

111TH CONGRESS  
1ST SESSION

**S.** \_\_\_\_\_

To amend the Federal Water Pollution Control Act and the Safe Drinking Water Act to improve water and wastewater infrastructure in the United States.

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IN THE SENATE OF THE UNITED STATES

Mr. CARDIN (for himself, Mrs. BOXER, Mr. INHOFE, and Mr. CRAPO) introduced the following bill; which was read twice and referred to the Committee on \_\_\_\_\_

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**A BILL**

To amend the Federal Water Pollution Control Act and the Safe Drinking Water Act to improve water and wastewater infrastructure in the United States.

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  
5 “Water Infrastructure Financing Act”.

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

Sec. 1. Short title; table of contents.

Sec. 2. Definition of Administrator.

## 2

## TITLE I—WATER POLLUTION INFRASTRUCTURE

- Sec. 101. Technical assistance for rural small treatment works and medium treatment works.
- Sec. 102. Projects eligible for assistance.
- Sec. 103. Affordability.
- Sec. 104. Water pollution control revolving loan funds.
- Sec. 105. Transferability of funds.
- Sec. 106. Noncompliance.
- Sec. 107. Negotiation of contracts.
- Sec. 108. Allotment of funds.
- Sec. 109. Authorization of appropriations.
- Sec. 110. Sewer overflow control grants.
- Sec. 111. Critical water infrastructure projects.

## TITLE II—SAFE DRINKING WATER INFRASTRUCTURE

- Sec. 201. Drinking water technical assistance for communities.
- Sec. 202. Preconstruction work.
- Sec. 203. Priority system requirements.
- Sec. 204. Affordability.
- Sec. 205. Safe drinking water revolving loan funds.
- Sec. 206. Other authorized activities.
- Sec. 207. Authorization of appropriations.
- Sec. 208. Negotiation of contracts.
- Sec. 209. Critical drinking water infrastructure projects.
- Sec. 210. Reducing lead in drinking water.

## TITLE III—MISCELLANEOUS

- Sec. 301. Definition of Academy.
- Sec. 302. Program for water quality enhancement and management.
- Sec. 303. Agricultural watershed sustainability technology grant program.
- Sec. 304. State revolving fund review process.
- Sec. 305. Cost of service study.
- Sec. 306. Effective utility management strategies.
- Sec. 307. WaterSense Program.

**1 SEC. 2. DEFINITION OF ADMINISTRATOR.**

- 2 In this Act, the term “Administrator” means the Ad-
- 3 ministrator of the Environmental Protection Agency.

1           **TITLE I—WATER POLLUTION**  
2                           **INFRASTRUCTURE**

3   **SEC. 101. TECHNICAL ASSISTANCE FOR RURAL SMALL**  
4                           **TREATMENT WORKS AND MEDIUM TREAT-**  
5                           **MENT WORKS.**

6           (a) IN GENERAL.—Title II of the Federal Water Pol-  
7 lution Control Act (33 U.S.C. 1281 et seq.) is amended  
8 by adding at the end the following:

9   **“SEC. 222. TECHNICAL ASSISTANCE FOR RURAL SMALL**  
10                           **TREATMENT WORKS AND MEDIUM TREAT-**  
11                           **MENT WORKS.**

12           “(a) DEFINITIONS.—In this section:

13                   “(1) ADVANCED DECENTRALIZED WASTEWATER  
14                   SYSTEM.—The term ‘advanced decentralized waste-  
15                   water system’ means a decentralized wastewater sys-  
16                   tem that provides more effective treatment than a  
17                   conventional septic system.

18                   “(2) DECENTRALIZED WASTEWATER SYSTEM.—

19                           “(A) IN GENERAL.—The term ‘decentral-  
20                           ized wastewater system’ means a wastewater  
21                           treatment system that is at or near a site at  
22                           which wastewater is generated.

23                           “(B) INCLUSIONS.—The term ‘decentral-  
24                           ized wastewater system’ includes a system that  
25                           provides for—

1                   “(i) nonpotable reuse of treated efflu-  
2                   ent; or

3                   “(ii) energy and nutrient recovery  
4                   from wastewater constituents.

5                   “(3) MEDIUM TREATMENT WORKS.—The term  
6                   ‘medium treatment works’ means a publicly owned  
7                   treatment works serving more than 10,000 but fewer  
8                   than 100,000 individuals.

9                   “(4) QUALIFIED NONPROFIT TECHNICAL AS-  
10                  SISTANCE PROVIDER.—The term ‘qualified nonprofit  
11                  technical assistance provider’ means a qualified non-  
12                  profit technical assistance provider of water and  
13                  wastewater services to small or medium-sized com-  
14                  munities that provides technical assistance (includ-  
15                  ing circuit rider, multi-State regional assistance pro-  
16                  grams, and training and preliminary engineering  
17                  evaluations) to owners and operators of small treat-  
18                  ment works or medium treatment works that may  
19                  include State agencies.

20                  “(5) SMALL TREATMENT WORKS.—The term  
21                  ‘small treatment works’ means a publicly owned  
22                  treatment works serving not more than 10,000 indi-  
23                  viduals.

24                  “(b) GRANT PROGRAM.—

1           “(1) IN GENERAL.—The Administrator may  
2           make grants on a competitive basis to qualified non-  
3           profit technical assistance providers that are quali-  
4           fied to provide assistance on a broad range of waste-  
5           water and stormwater approaches—

6                   “(A) to assist owners and operators of  
7                   small treatment works and medium treatment  
8                   works to plan, develop, and obtain financing for  
9                   eligible projects described in section 603(c) or  
10                  518(c);

11                   “(B) to provide financial assistance, in  
12                   consultation with the State in which the assist-  
13                   ance is provided, to owners and operators of  
14                   small treatment works and medium treatment  
15                   works for predevelopment costs (including costs  
16                   for planning, design, and associated  
17                   preconstruction activities, such as activities re-  
18                   lating directly to the siting of the facility and  
19                   related elements) associated with stormwater or  
20                   wastewater infrastructure projects or short-  
21                   term costs incurred for equipment replacement  
22                   that is not part of regular operation and main-  
23                   tenance activities for existing stormwater or  
24                   wastewater systems, if the amount of assistance  
25                   for any single project does not exceed \$50,000;

1           “(C) to provide technical assistance and  
2           training for owners and operators of small  
3           treatment works and medium treatment works  
4           to enable those treatment works and systems to  
5           protect water quality and achieve and maintain  
6           compliance with this Act; and

7           “(D) to disseminate information to owners  
8           and operators of small treatment works and  
9           medium treatment works, with respect to plan-  
10          ning, design, construction, and operation of  
11          treatment works, small municipal separate  
12          storm sewer systems, decentralized wastewater  
13          treatment systems, and advanced decentralized  
14          wastewater treatment systems.

15          “(2) DISTRIBUTION OF GRANT.—In carrying  
16          out this subsection, the Administrator shall ensure,  
17          to the maximum extent practicable, that technical  
18          assistance provided using funds from a grant under  
19          paragraph (1) is made available in each State.

20          “(3) CONSULTATION.—As a condition of receiv-  
21          ing a grant under this subsection, a qualified non-  
22          profit technical assistance provider shall agree to  
23          consult with each State in which grant funds are to  
24          be expended before the grant funds are expended in  
25          the State.

1           “(4) ANNUAL REPORT.—Not later than 60 days  
2 after the end of each fiscal year, a qualified non-  
3 profit technical assistance provider that receives a  
4 grant under this subsection shall submit to the Ad-  
5 ministrator a report that—

6           “(A) describes the activities of the quali-  
7 fied nonprofit technical assistance provider  
8 using grant funds received under this sub-  
9 section for the fiscal year; and

10           “(B) specifies—

11           “(i) the number of communities  
12 served;

13           “(ii) the sizes of those communities;  
14 and

15           “(iii) the type of assistance provided  
16 by the qualified nonprofit technical assist-  
17 ance provider.

18           “(c) AUTHORIZATION OF APPROPRIATIONS.—There  
19 are authorized to be appropriated to carry out this sec-  
20 tion—

21           “(1) for grants for small treatment works,  
22 \$25,000,000 for each of fiscal years 2010 through  
23 2014; and

1           “(2) for grants for medium treatment works,  
2           \$15,000,000 for each of fiscal years 2010 through  
3           2014.”.

4           (b) GUIDANCE FOR SMALL SYSTEMS.—Section 602  
5 of the Federal Water Pollution Control Act (33 U.S.C.  
6 1382) is amended by adding at the end the following:

7           “(c) GUIDANCE FOR SMALL SYSTEMS.—

8           “(1) DEFINITION OF SMALL SYSTEM.—In this  
9           subsection, the term ‘small system’ means a sys-  
10          tem—

11                   “(A) for which a municipality or inter-  
12                   municipal, interstate, or State agency seeks as-  
13                   sistance under this title; and

14                   “(B) that serves a population of not more  
15                   than 10,000 individuals.

16           “(2) SIMPLIFIED PROCEDURES.—Not later than  
17           1 year after the date of enactment of this sub-  
18           section, the Administrator shall assist the States in  
19           establishing simplified procedures for small systems  
20           to obtain assistance under this title.

21           “(3) PUBLICATION OF MANUAL.—Not later  
22           than 1 year after the date of enactment of this sub-  
23           section, after providing notice and opportunity for  
24           public comment, the Administrator shall publish—

1           “(A) a manual to assist small systems in  
2           obtaining assistance under this title; and

3           “(B) in the Federal Register, notice of the  
4           availability of the manual.”.

5 **SEC. 102. PROJECTS ELIGIBLE FOR ASSISTANCE.**

6           (a) IN GENERAL.—Section 603 of the Federal Water  
7           Pollution Control Act (33 U.S.C. 1383) is amended by  
8           striking subsection (c) and inserting the following:

9           “(c) PROJECTS ELIGIBLE FOR ASSISTANCE.—

10           “(1) IN GENERAL.—Funds in each State water  
11           pollution control revolving fund shall be used only  
12           for providing financial assistance—

13           “(A) to a municipality or an intermunicipal,  
14           interstate, or State agency or a private  
15           treatment works or decentralized wastewater  
16           system that principally treats municipal wastewater  
17           or domestic sewage—

18           “(i) for construction of treatment  
19           works (as defined in section 212); or

20           “(ii) for capital costs associated with  
21           monitoring equipment for combined sanitary  
22           sewer overflows;

23           “(B) to implement measures to control,  
24           manage, reduce, treat, infiltrate, or reuse  
25           stormwater, the primary purpose of which is

1 the preservation, protection, or enhancement of  
2 water quality to support public purposes (in-  
3 cluding the procurement and use of equipment  
4 to support minimum measures, such as street  
5 sweeping and storm drain system cleaning, or  
6 acquisition of other land and interests in land  
7 that are necessary for those activities and meas-  
8 ures);

9 “(C) to implement a management program  
10 established under section 319;

11 “(D) to develop and implement a conserva-  
12 tion and management plan under section 320;

13 “(E) for projects to increase the security  
14 of wastewater treatment works (as defined in  
15 section 212), excluding any expenditure for op-  
16 erations or maintenance;

17 “(F) to carry out water conservation or ef-  
18 ficiency projects that result in direct water  
19 quality benefits;

20 “(G) to implement measures to integrate  
21 water resource management planning and im-  
22 plementation;

23 “(H) to carry out water reuse (including  
24 wastewater reuse), reclamation, and recycling

1 projects that result in direct water quality bene-  
2 fits;

3 “(I) for projects to increase the energy ef-  
4 ficiency of treatment works (as defined in sec-  
5 tion 212) that result in direct water quality  
6 benefits;

7 “(J) for the development and implementa-  
8 tion of utility management improvement plans  
9 consistent with an effective utility management  
10 strategy (as defined in section 306(a) of the  
11 Water Infrastructure Financing Act); and

12 “(K) for the development and implementa-  
13 tion of integrative watershed improvement plans  
14 that include cost-effective solutions that con-  
15 sider point and nonpoint sources of pollution  
16 and traditional and cost-saving water treatment  
17 and efficiency projects.

18 “(2) LIMITATION.—Not more than 5 percent of  
19 the amount of a capitalization grant of a State may  
20 be used during a fiscal year to provide assistance for  
21 activities described in subparagraph (J) or (K) of  
22 paragraph (1).

23 “(3) STATE WATER POLLUTION CONTROL RE-  
24 VOLVING FUNDS.—

1           “(A) IN GENERAL.—A State water pollu-  
2           tion control revolving fund shall be established,  
3           maintained, and credited with repayments.

4           “(B) BALANCE OF FUND.—The balance of  
5           each fund described in subparagraph (A) shall  
6           be available in perpetuity for providing financial  
7           assistance under this section.”.

8           (b) MODIFICATION OF DEFINITION.—Section  
9           212(2)(A) of the Federal Water Pollution Control Act (33  
10          U.S.C. 1292(2)(A)) is amended—

11           (1) by striking “and any works, including site”;

12           (2) by striking “is used for ultimate” and in-  
13          serting “will be used for ultimate”; and

14           (3) by inserting “; and acquisition of other land  
15          and interests in land necessary for construction” be-  
16          fore the period at the end.

17          **SEC. 103. AFFORDABILITY.**

18          (a) IN GENERAL.—Section 603 of the Federal Water  
19          Pollution Control Act (33 U.S.C. 1383) is amended—

20           (1) by redesignating subsections (e) through (h)  
21          as subsections (g) through (j), respectively;

22           (2) in subsection (d)—

23           (A) in paragraph (1)—

24           (i) in subparagraph (A), by striking  
25          “20 years” and inserting “the lesser of 30

1 years or the design life of the project to be  
2 financed with the proceeds of the loan”;  
3 and

4 (ii) in subparagraph (B), by striking  
5 “not later than 20 years after project com-  
6 pletion” and inserting “upon the expiration  
7 of the term of the loan”;

8 (B) in paragraph (6), by striking “and” at  
9 the end; and

10 (C) in paragraph (7), by striking “title, ex-  
11 cept that” and all that follows and inserting the  
12 following:

13 “title, except that—

14 “(A) such amounts shall not exceed an  
15 amount equal to the sum of, for each fiscal  
16 year—

17 “(i) an amount equal to the greatest  
18 of—

19 “(I) \$400,000;

20 “(II)  $\frac{1}{5}$  percent of the current  
21 valuation of the fund; or

22 “(III) 6 percent of all grant  
23 awards to the fund under this title for  
24 a fiscal year; and

1                   “(ii) the amount of any fees collected  
2                   by the State for that purpose, regardless of  
3                   the source; and

4                   “(B) as a source of revenue (restricted  
5                   solely to interest earnings of the fund) or secu-  
6                   rity for payment of the principal and interest  
7                   on revenue or general obligation bonds issued  
8                   by the State to provide matching funds under  
9                   section 602(b)(2), if the proceeds of the sale of  
10                  the bonds will be deposited in the fund.”; and  
11                  (3) by inserting after subsection (d) the fol-  
12                  lowing:

13                  “(e) **ADDITIONAL ASSISTANCE FOR DISADVANTAGED**  
14                  **COMMUNITIES.—**

15                  “(1) **DEFINITION OF DISADVANTAGED COMMU-**  
16                  **NITY.—**In this subsection, the term ‘disadvantaged  
17                  community’ means a community with a service area,  
18                  or portion of a service area, of a treatment works  
19                  that meets affordability criteria established after  
20                  public review and comment by the State in which the  
21                  treatment works is located.

22                  “(2) **LOAN SUBSIDY.—**Notwithstanding any  
23                  other provision of this section, subject to paragraph  
24                  (5), in a case in which the State makes a loan from  
25                  the water pollution control revolving loan fund in ac-

1 cordance with subsection (c) to a disadvantaged  
2 community or a community that the State expects to  
3 become a disadvantaged community as the result of  
4 a proposed project, the State may provide additional  
5 subsidization, including—

6 “(A) the forgiveness of all or a portion of  
7 the principal of the loan; and

8 “(B) a negative interest rate on the loan.

9 “(3) TOTAL AMOUNT OF SUBSIDIES.—For each  
10 fiscal year, the total amount of loan subsidies made  
11 by the State pursuant to this subsection may not ex-  
12 ceed 30 percent of the amount of the capitalization  
13 grant received by the State for the fiscal year.

14 “(4) INFORMATION.—The Administrator may  
15 publish information to assist States in establishing  
16 affordability criteria described in paragraph (1).

17 “(f) COST-SAVING WATER TREATMENT AND EFFI-  
18 CIENCY IMPROVEMENTS.—

19 “(1) IN GENERAL.—Subject to subsection  
20 (e)(3), in providing a loan for a project under this  
21 section, a State may forgive repayment of a portion  
22 of the loan amount up to the percentage of the  
23 project that is devoted to alternative approaches to  
24 wastewater and stormwater controls (including non-  
25 structural methods), such as projects that treat or

1 minimize sewage or urban stormwater discharges  
2 using—

3 “(A) decentralized or distributed  
4 stormwater controls;

5 “(B) advanced decentralized wastewater  
6 treatment;

7 “(C) low-impact development technologies  
8 and nonstructural approaches;

9 “(D) stream buffers;

10 “(E) wetland restoration and enhance-  
11 ment;

12 “(F) actions to minimize the quantity of  
13 and direct connections to impervious surfaces;

14 “(G) soil and vegetation, or other per-  
15 meable materials;

16 “(H) actions that increase efficient water  
17 use, water conservation, or water reuse; or

18 “(I) actions that increase energy efficiency  
19 or reduce energy consumption at a treatment  
20 works.

21 “(2) TREATMENT OF LOAN FORGIVENESS.—

22 The amount of loan forgiveness provided by a State  
23 under this subsection shall be—

24 “(A) credited to each State; and

1           “(B) deducted from the total amount of  
2           State capitalization grants for which matching  
3           funds are required from the State under section  
4           602(b)(2).”.

5           (b) CONFORMING AMENDMENT.—Section 221(d) of  
6 the Federal Water Pollution Control Act (33 U.S.C.  
7 1301(d)) is amended in the second sentence by striking  
8 “603(h)” and inserting “603(j)”.

9   **SEC. 104. WATER POLLUTION CONTROL REVOLVING LOAN**  
10                                   **FUNDS.**

11           Section 603 of the Federal Water Pollution Control  
12 Act (33 U.S.C. 1383) is amended by striking subsection  
13 (i) (as redesignated by section 103(a)(1)) and inserting  
14 the following:

15           “(i) PRIORITY SYSTEM REQUIREMENT.—

16                   “(1) DEFINITIONS.—In this subsection:

17                           “(A) RESTRUCTURING.—The term ‘re-  
18                           structuring’ means—

19                                   “(i) the consolidation of management  
20                                   functions or ownership with another facil-  
21                                   ity; or

22                                   “(ii) the formation of cooperative  
23                                   partnerships.

24                           “(B) TRADITIONAL WASTEWATER AP-  
25                           PROACH.—The term ‘traditional wastewater ap-

1           proach’ means a managed system used to col-  
2           lect and treat wastewater from an entire service  
3           area consisting of—

4                   “(i) collection sewers;

5                   “(ii) a centralized treatment plant  
6                   using biological, physical, or chemical  
7                   treatment processes; and

8                   “(iii) a direct point source discharge  
9                   to surface water.

10           “(2) PRIORITY SYSTEM.—In providing financial  
11           assistance from the water pollution control revolving  
12           fund of the State, the State shall establish a priority  
13           system that—

14                   “(A) takes into consideration appropriate  
15                   chemical, physical, and biological data relating  
16                   to water quality that the State considers rea-  
17                   sonably available and of sufficient quality;

18                   “(B) ensures that projects undertaken with  
19                   assistance under this title are designed to  
20                   achieve, as determined by the State, the opti-  
21                   mum water quality management, consistent  
22                   with the public health and water quality goals  
23                   and requirements of this Act;

24                   “(C) provides for public notice and oppor-  
25                   tunity to comment on the establishment of the

1 priority system and the summary under sub-  
2 paragraph (D); and

3 “(D) provides for the publication, not less  
4 than biennially in summary form, of a descrip-  
5 tion of projects in the State that are eligible for  
6 assistance under this title that indicates—

7 “(i) the priority assigned to each  
8 project under the priority system of the  
9 State; and

10 “(ii) the funding schedule for each  
11 project, to the extent the information is  
12 available.

13 “(3) WEIGHT GIVEN TO APPLICATIONS.—After  
14 determining project priorities under subparagraph  
15 (2), the State shall give greater weight to an appli-  
16 cation for assistance if the application includes such  
17 information as the State determines to be necessary  
18 and contains—

19 “(A) a description of utility management  
20 best practices undertaken by a treatment works  
21 applying for assistance, including—

22 “(i) an inventory of assets, including  
23 a description of the condition of those as-  
24 sets;

1                   “(ii) a schedule for replacement of the  
2                   assets;

3                   “(iii) a financing plan that factors in  
4                   all lifecycle costs indicating sources of rev-  
5                   enue from ratepayers, grants, bonds, other  
6                   loans, and other sources to meet the costs;  
7                   and

8                   “(iv) a review of options for restruc-  
9                   turing the treatment works;

10                  “(B) approaches other than a traditional  
11                  wastewater approach that treat or minimize  
12                  sewage or urban stormwater discharges using—

13                       “(i) decentralized or distributed  
14                       stormwater controls;

15                       “(ii) advanced decentralized waste-  
16                       water treatment;

17                       “(iii) low-impact development tech-  
18                       nologies and nonstructural approaches;

19                       “(iv) stream buffers;

20                       “(v) wetland restoration and enhance-  
21                       ment;

22                       “(vi) actions to minimize the quantity  
23                       of and direct connections to impervious  
24                       surfaces;

1                   “(vii) soil and vegetation, or other  
2 permeable materials;

3                   “(viii) actions that increase efficient  
4 water use, water conservation, or water  
5 reuse; or

6                   “(ix) actions that increase energy effi-  
7 ciency or reduce energy consumption at a  
8 treatment works;

9                   “(C) a demonstration of consistency with  
10 State, regional, and municipal watershed plans,  
11 water conservation and efficiency plans, or inte-  
12 grated water resource management plans;

13                   “(D) a proposal by the applicant dem-  
14 onstrating flexibility through alternative means  
15 to carry out responsibilities under Federal regu-  
16 lations, that may include watershed permitting  
17 and other innovative management approaches,  
18 while achieving results that—

19                   “(i) the State, in the case of a permit  
20 program approved under section 402, de-  
21 termines will meet permit requirements; or

22                   “(ii) the Administrator determines are  
23 measurably superior, as compared to regu-  
24 latory standards; or

1                   “(E) projects that address adverse environ-  
2                   mental conditions.”.

3 **SEC. 105. TRANSFERABILITY OF FUNDS.**

4           Section 603 of the Federal Water Pollution Control  
5 Act (33 U.S.C. 1383) (as amended by section 103(a)(1))  
6 is amended by adding at the end the following:

7           “(k) TRANSFER OF FUNDS.—

8                   “(1) IN GENERAL.—The Governor of a State  
9                   may—

10                   “(A)(i) reserve not more than the greater  
11                   of—

12                           “(I) 33 percent of a capitalization  
13                           grant made under this title; or

14                           “(II) 33 percent of a capitalization  
15                           grant made under section 1452 of the Safe  
16                           Drinking Water Act (42 U.S.C. 300j–12);  
17                           and

18                           “(ii) add the reserved funds to any funds  
19                           provided to the State under section 1452 of the  
20                           Safe Drinking Water Act (42 U.S.C. 300j–12);  
21                           and

22                           “(B)(i) reserve for any year an amount  
23                           that does not exceed the amount that may be  
24                           reserved under subparagraph (A) for that year

1 from capitalization grants made under section  
2 1452 of that Act (42 U.S.C. 300j-12); and

3 “(ii) add the reserved funds to any funds  
4 provided to the State under this title.

5 “(2) STATE MATCH.—Funds reserved under  
6 this subsection shall not be considered to be a State  
7 contribution for a capitalization grant required  
8 under this title or section 1452(b) of the Safe  
9 Drinking Water Act (42 U.S.C. 300j-12(b)).”.

10 **SEC. 106. NONCOMPLIANCE.**

11 Section 603 of the Federal Water Pollution Control  
12 Act (33 U.S.C. 1383) (as amended by section 105) is  
13 amended by adding at the end the following:

14 “(1) NONCOMPLIANCE.—

15 “(1) IN GENERAL.—Except as provided in para-  
16 graph (2), no assistance (other than assistance that  
17 is to be used by a treatment works solely for plan-  
18 ning, design, or security purposes) shall be provided  
19 under this title to the owner or operator of a treat-  
20 ment works that has been in significant noncompli-  
21 ance with any requirement of this Act for any of the  
22 4 quarters during the preceding 8 quarters, unless  
23 the treatment works is in compliance with an en-  
24 forceable administrative order to effect compliance  
25 with the requirement.

1           “(2) EXCEPTION.—An owner or operator of a  
2 treatment works that is determined under paragraph  
3 (1) to be in significant noncompliance with a re-  
4 quirement described in that paragraph may receive  
5 assistance under this title if the Administrator and  
6 the State providing the assistance determine that—

7           “(A) the entity conducting the enforcement  
8 action on which the determination of significant  
9 noncompliance is based has determined that the  
10 use of assistance would enable the owner or op-  
11 erator of the treatment works to take corrective  
12 action toward resolving the violations; or

13           “(B) the entity conducting the enforcement  
14 action on which the determination of significant  
15 noncompliance is based has determined that the  
16 assistance would be used by the owner or oper-  
17 ator of the treatment works in order to assist  
18 owners and operators in making progress to-  
19 wards compliance.”.

20 **SEC. 107. NEGOTIATION OF CONTRACTS.**

21           Section 603 of the Federal Water Pollution Control  
22 Act (33 U.S.C. 1383) (as amended by section 106) is  
23 amended by adding at the end the following:

24           “(m) NEGOTIATION OF CONTRACTS.—

1           “(1) IN GENERAL.—A contract to be carried  
2 out using funds directly made available by a capital-  
3 ization grant under this section for program man-  
4 agement, construction management, feasibility stud-  
5 ies, preliminary engineering, design, engineering,  
6 surveying, mapping, or architectural or related serv-  
7 ices shall be negotiated in the same manner as—

8           “(A) a contract for architectural and engi-  
9 neering services is negotiated under chapter 11  
10 of title 40, United States Code; or

11           “(B) an equivalent State qualifications-  
12 based requirement (as determined by the Gov-  
13 ernor of the State).

14           “(2) EXEMPTION FOR SMALL COMMUNITIES.—  
15 Paragraph (1) shall not apply to a contract de-  
16 scribed in that paragraph for program management,  
17 construction management, feasibility studies, pre-  
18 liminary engineering, design, engineering, surveying,  
19 mapping, or architectural or related services for a  
20 community of 10,000 or fewer individuals.”.

21 **SEC. 108. ALLOTMENT OF FUNDS.**

22           Section 604 of the Federal Water Pollution Control  
23 Act (33 U.S.C. 1384) is amended by striking subsections  
24 (a) and (b) and inserting the following:

## 26

1           “(a) IN GENERAL.—Amounts authorized to be appro-  
2    priated to carry out this section for each of fiscal years  
3    2010 through 2014 shall be allotted among States by the  
4    Administrator in accordance with the percentages speci-  
5    fied in the following table:

“State	Percentage
Alabama .....	0.012860
Alaska .....	0.007500
Arizona .....	0.010247
Arkansas .....	0.007500
California .....	0.079629
Colorado .....	0.010164
Connecticut .....	0.014150
Delaware .....	0.007500
District of Columbia .....	0.005000
Florida .....	0.044139
Georgia .....	0.012825
Hawaii .....	0.008048
Idaho .....	0.007500
Illinois .....	0.048540
Indiana .....	0.024633
Iowa .....	0.010266
Kansas .....	0.009129
Kentucky .....	0.012025
Louisiana .....	0.013465
Maine .....	0.007829
Maryland .....	0.025129
Massachusetts .....	0.025754
Michigan .....	0.033487
Minnesota .....	0.020385
Mississippi .....	0.009112
Missouri .....	0.028037
Montana .....	0.007500
Nebraska .....	0.008023
Nevada .....	0.007500
New Hampshire .....	0.007500
New Jersey .....	0.046117
New Mexico .....	0.007500
New York .....	0.103531
North Carolina .....	0.019007
North Dakota .....	0.007500
Ohio .....	0.054722
Oklahoma .....	0.008171
Oregon .....	0.012456
Pennsylvania .....	0.041484
Rhode Island .....	0.007500
South Carolina .....	0.007500
South Dakota .....	0.007500

“State	Percentage
Tennessee .....	0.011019
Texas .....	0.037664
Utah .....	0.007500
Vermont .....	0.007500
Virginia .....	0.020698
Washington .....	0.017588
West Virginia .....	0.011825
Wisconsin .....	0.022844
Wyoming .....	0.007500
Puerto Rico .....	0.005000
Territories .....	0.002500

1       “(b) RESERVATION OF FUNDS.—

2               “(1) PLANNING.—Each State may reserve for  
3       each fiscal year to carry out planning under sections  
4       205(j) and 303(e) an amount equal to the greater  
5       of—

6               “(A) 2 percent of the sums allotted to the  
7       State under this section for the fiscal year; or

8               “(B) \$100,000.

9               “(2) INDIAN TRIBES.—Of the total amount of  
10       funds allotted to the State under this section for a  
11       fiscal year, 1.5 percent shall be allocated to Indian  
12       tribes (as defined in section 518(h)).

13              “(3) OPERATOR TRAINING.—Of the total  
14       amount of funds made available to carry out this  
15       title, for fiscal year 2009 and each fiscal year there-  
16       after, the Administrator may reserve not more than  
17       \$5,000,000 to carry out the objectives described in  
18       section 104(g).”.

1 **SEC. 109. AUTHORIZATION OF APPROPRIATIONS.**

2 The Federal Water Pollution Control Act is amended  
3 by striking section 607 (33 U.S.C. 1387) and inserting  
4 the following:

5 **“SEC. 607. AUTHORIZATION OF APPROPRIATIONS.**

6 “(a) IN GENERAL.—There are authorized to be ap-  
7 propriated to carry out this title—

8 “(1) \$3,200,000,000 for each of fiscal years  
9 2010 and 2011;

10 “(2) \$3,600,000,000 for fiscal year 2012;

11 “(3) \$4,000,000,000 for fiscal year 2013; and

12 “(4) \$6,000,000,000 for fiscal year 2014.

13 “(b) AVAILABILITY.—Amounts made available under  
14 this section shall remain available until expended.

15 “(c) RESERVATION FOR NEEDS SURVEYS.—Of the  
16 amount made available under subsection (a) to carry out  
17 this title for a fiscal year, the Administrator may reserve  
18 not more than \$1,000,000 for the fiscal year, to remain  
19 available until expended, to pay the costs of conducting  
20 needs surveys under section 516(b)(1)(B).”.

21 **SEC. 110. SEWER OVERFLOW CONTROL GRANTS.**

22 (a) SEWER OVERFLOW CONTROL GRANTS.—Section  
23 221 of the Federal Water Pollution Control Act (33  
24 U.S.C. 1301) is amended—

25 (1) in subsection (a), by striking “IN GEN-  
26 ERAL” and all that follows through “(2) subject to

1 subsection (g), the Administrator may” and insert-  
2 ing the following:

3 “(a) IN GENERAL.—The Administrator may—

4 “(1) make grants to States for the purpose of  
5 providing grants to a municipality or municipal enti-  
6 ty for planning, design, and construction of treat-  
7 ment works to intercept, transport, control, or treat  
8 municipal combined sewer overflows and sanitary  
9 sewer overflows; and

10 “(2) subject to subsection (g),”; and

11 (2) by striking subsections (e) through (g) and  
12 inserting the following:

13 “(e) ADMINISTRATIVE REQUIREMENTS.—

14 “(1) IN GENERAL.—Subject to paragraph (2), a  
15 project that receives grant assistance under sub-  
16 section (a) shall be carried out subject to the same  
17 requirements as a project that receives assistance  
18 from a State water pollution control revolving fund  
19 established pursuant to title VI.

20 “(2) DETERMINATION OF GOVERNOR.—The re-  
21 quirement described in paragraph (1) shall not apply  
22 to a project that receives grant assistance under  
23 subsection (a) to the extent that the Governor of the  
24 State in which the project is located determines that

1 a requirement described in title VI is inconsistent  
2 with the purposes of this section.

3 “(f) AUTHORIZATION OF APPROPRIATIONS.—There  
4 are authorized to be appropriated to carry out this section,  
5 to remain available until expended—

6 “(1) \$250,000,000 for fiscal year 2010;

7 “(2) \$300,000,000 for fiscal year 2011;

8 “(3) \$350,000,000 for fiscal year 2012;

9 “(4) \$400,000,000 for fiscal year 2013; and

10 “(5) \$500,000,000 for fiscal year 2014.

11 “(g) ALLOCATION OF FUNDS.—

12 “(1) FISCAL YEAR 2010 AND 2011.—For each of  
13 fiscal years 2010 and 2011, subject to subsection  
14 (h), the Administrator shall use the amounts made  
15 available to carry out this section to provide grants  
16 to municipalities and municipal entities under sub-  
17 section (a)(2)—

18 “(A) in accordance with the priority cri-  
19 teria described in subsection (b); and

20 “(B) with additional priority given to pro-  
21 posed projects that involve the use of—

22 “(i) nonstructural, low-impact devel-  
23 opment;

24 “(ii) water conservation, efficiency, or  
25 reuse; or

1                   “(iii) other decentralized stormwater  
2                   or wastewater approaches to minimize  
3                   flows into the sewer systems.

4                   “(2) FISCAL YEAR 2012 AND THEREAFTER.—  
5                   For fiscal year 2012 and each fiscal year thereafter,  
6                   subject to subsection (h), the Administrator shall  
7                   use the amounts made available to carry out this  
8                   section to provide grants to States under subsection  
9                   (a)(1) in accordance with a formula that—

10                   “(A) shall be established by the Adminis-  
11                   trator, after providing notice and an oppor-  
12                   tunity for public comment; and

13                   “(B) allocates to each State a proportional  
14                   share of the amounts based on the total needs  
15                   of the State for municipal combined sewer over-  
16                   flow controls and sanitary sewer overflow con-  
17                   trols, as identified in the most recent survey—

18                   “(i) conducted under section 210; and

19                   “(ii) included in a report required  
20                   under section 516(b)(1)(B).”.

21                   (b) REPORTS.—Section 221(i) of the Federal Water  
22                   Pollution Control Act (33 U.S.C. 1301(i)) is amended in  
23                   the first sentence by striking “2003” and inserting  
24                   “2011”.

1 **SEC. 111. CRITICAL WATER INFRASTRUCTURE PROJECTS.**

2 (a) ESTABLISHMENT.—The Administrator shall es-  
3 tablish a program under which grants are provided to eli-  
4 gible entities for use in carrying out projects and activities  
5 the primary purpose of which is watershed restoration  
6 through the protection or improvement of water quality.

7 (b) PROJECT SELECTION.—

8 (1) IN GENERAL.—The Administrator may pro-  
9 vide funds under this section to an eligible entity to  
10 carry out an eligible project described in paragraph  
11 (3).

12 (2) EQUITABLE DISTRIBUTION.—The Adminis-  
13 trator shall ensure an equitable distribution of  
14 projects under this section, taking into account cost  
15 and number of requests for each category listed in  
16 paragraph (3).

17 (3) ELIGIBLE PROJECTS.—A project that is eli-  
18 gible to be carried out using funds provided under  
19 this section may include projects that are included  
20 in the intended use plan of the State developed in  
21 accordance with section 606(c) of the Federal Water  
22 Pollution Control Act (33 U.S.C. 1386(c)).

23 (c) LOCAL PARTICIPATION.—In prioritizing projects  
24 for implementation under this section, the Administrator  
25 shall consult with, and consider the priorities of—

26 (1) affected State and local governments; and

1           (2) public and private entities that are active in  
2 watershed planning and restoration.

3           (d) COST SHARING.—Before carrying out any project  
4 under this section, the Administrator shall enter into an  
5 agreement with 1 or more non-Federal interests that shall  
6 require the non-Federal interests—

7           (1) to pay 45 percent of the total costs of the  
8 project, which may include services, materials, sup-  
9 plies, or other in-kind contributions;

10           (2) to provide any land, easements, rights-of-  
11 way, and relocations necessary to carry out the  
12 project; and

13           (3) to pay 100 percent of any operation, main-  
14 tenance, repair, replacement, and rehabilitation costs  
15 associated with the project.

16           (e) WAIVER.—The Administrator may waive the re-  
17 quirement to pay the non-Federal share of the cost of car-  
18 rying out an eligible activity using funds from a grant pro-  
19 vided under this section if the Administrator determines  
20 that an eligible entity is unable to pay, or would experience  
21 significant financial hardship if required to pay, the non-  
22 Federal share.

23           (f) AUTHORIZATION OF APPROPRIATIONS.—There is  
24 authorized to be appropriated to carry out this section  
25 \$50,000,000 for each of fiscal years 2010 through 2014.

1           **TITLE II—SAFE DRINKING**  
2           **WATER INFRASTRUCTURE**

3   **SEC. 201. DRINKING WATER TECHNICAL ASSISTANCE FOR**  
4                           **COMMUNITIES.**

5           Section 1442(e) of the Safe Drinking Water Act (42  
6 U.S.C. 300j–1(e)) is amended—

7           (1) in the first sentence, by striking “The Ad-  
8           ministrator may provide” and inserting the fol-  
9           lowing:

10           “(1) PUBLIC WATER SYSTEMS.—The Adminis-  
11           trator may provide”;

12           (2) in the second sentence, by striking “Such  
13           assistance” and inserting the following:

14           “(2) TYPES OF ASSISTANCE.—Such assist-  
15           ance”;

16           (3) in the third sentence, by striking “The Ad-  
17           ministrator shall ensure” and inserting the fol-  
18           lowing:

19           “(3) AVAILABILITY.—The Administrator shall  
20           ensure”;

21           (4) in the fourth sentence, by striking “Each  
22           nonprofit” and inserting the following:

23           “(4) REQUIREMENT APPLICABLE TO NON-  
24           PROFIT ORGANIZATIONS.—Each nonprofit”; and

1           (5) by striking the fifth sentence and all that  
2 follows and inserting the following:

3           “(5) PRIORITY.—In providing grants under this  
4 section, the Administrator shall give priority to small  
5 systems organizations that, as determined by the  
6 Administrator, in consultation with the State, are  
7 qualified and will be the most effective at assisting  
8 small systems.

9           “(6) WELLS AND WELL SYSTEMS.—

10           “(A) IN GENERAL.—The Administrator  
11 shall provide grants to nonprofit organizations  
12 to provide technical assistance to communities  
13 and individuals regarding the design, operation,  
14 construction, and maintenance of household  
15 wells and small shared well-systems that pro-  
16 vide drinking water.

17           “(B) FORM OF ASSISTANCE.—Technical  
18 assistance referred to in subparagraph (A) may  
19 include—

20                   “(i) training and education;

21                   “(ii) operation of a hotline; and

22                   “(iii) the conduct of other activities  
23 relating to the design and construction of  
24 household, shared, and small water well  
25 systems in rural areas.

1           “(C) PRIORITY.—Subject to paragraph  
2           (5), in providing grants under this section, the  
3           Administrator shall give priority to applicants  
4           that, as determined by the Administrator—

5                     “(i) are qualified; and

6                     “(ii) have demonstrated experience in  
7                     providing similar technical assistance and  
8                     in developing similar projects.

9           “(D) AUTHORIZATION OF APPROPRIA-  
10           TIONS.—There is authorized to be appropriated  
11           to carry out this paragraph—

12                     “(i) \$7,000,000 for fiscal year 2010;

13                     and

14                     “(ii) \$7,500,000 for each of fiscal  
15                     years 2011 through 2014.

16           “(7) FUNDING.—

17                     “(A) AUTHORIZATION OF APPROPRIA-  
18                     TIONS.—There is authorized to be appropriated  
19                     to the Administrator to carry out this sub-  
20                     section (other than paragraph (6)) \$35,000,000  
21                     for each of fiscal years 2010 through 2014.

22                     “(B) LOBBYING EXPENSES.—No portion  
23                     of any State loan fund established under section  
24                     1452 and no portion of any funds made avail-

1           able under this subsection may be used for lob-  
2           bying expenses.

3                   “(C) INDIAN TRIBES.—Of the total  
4           amount made available under this section for  
5           each fiscal year, 3 percent shall be used for  
6           technical assistance to public water systems  
7           owned or operated by Indian Tribes.”.

8   **SEC. 202. PRECONSTRUCTION WORK.**

9           Section 1452(a)(2) of the Safe Drinking Water Act  
10   (42 U.S.C. 300j–12(a)(2)) is amended—

11           (1) by designating the first, second, third,  
12           fourth, and fifth sentences as subparagraphs (A),  
13           (B), (D), (E), and (F), respectively;

14           (2) in subparagraph (B) (as designated by  
15           paragraph (1))—

16                   (A) by striking “(not” and inserting “(in-  
17           cluding expenditures for planning, design, and  
18           associated preconstruction activities, including  
19           activities relating to the siting of the facility,  
20           but not”; and

21                   (B) by inserting before the period at the  
22           end the following: “or to replace or rehabilitate  
23           aging treatment, storage, or distribution facili-  
24           ties of public water systems or provide for cap-  
25           ital projects (excluding any expenditure for op-

1           erations and maintenance) to upgrade the secu-  
2           rity of public water systems”; and

3           (3) by inserting after subparagraph (B) (as  
4           designated by paragraph (1)) the following:

5                   “(C) SALE OF BONDS.—Funds may also  
6           be used by a public water system as a source  
7           of revenue (restricted solely to interest earnings  
8           of the applicable State loan fund) or security  
9           for payment of the principal and interest on  
10          revenue or general obligation bonds issued by  
11          the State to provide matching funds under sub-  
12          section (e), if the proceeds of the sale of the  
13          bonds will be deposited in the State loan  
14          fund.”.

15 **SEC. 203. PRIORITY SYSTEM REQUIREMENTS.**

16          Section 1452(b)(3) of the Safe Drinking Water Act  
17          (42 U.S.C. 300j–12(b)(3)) is amended—

18               (1) by redesignating subparagraph (B) as sub-  
19          paragraph (D);

20               (2) by striking subparagraph (A) and inserting  
21          the following:

22                   “(A) DEFINITION OF RESTRUCTURING.—  
23          In this paragraph, the term ‘restructuring’  
24          means changes in operations (including owner-  
25          ship, cooperative partnerships, asset manage-

1           ment, consolidation, and alternative water sup-  
2           ply).

3           “(B) PRIORITY SYSTEM.—An intended use  
4           plan shall provide, to the maximum extent prac-  
5           ticable, that priority for the use of funds be  
6           given to projects that—

7                   “(i) address the most serious risk to  
8                   human health;

9                   “(ii) are necessary to ensure compli-  
10                  ance with this title (including requirements  
11                  for filtration);

12                  “(iii) assist systems most in need on  
13                  a per-household basis according to State  
14                  affordability criteria; and

15                  “(iv) improve the sustainability of sys-  
16                  tems.

17           “(C) WEIGHT GIVEN TO APPLICATIONS.—  
18           After determining project priorities under sub-  
19           paragraph (B), an intended use plan shall pro-  
20           vide that the State shall give greater weight to  
21           an application for assistance by a community  
22           water system if the application includes such in-  
23           formation as the State determines to be nec-  
24           essary and contains—

1                   “(i) an inventory of assets, including  
2 a description of the condition of the assets;

3                   “(ii) a schedule for replacement of as-  
4 sets;

5                   “(iii) a financing plan that factors in  
6 all lifecycle costs indicating sources of rev-  
7 enue from ratepayers, grants, bonds, other  
8 loans, and other sources to meet the costs;

9                   “(iv) a review of options for restruc-  
10 turing the public water system;

11                   “(v) demonstration of consistency  
12 with State, regional, and municipal water-  
13 shed plans;

14                   “(vi) a water conservation plan con-  
15 sistent with guidelines developed for those  
16 plans by the Administrator under section  
17 1455(a); and

18                   “(vii) approaches to improve the sus-  
19 tainability of the system, including—

20                               “(I) water efficiency or conserva-  
21 tion;

22                               “(II) use of reclaimed water; and

23                               “(III) actions to increase energy  
24 efficiency.”; and

1           (3) in subparagraph (D) (as redesignated by  
2           paragraph (1)), by striking “periodically” and in-  
3           serting “at least biennially”.

4 **SEC. 204. AFFORDABILITY.**

5           Section 1452(d)(3) of the Safe Drinking Water Act  
6 (42 U.S.C. 300j-12(d)(3)) is amended in the first sen-  
7 tence by inserting “, or portion of a service area,” after  
8 “service area”.

9 **SEC. 205. SAFE DRINKING WATER REVOLVING LOAN**  
10 **FUNDS.**

11           Section 1452(g) of the Safe Drinking Water Act (42  
12 U.S.C. 300j-12(g)) is amended—

13           (1) paragraph (2)—

14                   (A) in the first sentence, by striking “4”  
15                   and inserting “6”; and

16                   (B) by striking “1419,” and all that fol-  
17                   lows through “1993.” and inserting “1419.”;  
18                   and

19           (2) by adding at the end the following:

20           “(5) TRANSFER OF FUNDS.—

21                   “(A) IN GENERAL.—The Governor of a  
22                   State may—

23                           “(i)(I) reserve not more than the  
24                           greater of—

1                   “(aa) 33 percent of a capitaliza-  
2                   tion grant made under this section; or

3                   “(bb) 33 percent of a capitaliza-  
4                   tion grant made under section 601 of  
5                   the Federal Water Pollution Control  
6                   Act (33 U.S.C. 1381);

7                   “(II) add the funds reserved to any  
8                   funds provided to the State under section  
9                   601 of the Federal Water Pollution Con-  
10                  trol Act (33 U.S.C. 1381); and

11                  “(ii)(I) reserve for any fiscal year an  
12                  amount that does not exceed the amount  
13                  that may be reserved under clause (i)(I)  
14                  for that year from capitalization grants  
15                  made under section 601 of that Act (33  
16                  U.S.C. 1381); and

17                  “(II) add the reserved funds to any  
18                  funds provided to the State under this sec-  
19                  tion.

20                  “(B) STATE MATCH.—Funds reserved  
21                  under this paragraph shall not be considered to  
22                  be a State match of a capitalization grant re-  
23                  quired under this section or section 602(b) of  
24                  the Federal Water Pollution Control Act (33  
25                  U.S.C. 1382(b)).”.

1 **SEC. 206. OTHER AUTHORIZED ACTIVITIES.**

2 Section 1452(k)(2)(D) of the Safe Drinking Water  
3 Act (42 U.S.C. 300j–12(k)(2)(D)) is amended by inserting  
4 before the period at the end the following: “(including im-  
5 plementation of source water protection plans)”.

6 **SEC. 207. AUTHORIZATION OF APPROPRIATIONS.**

7 Section 1452 of the Safe Drinking Water Act (42  
8 U.S.C. 300j–12) is amended by striking subsection (m)  
9 and inserting the following:

10 “(m) AUTHORIZATION OF APPROPRIATIONS.—

11 “(1) IN GENERAL.—There are authorized to be  
12 appropriated to carry out this section—

13 “(A) \$1,500,000,000 for fiscal year 2010;

14 “(B) \$2,000,000,000 for each of fiscal  
15 years 2011 and 2012;

16 “(C) \$3,200,000,000 for fiscal year 2013;

17 and

18 “(D) \$6,000,000,000 for fiscal year 2014.

19 “(2) AVAILABILITY.—Amounts made available  
20 under this subsection shall remain available until ex-  
21 pended.

22 “(3) RESERVATION FOR NEEDS SURVEYS.—Of  
23 the amount made available under paragraph (1) to  
24 carry out this section for a fiscal year, the Adminis-  
25 trator may reserve not more than \$1,000,000 per

1 year to pay the costs of conducting needs surveys  
2 under subsection (h).”.

3 **SEC. 208. NEGOTIATION OF CONTRACTS.**

4 Section 1452 of the Safe Drinking Water Act (42  
5 U.S.C. 300j–12) is amended by adding at the end the fol-  
6 lowing:

7 “(s) NEGOTIATION OF CONTRACTS.—

8 “(1) IN GENERAL.—A contract to be carried  
9 out using funds directly made available by a capital-  
10 ization grant under this section for program man-  
11 agement, construction management, feasibility stud-  
12 ies, preliminary engineering, design, engineering,  
13 surveying, mapping, or architectural or related serv-  
14 ices shall be negotiated in the same manner as—

15 “(A) a contract for architectural and engi-  
16 neering services is negotiated under chapter 11  
17 of title 40, United States Code; or

18 “(B) an equivalent State qualifications-  
19 based requirement (as determined by the Gov-  
20 ernor of the State).

21 “(2) EXEMPTION FOR SMALL COMMUNITIES.—

22 Paragraph (1) shall not apply to a contract de-  
23 scribed in that paragraph for program management,  
24 construction management, feasibility studies, pre-  
25 liminary engineering, design, engineering, surveying,

1 mapping, or architectural or related services for a  
2 community of 10,000 or fewer individuals.”.

3 **SEC. 209. CRITICAL DRINKING WATER INFRASTRUCTURE**  
4 **PROJECTS.**

5 (a) ESTABLISHMENT.—Not later than 180 days after  
6 the date of enactment of this Act, the Administrator shall  
7 establish a program under which grants are provided to  
8 eligible entities for use in carrying out projects and activi-  
9 ties the primary purpose of which is to assist community  
10 water systems in meeting the requirements of the Safe  
11 Drinking Water Act (42 U.S.C. 300f et seq.).

12 (b) PROJECT SELECTION.—A project that is eligible  
13 to be carried out using funds provided under this section  
14 may include projects that—

15 (1) develop alternative water sources;

16 (2) provide assistance to small systems; or

17 (3) assist a community water system—

18 (A) to comply with a national primary  
19 drinking water regulation; or

20 (B) to mitigate groundwater contamina-  
21 tion, including saltwater intrusion.

22 (c) ELIGIBLE ENTITIES.—An entity eligible to re-  
23 ceive a grant under this section is—

1           (1) a community water system as defined in  
2 section 1401 of the Safe Drinking Water Act (42  
3 U.S.C. 300f); or

4           (2) a system that is located in an area governed  
5 by an Indian Tribe (as defined in section 1401 of  
6 the Safe Drinking Water Act (42 U.S.C. 300f));

7           (d) PRIORITY.—In prioritizing projects for implemen-  
8 tation under this section, the Administrator shall give pri-  
9 ority to community water systems that—

10           (1) serve a community that, under affordability  
11 criteria established by the State under section  
12 1452(d)(3) of the Safe Drinking Water Act (42  
13 U.S.C. 300j–12), is determined by the State to be—

14                   (A) a disadvantaged community; or

15                   (B) a community that may become a dis-  
16 advantaged community as a result of carrying  
17 out an eligible activity; or

18           (2) serve a community with a population of less  
19 than 10,000 individuals.

20           (e) LOCAL PARTICIPATION.—In prioritizing projects  
21 for implementation under this section, the Administrator  
22 shall consult with, and consider the priorities of, affected  
23 States, Indian Tribes, and local governments.

24           (f) COST SHARING.—Before carrying out any project  
25 under this section, the Administrator shall enter into a

1 binding agreement with 1 or more non-Federal interests  
2 that shall require the non-Federal interests—

3 (1) to pay 45 percent of the total costs of the  
4 project, which may include services, materials, sup-  
5 plies, or other in-kind contributions;

6 (2) to provide any land, easements, rights-of-  
7 way, and relocations necessary to carry out the  
8 project; and

9 (3) to pay 100 percent of any operation, main-  
10 tenance, repair, replacement, and rehabilitation costs  
11 associated with the project.

12 (g) WAIVER.—The Administrator may waive the re-  
13 quirement to pay the non-Federal share of the cost of car-  
14 rying out an eligible activity using funds from a grant pro-  
15 vided under this section if the Administrator determines  
16 that an eligible entity is unable to pay, or would experience  
17 significant financial hardship if required to pay, the non-  
18 Federal share.

19 (h) AUTHORIZATION OF APPROPRIATIONS.—There is  
20 authorized to be appropriated to carry out this section—

21 (1) \$230,000,000 for fiscal year 2010; and

22 (2) \$300,000,000 for each of fiscal years 2011  
23 through 2014.

24 **SEC. 210. REDUCING LEAD IN DRINKING WATER.**

25 (a) DEFINITIONS.—In this section:

1           (1) ELIGIBLE ENTITY.—The term “eligible enti-  
2           ty” means—

3                   (A) a community water system (as defined  
4                   in section 1401 of the Safe Drinking Water Act  
5                   (42 U.S.C. 300f));

6                   (B) a system located in an area governed  
7                   by an Indian Tribe (as defined in that section);

8                   (C) a nontransient noncommunity water  
9                   system;

10                  (D) a qualified nonprofit organization, as  
11                  determined by the Administrator; and

12                  (E) a municipality or State, interstate, or  
13                  intermunicipal agency.

14           (2) LEAD REDUCTION PROJECT.—The term  
15           “lead reduction project” means a project or activity  
16           the primary purpose of which is to reduce the level  
17           of lead in water for human consumption by—

18                   (A) replacement of publicly owned lead  
19                   service lines;

20                   (B) capital costs, testing, planning, or  
21                   other relevant activities, as determined by the  
22                   Administrator, to identify and address condi-  
23                   tions (including corrosion control) that con-  
24                   tribute to increased lead levels in water for  
25                   human consumption;

1 (C) assistance to low-income homeowners  
2 to replace privately owned service lines, pipes,  
3 fittings, or fixtures that contain lead; and

4 (D) education of consumers regarding  
5 measures to reduce exposure to lead from  
6 drinking water or other sources.

7 (3) LOW-INCOME.—The term “low-income”,  
8 with respect to an individual provided assistance  
9 under this section, has such meaning as may be  
10 given the term by the head of the municipality or  
11 State, interstate, or intermunicipal agency with ju-  
12 risdiction over the area to which assistance is pro-  
13 vided.

14 (4) MUNICIPALITY.—The term “municipality”  
15 means—

16 (A) a city, town, borough, county, parish,  
17 district, association, or other public entity es-  
18 tablished by, or pursuant to, applicable State  
19 law; and

20 (B) an Indian tribe (as defined in section  
21 4 of the Indian Self-Determination and Edu-  
22 cation Assistance Act (25 U.S.C. 450b)).

23 (b) GRANT PROGRAM.—

24 (1) ESTABLISHMENT.—Not later than 180 days  
25 after the date of enactment of this Act, the Adminis-

1 trator shall establish a grant program to provide as-  
2 sistance to eligible entities for lead reduction  
3 projects in the United States.

4 (2) EVALUATION.—In providing assistance  
5 under this section, the Administrator shall evalu-  
6 ate—

7 (A) whether an eligible entity applying for  
8 assistance has taken steps to identify the source  
9 of lead in water for human consumption; and

10 (B) the means by which the proposed lead  
11 reduction project would reduce lead levels in the  
12 applicable water system.

13 (3) PRIORITY APPLICATION.—In providing  
14 grants under this subsection, the Administrator shall  
15 give priority to an eligible entity that—

16 (A) carries out a lead reduction project at  
17 a public water system or nontransient non-  
18 community water system that has exceeded the  
19 lead action level established by the Adminis-  
20 trator at any time during the 3-year period pre-  
21 ceding the date of submission of the application  
22 of the eligible entity;

23 (B) addresses lead levels in water for  
24 human consumption at a school, daycare, or

1 other facility that primarily serves children or  
2 another vulnerable human subpopulation; or

3 (C) addresses such priority criteria as the  
4 Administrator may establish, consistent with  
5 the goal of reducing lead levels of concern.

6 (4) COST SHARING.—

7 (A) IN GENERAL.—Subject to subpara-  
8 graph (B), the non-Federal share of the total  
9 cost of a project funded by a grant under this  
10 subsection shall be not less than 20 percent.

11 (B) WAIVER.—The Administrator may re-  
12 duce or eliminate the non-Federal share under  
13 subparagraph (A) for reasons of affordability,  
14 as the Administrator determines to be appro-  
15 priate.

16 (5) LOW-INCOME ASSISTANCE.—

17 (A) IN GENERAL.—Subject to subpara-  
18 graphs (B) and (C), an eligible entity may use  
19 a grant provided under this subsection to pro-  
20 vide assistance to low-income homeowners to  
21 carry out lead reduction projects.

22 (B) LOW-INCOME ASSISTANCE CAP.—Of  
23 the funds made available to carry out this sec-  
24 tion, not more than \$5,000,000 may be allo-  
25 cated to provide assistance to low-income home-

1 owners under this paragraph for any fiscal  
2 year.

3 (C) LIMITATION.—The amount of a grant  
4 provided to a low-income homeowner under this  
5 paragraph shall not exceed \$5,000.

6 (6) SPECIAL CONSIDERATION FOR LEAD SERV-  
7 ICE LINE REPLACEMENT.—In carrying out lead serv-  
8 ice line replacement using a grant under this sub-  
9 section, an eligible entity shall—

10 (A) notify customers of the replacement of  
11 any publicly owned portion of the lead service  
12 line;

13 (B) offer to replace the privately owned  
14 portion of the lead service line at the cost of re-  
15 placement;

16 (C) recommend measures to avoid exposure  
17 to short-term increases in lead levels following  
18 a partial lead service line replacement; and

19 (D) demonstrate that the eligible entity  
20 has considered multiple options for reducing  
21 lead in drinking water, including an evaluation  
22 of options for corrosion control.

23 (e) AUTHORIZATION OF APPROPRIATIONS.—There is  
24 authorized to be appropriated to carry out this section  
25 \$60,000,000 for each of fiscal years 2010 through 2014.



1 (A) to increase the effectiveness and effi-  
2 ciency of water and wastewater infrastructure  
3 through the use of integrated water resource  
4 management;

5 (B) to increase the effectiveness and effi-  
6 ciency of public water systems, including—

7 (i) source water protection;

8 (ii) water use reduction;

9 (iii) water collection, storage, and  
10 treatment and reuse of rainwater,  
11 stormwater, and graywater;

12 (iv) identification of behavioral, social,  
13 and economic barriers to achieving greater  
14 water use efficiency;

15 (v) use of watershed planning directed  
16 toward water quality, conservation, and  
17 supply;

18 (vi) actions to reduce energy con-  
19 sumption;

20 (vii) water treatment;

21 (viii) water distribution and waste-  
22 water collection systems;

23 (ix) desalination; and

24 (x) water security;

1 (C) to encourage the use of innovative or  
2 alternative technologies or approaches relating  
3 to water supply or availability;

4 (D) to increase the effectiveness and effi-  
5 ciency of new and existing treatment works, in-  
6 cluding—

7 (i) methods of collecting, treating, dis-  
8 persing, reusing, reclaiming, and recycling  
9 wastewater;

10 (ii) system design;

11 (iii) nonstructural alternatives;

12 (iv) decentralized approaches;

13 (v) stormwater and wastewater reuse;

14 (vi) water use efficiency and conserva-  
15 tion;

16 (vii) actions to reduce energy con-  
17 sumption;

18 (viii) technologies to extract energy  
19 from wastewater; and

20 (ix) wastewater security;

21 (E) to increase the effectiveness and effi-  
22 ciency of municipal separate storm sewer sys-  
23 tems and combined sewer systems, including  
24 through the use of soil and vegetation or other  
25 permeable materials;

1 (F) to promote new water treatment tech-  
2 nologies and management approaches, including  
3 commercialization and dissemination strategies  
4 for adoption of innovative water, wastewater,  
5 and stormwater technologies and management  
6 approaches or low-impact development tech-  
7 nologies in the homebuilding industry; or

8 (G) to maintain a clearinghouse of tech-  
9 nologies and management approaches developed  
10 under this subsection and subsections (c) and  
11 (d) at a research consortium or institute or  
12 other appropriate organization, as determined  
13 by the Administrator.

14 (3) FACTORS FOR CONSIDERATION.—In plan-  
15 ning and implementing the program under this sub-  
16 section, the Administrator shall take into consider-  
17 ation—

18 (A) research needs identified by water re-  
19 source managers, State and local governments,  
20 and other interested parties; and

21 (B) technologies and processes likely to  
22 achieve the greatest increases in water quality,  
23 drinking water supply, or water use efficiency  
24 and conservation.



1 and water use efficiency and conservation,  
2 including—

3 (I) developing innovative water  
4 supply-enhancing processes and tech-  
5 nologies;

6 (II) improving existing processes  
7 and technologies, including waste-  
8 water treatment, desalination, and  
9 groundwater recharge and recovery  
10 schemes;

11 (III) improving the effectiveness  
12 and efficiency of nontraditional waste-  
13 water treatment practices, including  
14 nonstructural alternatives, low-impact  
15 development techniques, and decen-  
16 tralized approaches; and

17 (IV) exploring concepts that ex-  
18 tract energy from wastewater;

19 (ii)(I) identify current Federal water-  
20 related research efforts directed toward  
21 achieving the goals of improving water  
22 quality, water use efficiency, or water con-  
23 servation or expanding water supply; and

24 (II) describe the means by which  
25 those efforts are coordinated with the pro-

1           gram established under subsection (a) in  
2           order to leverage resources and avoid du-  
3           plication;

4                   (iii) take into consideration the public  
5           health and environmental quality impacts  
6           and cost-effectiveness of each relevant  
7           technology and approach; and

8                   (iv) take into consideration and incor-  
9           porate, as appropriate, recommendations  
10          contained in reports and studies conducted  
11          by Federal departments and agencies, the  
12          National Research Council, the National  
13          Science and Technology Council, and other  
14          appropriate entities.

15           (3) SCIENCE ADVISORY BOARD REVIEW.—The  
16          Administrator shall submit the plan under para-  
17          graph (1) to the Science Advisory Board of the En-  
18          vironmental Protection Agency for review.

19           (4) REVISIONS.—The plan under paragraph (1)  
20          shall be revised and amended as necessary to reflect  
21          updated scientific findings and national research pri-  
22          orities.

23          (c) MUNICIPALITIES GRANT PROGRAM.—

24           (1) DEFINITION OF MUNICIPALITY.—In this  
25          subsection, the term “municipality” means—

1 (A) a city, town, borough, county, parish,  
2 district, association, authority, or other public  
3 entity established by, or pursuant to, State law;  
4 or

5 (B) an Indian tribe (as defined in section  
6 4 of the Indian Self-Determination and Edu-  
7 cation Assistance Act (25 U.S.C. 450b)).

8 (2) ESTABLISHMENT.—Not later than 90 days  
9 after the date of publication of the initial report  
10 under subsection (e)(2), the Administrator shall es-  
11 tablish a nationwide demonstration grant program—

12 (A) to promote innovations in technology  
13 and alternative approaches to water quality  
14 management or water supply developed under  
15 subsection (a); and

16 (B) to reduce costs to municipalities in-  
17 curred in complying with the Federal Water  
18 Pollution Control Act (33 U.S.C. 1251 et seq.)  
19 and the Safe Drinking Water Act (42 U.S.C.  
20 300f et seq.) through the approaches and tech-  
21 nologies developed under subsection (a).

22 (3) SCOPE.—The demonstration grant program  
23 shall consist of up to 10 projects each year, to be  
24 carried out in municipalities selected by the Admin-  
25 istrator under paragraph (5).

1           (4) APPLICATIONS.—A municipality that seeks  
2 to participate in the demonstration grant program  
3 established under this subsection shall submit to the  
4 Administrator a plan that—

5           (A) is developed in coordination with—

6           (i) the agencies of the State having  
7 jurisdiction over water quality and water  
8 supply matters; and

9           (ii) interested stakeholders, including  
10 institutions of higher education and related  
11 research institutions;

12           (B) describes water impacts specific to  
13 urban or rural areas;

14           (C) includes a strategy under which the  
15 municipality, through participation in the dem-  
16 onstration grant program, could effectively—

17           (i) address water quality or water  
18 supply problems; and

19           (ii) achieve the water quality goals  
20 that—

21           (I) could be achieved using more  
22 traditional methods; and

23           (II) are required under the Fed-  
24 eral Water Pollution Control Act (33  
25 U.S.C. 1251 et seq.) or the Safe

1                   Drinking Water Act (42 U.S.C. 300f  
2                   et seq.); and

3                   (D) includes a schedule for achieving the  
4                   water quality, water supply, or water use effi-  
5                   ciency and conservation goals of the munici-  
6                   pality.

7                   (5) CATEGORIES OF PROJECTS.—

8                   (A) IN GENERAL.—In carrying out the  
9                   demonstration grant program, the Adminis-  
10                  trator shall provide grants for—

11                  (i) projects relating to water supply,  
12                  water quality, or water use efficiency and  
13                  conservation matters described in sub-  
14                  section (a)(2); and

15                  (ii) subject to subparagraph (B), not  
16                  less than 2 projects for the incorporation  
17                  into a building of the most current water  
18                  use efficiency and conservation tech-  
19                  nologies and designs.

20                  (B) PROJECTS FOR INCORPORATION.—

21                  (i) INCREMENTAL COST LIMITA-  
22                  TION.—A grant provided under subpara-  
23                  graph (A)(ii) may be used only to pay the  
24                  incremental costs of incorporation into a

1 building of a water use efficiency and con-  
2 servation technology or design.

3 (ii) TYPES OF BUILDINGS.—Of the  
4 projects for which grants are provided  
5 under subparagraph (A)(ii)—

6 (I) at least 1 shall be for a resi-  
7 dential building; and

8 (II) at least 1 shall be for a com-  
9 mercial building.

10 (iii) PUBLIC AVAILABILITY.—The de-  
11 sign of each building for which a grant is  
12 provided under subparagraph (A)(ii) shall  
13 be made available to the public, and each  
14 such building shall be accessible to the  
15 public for tours and educational purposes.

16 (6) RESPONSIBILITIES OF ADMINISTRATOR.—In  
17 providing grants for projects under this subsection,  
18 the Administrator shall—

19 (A) ensure, to the maximum extent prac-  
20 ticable, that—

21 (i) the demonstration grant program  
22 under this subsection includes a variety of  
23 projects with respect to—

24 (I) geographical distribution;

1 (II) innovative technologies used  
2 for the projects; and

3 (III) nontraditional approaches  
4 (including low-impact development  
5 technologies) used for the projects;  
6 and

7 (ii) each category of project described  
8 in paragraph (5) is adequately represented;

9 (B) give higher priority to projects that—

10 (i) address multiple problems; and

11 (ii) are regionally applicable;

12 (C) ensure, to the maximum extent prac-  
13 ticable, that at least 1 community having a pop-  
14 ulation of 10,000 or fewer individuals receives  
15 a grant for each fiscal year; and

16 (D) ensure that, for each fiscal year, no  
17 municipality receives more than 25 percent of  
18 the total amount of funds made available for  
19 the fiscal year to provide grants under this sub-  
20 section.

21 (7) COST SHARING.—

22 (A) IN GENERAL.—Except as provided in  
23 subparagraph (B), the non-Federal share of the  
24 total cost of a project funded by a grant under

1           this subsection shall be not less than 20 per-  
2           cent.

3                   (B) WAIVER.—The Administrator may re-  
4           duce or eliminate the non-Federal share of the  
5           cost of a project for reasons of affordability.

6           (d) INCORPORATION OF RESULTS AND INFORMA-  
7           TION.—

8                   (1) TECHNOLOGY TRANSFER.—The Adminis-  
9           trator, taking into consideration the results of the  
10          projects carried out using grants under subsections  
11          (a) and (c), shall—

12                           (A) facilitate the adoption of technologies  
13                           and processes to promote increased water qual-  
14                           ity, drinking water supply, and water use effi-  
15                           ciency and conservation; and

16                           (B) collect and disseminate information,  
17                           including through the establishment of a pub-  
18                           licly accessible clearinghouse, regarding those  
19                           technologies and processes, including informa-  
20                           tion on—

21                                   (i) incentives and impediments to de-  
22                                   velopment and commercialization;

23                                   (ii) best practices; and

24                                   (iii) anticipated increases in water  
25                                   quality, drinking water supply, and water

1 use efficiency and conservation resulting  
2 from the implementation of specific tech-  
3 nologies and processes.

4 (2) INCORPORATION OF RESULTS AND INFOR-  
5 MATION.—To the maximum extent practicable, the  
6 Administrator shall incorporate the results of, and  
7 information obtained from, successful projects under  
8 this section into other programs administered by the  
9 Administrator.

10 (e) REPORTS.—

11 (1) REPORTS FROM GRANT RECIPIENTS.—A re-  
12 cipient of a grant under this section shall submit to  
13 the Administrator, on the date of completion of a  
14 project of the recipient and on each of the dates that  
15 is 1, 2, and 3 years after that date, a report that  
16 describes the effectiveness of the project.

17 (2) REPORTS TO CONGRESS.—Not later than 2  
18 years after the date of enactment of this Act, and  
19 not less frequently than once every 2 years there-  
20 after, the Administrator shall submit to the Com-  
21 mittee on Environment and Public Works of the  
22 Senate and the Committees on Transportation and  
23 Infrastructure and Energy and Commerce of the  
24 House of Representatives a report describing—

1 (A) the findings of each recipient of a  
2 grant under subsection (a) with respect to the  
3 identification of any potential new technology or  
4 management approach developed by the recipi-  
5 ent; and

6 (B) the status and results of the grant  
7 program under subsection (c).

8 (f) WATER MANAGEMENT STUDY AND REPORT.—

9 (1) DEFINITIONS.—In this subsection:

10 (A) LOW-IMPACT APPROACH.—The term  
11 “low-impact approach” means a strategy that  
12 manages rainfall at the source using decentral-  
13 ized microscale controls to mimic the  
14 predevelopment hydrology of the relevant site  
15 by using a design technique that infiltrates, fil-  
16 ters, stores, evaporates, and detains runoff close  
17 to the source.

18 (B) SOFT PATH APPROACH.—The term  
19 “soft path approach” means a general frame-  
20 work that encompasses—

21 (i) increased efficiency of water use;

22 (ii) integration of water supply, waste-  
23 water treatment, and stormwater manage-  
24 ment systems; and

1 (iii) protection, restoration, and effec-  
2 tive use of the natural capacities of eco-  
3 systems to provide clean water.

4 (2) STUDY.—

5 (A) IN GENERAL.—Not later than 60 days  
6 after the date of enactment of this Act, the Ad-  
7 ministrator shall enter into an arrangement  
8 with the National Academy of Sciences under  
9 which the Academy shall conduct a study, by  
10 not later than 2 years after that date, of inno-  
11 vative, effective, and systematic approaches for  
12 the management of water supply, wastewater,  
13 and stormwater.

14 (B) CONTENTS.—The study shall—

15 (i) be based on and enhance, to the  
16 maximum extent practicable, relevant stud-  
17 ies previously conducted by the Academy;

18 (ii) focus in particular on soft-path  
19 approaches and low-impact approaches to  
20 the management described in subpara-  
21 graph (A);

22 (iii) take into consideration the costs  
23 of each approach analyzed by the study;

24 (iv) examine and compare the state of  
25 research, technology development, and

1 emerging practices in other developed and  
2 developing countries with those in the  
3 United States;

4 (v) identify and evaluate relevant sys-  
5 tem approaches for comprehensive water  
6 management, including the interrelation-  
7 ship of water systems with other major  
8 systems, such as energy and transportation  
9 systems;

10 (vi) identify priority research and de-  
11 velopment needs; and

12 (vii) assess implementation needs and  
13 barriers.

14 (C) AUTHORIZATION OF APPROPRIA-  
15 TIONS.—There is authorized to be appropriated  
16 to carry out this paragraph \$1,000,000 for the  
17 period of fiscal years 2010 through 2012.

18 (3) REPORT.—

19 (A) IN GENERAL.—Not later than 3 years  
20 after the date of enactment of this Act, the Ad-  
21 ministrator shall submit to the Committee on  
22 Environment and Public Works of the Senate  
23 and the Committee on Science and Technology  
24 of the House of Representatives a report de-

1 scribing the key findings of the study under  
2 paragraph (2).

3 (B) INCLUSIONS.—The report under sub-  
4 paragraph (A) shall include—

5 (i) an evaluation of relevant chal-  
6 lenges and opportunities; and

7 (ii) recommendations for innovative  
8 and integrated solutions for use as a prac-  
9 tical reference by water managers, plan-  
10 ners, developers, scientists, engineers, non-  
11 governmental organizations, Federal de-  
12 partments and agencies, and regulators.

13 (g) AUTHORIZATION OF APPROPRIATIONS.—There is  
14 authorized to be appropriated to carry out this section  
15 \$40,000,000 for each of fiscal years 2010 through 2014.

16 **SEC. 303. AGRICULTURAL WATERSHED SUSTAINABILITY**  
17 **TECHNOLOGY GRANT PROGRAM.**

18 (a) DEFINITIONS.—In this section:

19 (1) AGRICULTURAL COMMODITY.—The term  
20 “agricultural commodity” means—

21 (A) agricultural, horticultural, viticultural,  
22 and dairy products;

23 (B) livestock and the products of livestock;

24 (C) the products of poultry and bee rais-  
25 ing;

1 (D) the products of forestry; and

2 (E) other commodities raised or produced  
3 on agricultural sites, as determined to be appro-  
4 priate by the Secretary of Agriculture.

5 (2) AGRICULTURAL PROJECT.—The term “agri-  
6 cultural project” means an agricultural watershed  
7 sustainability technology pilot project that, as deter-  
8 mined by the Administrator—

9 (A) is carried out at an agricultural site;

10 (B)(i) achieves demonstrable improvements  
11 in water quality that meet or exceed those man-  
12 dated by statutory or regulatory requirements;  
13 or

14 (ii) improves water use efficiency; and

15 (C) will not substantially adversely affect  
16 agricultural commodity production, yield, profit-  
17 ability, or any other long-term environmental  
18 medium, including air and groundwater re-  
19 sources.

20 (3) AGRICULTURAL SITE.—The term “agricul-  
21 tural site” means a farming or ranching operation of  
22 a producer in the United States.

23 (4) PRODUCER.—The term “producer” means  
24 any person or group of persons (including an irriga-  
25 tion district and a drainage district) engaged in the

1 production and sale of an agricultural commodity  
2 that owns, or shares the ownership and risk of loss  
3 of, the agricultural commodity.

4 (5) REVOLVING FUND.—The term “revolving  
5 fund” means an agricultural watershed sustain-  
6 ability technology revolving fund—

7 (A) that is established by a State using  
8 amounts provided under subsection (b)(1);

9 (B) that is maintained and credited with  
10 repayments; and

11 (C) the balance of which shall be available  
12 in perpetuity for providing financial assistance.

13 (b) GRANTS FOR AGRICULTURAL STATE REVOLVING  
14 FUNDS.—

15 (1) IN GENERAL.—As soon as practicable after  
16 the date of enactment of this section, the Adminis-  
17 trator shall provide to each eligible State described  
18 in paragraph (2) 1 or more capitalization grants,  
19 that cumulatively equal no more than \$1,000,000  
20 per State, for use in establishing, within an agency  
21 of the State having jurisdiction over agriculture or  
22 environmental quality, an agricultural watershed  
23 sustainability technology revolving fund.

24 (2) ELIGIBLE STATES.—An eligible State re-  
25 ferred to in paragraph (1) is a State that agrees,

1 prior to receipt of a capitalization grant under para-  
2 graph (1)—

3 (A) to establish, and deposit the funds  
4 from the grant in, a revolving fund;

5 (B) to provide, at a minimum, a State  
6 share in an amount equal to 20 percent of the  
7 capitalization grant;

8 (C) to use amounts in the revolving fund  
9 to make loans to producers in accordance with  
10 subsection (c); and

11 (D) to return amounts in the revolving  
12 fund if no loan applications are granted within  
13 2 years of the receipt of the initial capitaliza-  
14 tion grant.

15 (c) LOANS TO PRODUCERS.—

16 (1) USE OF FUNDS.—A State that establishes  
17 a revolving fund under subsection (b)(2) shall use  
18 amounts in the revolving fund to provide loans to  
19 producers for use in designing and constructing ag-  
20 ricultural projects.

21 (2) MAXIMUM AMOUNT OF LOAN.—The amount  
22 of a loan made to a producer using funds from a re-  
23 volving fund shall not exceed \$250,000, in the ag-  
24 gregate, for all agricultural projects serving an agri-  
25 cultural site of the producer.

1           (3) CONDITIONS ON LOANS.—A loan made to a  
2 producer using funds from a revolving fund shall—

3           (A) have an interest rate that is not more  
4 than the market interest rate, including an in-  
5 terest-free loan; and

6           (B) be repaid to the revolving fund not  
7 later than 20 years after the date on which  
8 funds are initially disbursed.

9 (d) REQUIREMENTS FOR PRODUCERS.—

10          (1) IN GENERAL.—A producer that seeks to re-  
11 ceive a loan from a revolving fund shall—

12           (A) submit to the State within the jurisdic-  
13 tion of which the agricultural site of the pro-  
14 ducer is located an application that—

15           (i) contains such information as the  
16 State may require; and

17           (ii) demonstrates, to the satisfaction  
18 of the State, that each project proposed to  
19 be carried out with funds from the loan is  
20 an agricultural project; and

21           (B) agree to expend all funds from a loan  
22 in an expeditious and timely manner, as deter-  
23 mined by the State.

24          (2) MAXIMUM PERCENTAGE OF AGRICULTURAL  
25 PROJECT COST.—Subject to subsection (c)(2), a pro-

1 ducer that receives a loan from a revolving fund may  
2 use funds from the loan to pay up to 100 percent  
3 of the cost of carrying out an agricultural project.

4 (e) AUTHORIZATION OF APPROPRIATIONS.—There is  
5 authorized to be appropriated to carry out this section  
6 \$50,000,000.

7 **SEC. 304. STATE REVOLVING FUND REVIEW PROCESS.**

8 As soon as practicable after the date of enactment  
9 of this Act, the Administrator shall—

10 (1) consult with States, utilities, nonprofit orga-  
11 nizations, and other Federal agencies providing fi-  
12 nancial assistance to identify ways to expedite and  
13 improve the application and review process, for the  
14 provision of assistance from—

15 (A) the State water pollution control re-  
16 volving funds established under title VI of the  
17 Federal Water Pollution Control Act (33 U.S.C.  
18 1381 et seq.); and

19 (B) the State drinking water treatment re-  
20 volving loan funds established under section  
21 1452 of the Safe Drinking Water Act (42  
22 U.S.C. 300j-12);

23 (2) in carrying out this section, the Adminis-  
24 trator shall consider the needs of small treatment  
25 works (as defined by section 222 of the Federal

1 Water Pollution Control Act and small public water  
2 systems (as described in section 1433(d) of the Safe  
3 Drinking Water Act (42 U.S.C. 300i–2(d));

4 (3) take such administrative action as is nec-  
5 essary to expedite and improve the process as the  
6 Administrator has authority to take under existing  
7 law;

8 (4) collect information relating to innovative ap-  
9 proaches taken by any State to simplify the applica-  
10 tion process of the State, and provide the informa-  
11 tion to each State; and

12 (5) submit to Congress a report that, based on  
13 the information identified under paragraph (1), con-  
14 tains recommendations for legislation to facilitate  
15 further streamlining and improvement of the proc-  
16 ess.

17 **SEC. 305. COST OF SERVICE STUDY.**

18 (a) IN GENERAL.—Not later than 2 years after the  
19 date of enactment of this Act, the Administrator shall  
20 enter an arrangement with the Academy under which the  
21 Academy shall complete and provide to the Administrator  
22 the results of a study of the means by which public water  
23 systems and treatment works selected by the Academy in  
24 accordance with subsection (c) meet the costs associated

1 with operations, maintenance, capital replacement, and  
2 regulatory requirements.

3 (b) REQUIRED ELEMENTS.—

4 (1) AFFORDABILITY.—The study shall, at a  
5 minimum—

6 (A) determine whether the rates at public  
7 water systems and treatment works for commu-  
8 nities included in the study were established  
9 using a full-cost pricing model;

10 (B) if a full-cost pricing model was not  
11 used, identify any incentive rate systems that  
12 have been successful in significantly reducing—

13 (i) per capita water demand;

14 (ii) the volume of wastewater flows;

15 (iii) the volume of stormwater runoff;

16 or

17 (iv) the quantity of pollution gen-  
18 erated by stormwater;

19 (C) identify a set of best industry practices  
20 that public water systems and treatment works  
21 may use in establishing a rate structure that—

22 (i) adequately addresses the true cost  
23 of services provided to consumers by public  
24 water systems and treatment works, in-  
25 cluding infrastructure replacement;

1 (ii) encourages water conservation;

2 and

3 (iii) takes into consideration the needs  
4 of disadvantaged individuals and commu-  
5 nities, as identified by the Administrator;

6 (D) identify existing standards for afford-  
7 ability and the manner in which those stand-  
8 ards are determined and defined;

9 (E) determine the manner in which afford-  
10 ability varies with respect to communities of  
11 different sizes and in different regions; and

12 (F) determine the extent to which afford-  
13 ability affects the decision of a community to  
14 increase public water system and treatment  
15 works rates (including the decision relating to  
16 the percentage by which those rates should be  
17 increased).

18 (2) DISADVANTAGED COMMUNITIES.—The  
19 study shall, at a minimum—

20 (A) survey a cross-section of States rep-  
21 resenting different sizes, demographics, and  
22 geographical regions;

23 (B) describe, for each State described in  
24 subparagraph (A), the definition of “disadvan-  
25 taged community” used in the State in carrying

1 out projects and activities under the Safe  
2 Drinking Water Act (42 U.S.C. 300f et seq.);

3 (C) review other means of identifying the  
4 meaning of the term “disadvantaged”, as that  
5 term applies to communities;

6 (D) determine which factors and character-  
7 istics are required for a community to be con-  
8 sidered “disadvantaged”; and

9 (E) evaluate the degree to which factors  
10 such as a reduction in the tax base over a pe-  
11 riod of time, a reduction in population, the loss  
12 of an industrial base, and the existence of areas  
13 of concentrated poverty are taken into account  
14 in determining whether a community is a dis-  
15 advantaged community.

16 (c) SELECTION OF COMMUNITIES.—The Academy  
17 shall select communities, the public water system and  
18 treatment works rate structures of which are to be studied  
19 under this section, that include a cross-section of commu-  
20 nities representing various populations, income levels, de-  
21 mographics, and geographical regions.

22 (d) USE OF RESULTS OF STUDY.—On receipt of the  
23 results of the study, the Administrator shall—

24 (1) submit the study to Congress;

1           (2) submit a report that describes the results of  
2           the study; and

3           (3) make the results available to treatment  
4           works and public water systems for use by the pub-  
5           licly owned treatment works and public water sys-  
6           tems, on a voluntary basis, in determining whether  
7           1 or more new approaches may be implemented at  
8           facilities of the publicly owned treatment works and  
9           public water systems.

10          (e) AUTHORIZATION OF APPROPRIATIONS.—There is  
11          authorized to be appropriated to carry out this section  
12          \$1,000,000 for each of fiscal years 2010 and 2014.

13          **SEC. 306. EFFECTIVE UTILITY MANAGEMENT STRATEGIES.**

14          (a) DEFINITIONS.—In this section:

15               (1) EFFECTIVE UTILITY MANAGEMENT STRAT-  
16               EGY.—The term “effective utility management strat-  
17               egy” means a strategy for the operation and man-  
18               agement of a utility that, as determined by the Ad-  
19               ministrator, incorporates the following attributes:

20                       (A) Product quality.

21                       (B) Stakeholder understanding and sup-  
22                       port.

23                       (C) Customer satisfaction.

24                       (D) Employee development.

25                       (E) Operational optimization.

1 (F) Financial viability.

2 (G) Infrastructure stability.

3 (H) Operational resiliency.

4 (I) Community sustainability.

5 (J) Water resource adequacy.

6 (2) UTILITY.—The term “utility” means—

7 (A) a treatment works (as defined in sec-  
8 tion 212 of the Federal Water Pollution Control  
9 Act (33 U.S.C. 1292)); and

10 (B) a public water system (as defined in  
11 section 1401 of the Safe Drinking Water Act  
12 (42 U.S.C. 300f)).

13 (b) ACTION BY ADMINISTRATOR.—The Adminis-  
14 trator may carry out training programs, provide technical  
15 assistance, and disseminate information regarding effec-  
16 tive utility management strategies, including by—

17 (1) providing seminars and workshops (includ-  
18 ing electronic-based seminars and workshops), con-  
19 ferences, and other educational programs and devel-  
20 oping curricula to advance effective utility manage-  
21 ment strategies;

22 (2) offering support and advice (including fi-  
23 nancial, operational, and management advice) to  
24 utility operators and managers regarding effective  
25 utility management strategies; and

1           (3) publishing and disseminating manuals on  
2           best management practices and other relevant infor-  
3           mation, success stories, and lessons learned relating  
4           to effective utility management strategies.

5           (c) PARTNER ORGANIZATIONS.—In carrying out sub-  
6           section (b), the Administrator may enter into cooperative  
7           agreements, as the Administrator determines to be appro-  
8           priate, with—

9           (1) stakeholder associations;

10           (2) qualified nonprofit organizations; and

11           (3) other relevant organizations, as determined  
12           by the Administrator.

13           (d) AUTHORIZATION OF APPROPRIATIONS.—There is  
14           authorized to be appropriated to carry out this section  
15           \$1,000,000 for each of fiscal years 2010 through 2014.

16           **SEC. 307. WATERSENSE PROGRAM.**

17           (a) ESTABLISHMENT.—There is established within  
18           the Environmental Protection Agency a program, to be  
19           known as the “WaterSense Program”, to identify and pro-  
20           mote voluntary approaches to increase water efficiency in  
21           the United States to reduce the strain on water and waste-  
22           water infrastructure and conserve water resources for fu-  
23           ture generations through voluntary labeling, promotion, or  
24           other forms of communication regarding water efficient  
25           products, programs, processes, buildings, landscapes, fa-

1 cilities, and services that meet the highest water conserva-  
2 tion and performance standards.

3 (b) ADMINISTRATION.—The WaterSense Program  
4 shall be carried out by the Administrator.

5 (c) DUTIES.—In carrying out the WaterSense Pro-  
6 gram, the Administrator shall—

7 (1) establish—

8 (A) a WaterSense label to be used for cer-  
9 tain items; and

10 (B) the procedure by which an item may  
11 be certified to display the WaterSense label;

12 (2) promote products displaying the  
13 WaterSense label as the preferred technologies in  
14 the market place for—

15 (A) reducing water use; and

16 (B) ensuring product performance;

17 (3) work to enhance public awareness of the  
18 WaterSense label;

19 (4) preserve the integrity of the WaterSense  
20 label by—

21 (A) developing specifications to ensure reli-  
22 able performance of WaterSense-labeled prod-  
23 ucts, buildings, landscapes, and services;

24 (B) overseeing WaterSense certifications  
25 made by third parties;

1 (C) conducting reviews of the use of the  
2 WaterSense label in the marketplace and taking  
3 corrective action in any case in which misuse of  
4 the label is identified; and

5 (D) carrying out such other measures as  
6 the Administrator determines to be appropriate;

7 (5) regularly research and update WaterSense  
8 product criteria for each applicable category of prod-  
9 ucts;

10 (6) solicit comments from interested parties be-  
11 fore establishing or revising a WaterSense product  
12 category, specification, or criterion (or before the ef-  
13 fective date for any such product category, specifica-  
14 tion, or criterion, as applicable);

15 (7) on adoption of a new or revised product cat-  
16 egory, specification, or criterion, provide reasonable  
17 notice to interested parties regarding—

18 (A) any change (including a change of ef-  
19 fective date) to the product category, specifica-  
20 tion, or criterion;

21 (B) an explanation of the change; and

22 (C) as appropriate, responses to comments  
23 submitted by interested parties regarding the  
24 product category, specification, or criterion;

1           (8) provide appropriate lead time, as deter-  
2           mined by the Administrator, before the applicable ef-  
3           fective date for a new or significant revision to a  
4           product category, specification, or criterion, taking  
5           into account the timing requirements of the manu-  
6           facturing, product marketing, and distribution proc-  
7           ess for the specific product, programs, processes,  
8           buildings, landscapes, facilities, or services ad-  
9           dressed; and

10           (9) identify and, where appropriate, implement  
11           other voluntary approaches in commercial, institu-  
12           tional, and industrial sectors to improve water effi-  
13           ciency.

14           (d) ANNUAL REPORTS.—Not less frequently than  
15           once each year, the Administrator shall prepare and make  
16           publicly available a report describing the activities carried  
17           out under this section, including, to the maximum extent  
18           practicable—

19           (1) available information regarding sales in  
20           each WaterSense product category; and

21           (2) the savings of water, energy, and capital  
22           costs of water, wastewater, and stormwater infra-  
23           structure attributable to the WaterSense program  
24           and each category of WaterSense product, expressed  
25           on a national, regional, State, and watershed level.

- 1           (e) AUTHORIZATION OF APPROPRIATIONS.—There is  
2 authorized to be appropriated to carry out this section—  
3           (1) \$5,000,000 for each of fiscal years 2010  
4           and 2011;  
5           (2) \$7,500,000 for each of fiscal years 2012  
6           and 2013; and  
7           (3) \$10,000,000 for fiscal year 2014.