **SEC. 10. NEEDS SURVEY.**

11       *(a) IN GENERAL.—The Administrator, in cooperation*  
12       *with the States, shall make—*

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

18                *(2) a comprehensive study of the economic im-*  
19                 *pact on affected units of government of the cost of in-*  
20                 *stallation of water supply systems and parts thereof.*

21       *(b) SUBMISSION TO CONGRESS.—The Administrator*  
22       *shall submit the detailed estimate and the comprehensive*  
23       *study of costs under subsection (a) to Congress no later than*  
24       *January 1, 1996, and January 1 of each even-numbered*  
25       *year thereafter. The Administrator shall also submit rec-*

1 *ommendations for allotment of funds under this Act to the*  
2 *States based on such estimates and on such additional fac-*  
3 *tors as the Administrator deems appropriate, including fi-*  
4 *nancial need. Whenever the Administrator, pursuant to this*  
5 *section, requests and receives an estimate of cost from a*  
6 *State, the Administrator shall furnish copies of such esti-*  
7 *mate together with such detailed estimate to Congress.*

8 **SEC. 11. BUY AMERICAN.**

9 (a) *SENSE OF CONGRESS.*—*It is the sense of Congress*  
10 *that a recipient of assistance under this Act should purchase*  
11 *American-made equipment and products.*

12 (b) *NOTICE.*—*The Administrator shall provide to each*  
13 *recipient of assistance under this Act a notice describing*  
14 *the sense of Congress set forth in subsection (a).*

15 **SEC. 12. DEFINITIONS.**

16 *In this Act, the following definitions apply:*

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

20 (2) *INDIAN TRIBE.*—*The term “Indian tribe” has*  
21 *the meaning such term has under section 518 of the*  
22 *Federal Water Pollution Control Act and includes*  
23 *Alaska Native Villages and former Indian reserva-*  
24 *tions in Oklahoma.*

1           (3) *STATE*.—The term “State” means a State,  
2           the District of Columbia, the Commonwealth of Puer-  
3           to Rico, the Virgin Islands, Guam, American Samoa,  
4           the Commonwealth of the Northern Mariana Islands,  
5           and the Trust Territory of the Pacific Islands.

6           (4) *WATER SUPPLY SYSTEM*.—The term “water  
7           supply system” means a system (owned by a govern-  
8           mental entity, a nonprofit organization, or any other  
9           private person regulated by a State public utility  
10          commission and having the greatest public need for  
11          assistance under this Act) for the provision to the  
12          public of piped water for human consumption, if such  
13          system has at least 15 service connections or regularly  
14          serves at least 25 individuals. Such term includes (A)  
15          any collection, treatment, storage, and distribution  
16          facilities under control of the operator of such system  
17          and used primarily in connection with such system,  
18          and (B) any collection or pretreatment facilities not  
19          under such control that are used primarily in connec-  
20          tion with such system.

21 **SEC. 13. AUTHORIZATION OF APPROPRIATIONS.**

22           There are authorized to be appropriated for purposes  
23 of this Act the following sums:

24           (1) \$599,000,000 for fiscal year 1994;

25           (2) \$1,000,000,000 for fiscal year 1995; and

1           (3) *\$1,000,000,000 for fiscal year 1996.*