

103<sup>D</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 1701

To amend title XVI of the Public Health Service Act (the Safe Drinking Water Act) to establish State revolving funds to provide for drinking water treatment facilities, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 5, 1993

Mr. WAXMAN (for himself and Mr. DINGELL) introduced the following bill;  
which was referred to the Committee on Energy and Commerce

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## A BILL

To amend title XVI of the Public Health Service Act (the Safe Drinking Water Act) to establish State revolving funds to provide for drinking water treatment facilities, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. STATE REVOLVING FUNDS FOR SAFE DRINKING**  
4 **WATER**

5 Section 1443 of title XIV of the Public Health Serv-  
6 ice Act (the Safe Drinking Water Act) is amended by re-  
7 designating subsection (c) as (d) and by adding the follow-  
8 ing new subsection after subsection (b):

1 “(c) STATE REVOLVING FUNDS.—

2 “(1) GENERAL AUTHORITY.—(A) The Adminis-  
3 trator shall enter into agreements with States having  
4 primary enforcement responsibility for public water  
5 systems to make capitalization grants to the States  
6 under this subsection, further the health protection  
7 objectives of this Act. The grants shall be allotted to  
8 the States in accordance with this section and depos-  
9 ited in drinking water treatment revolving funds  
10 established by the State.

11 “(B) Amounts deposited in such revolving  
12 funds, including loan repayments and interest  
13 earned on such amounts, shall be used only for pro-  
14 viding loans or other financial assistance of any kind  
15 or nature that the State deems appropriate to public  
16 water systems operated by a governmental or inter-  
17 governmental agency, a non-profit organization, an  
18 Indian tribe, or any combination thereof. Such fi-  
19 nancial assistance may be used only for capital ex-  
20 penditures incurred by any such system of a type or  
21 category which the Administrator has determined  
22 will facilitate compliance with national primary  
23 drinking water regulations applicable to such system  
24 under section 1411.

1           “(C) Each such revolving fund shall be estab-  
2           lished, maintained, and credited with repayments  
3           and interest. The fund balance shall be available in  
4           perpetuity for providing financial assistance under  
5           this section. Only interest collected in such fund  
6           shall be used by the States for grants to such sys-  
7           tems for such expenditures. To the extent amounts  
8           in each such fund are not required for current obli-  
9           gation or expenditure such amounts shall be invested  
10          in interest bearing obligations of the State or of the  
11          United States.

12           “(2) SPECIFIC REQUIREMENTS.—The Adminis-  
13          trator shall enter into an agreement under this sec-  
14          tion with a State only after the State has established  
15          to the satisfaction of the Administrator that—

16                   “(A) the State will deposit all capitaliza-  
17                   tion grants received from the Administrator  
18                   under this subsection, together with all repay-  
19                   ments and interest on such grants, in a drink-  
20                   ing water treatment revolving fund established  
21                   by the State in accordance with this subsection;

22                   “(B) the State will deposit in the fund  
23                   from State moneys an amount equal to at least  
24                   20 percent of the total amount of all such cap-  
25                   italization grants on or before the date on

1           which each grant payment is made to the State;  
2           and

3                   “(C) no loan or other financial assistance  
4           will be provided to a public water system from  
5           such revolving fund for any capital expenditures  
6           if the Administrator has determined, pursuant  
7           to appropriate criteria, that such expenses could  
8           be avoided or significantly reduced by consolida-  
9           tion of that public water system with any other  
10          public water system, except that in such cases  
11          such assistance may be provided from the fund  
12          for such consolidation.

13          Notwithstanding subparagraph (A), the State may  
14          combine capitalization grants under this subsection  
15          with another revolving fund established by the State  
16          if the Administrator determines that the grants  
17          under this subsection, together with loan repayments  
18          and interest, will be used solely for the purposes  
19          specified in paragraph (1).

20                   “(3) FUND ADMINISTRATION.—(A) Each State  
21          may use up to 5 percent of the monies in a revolving  
22          fund established under this subsection to cover the  
23          reasonable costs of administration of the assistance  
24          program under this subsection.

1           “(B) The Administrator shall promulgate such  
2 regulations as may be necessary to carry out the  
3 provisions of this section, including provisions to en-  
4 sure that each State commits and expends funds  
5 from revolving funds established under this sub-  
6 section in accordance with this Act and applicable  
7 Federal and State laws and that the State uses ac-  
8 counting, audit, and fiscal procedures that conform  
9 to generally accepted accounting standards.

10           “(C) Each State administering a revolving fund  
11 and assistance program under this subsection shall  
12 publish and submit to the Administrator a report  
13 every 2 years on its activities under this subsection,  
14 including the findings of the most recent audit of  
15 the fund. The Administrator shall periodically audit  
16 all revolving funds established under this subsection  
17 in accordance with procedures established by the  
18 Comptroller General.

19           “(4) There is authorized to be appropriated to  
20 carry out the purposes of this subsection  
21 \$599,000,000 for the fiscal year 1994 and  
22 \$1,000,000 for each of the fiscal years 1995, 1996,  
23 and 1997, and such sums as may be necessary  
24 thereafter.”.

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