

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

# H. R. 1865

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

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 27, 1993

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

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## A BILL

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

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

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Water Supply Con-  
5       struction Assistance Act of 1993”.

6       **SEC. 2. PURPOSES.**

7       The purposes of this Act are as follows:

1           (1) To provide grants for establishment of  
2           State revolving funds for the purpose of providing fi-  
3           nancial and technical assistance for the construction,  
4           rehabilitation, and improvement of water supply sys-  
5           tems, including treatment to remove pollutants from  
6           navigable waters for the purpose of making such wa-  
7           ters useable by water supply systems.

8           (2) To provide for administrative efficiencies  
9           through implementation of this Act relying on exist-  
10          ing mechanisms of State water pollution control re-  
11          volving loan fund programs established pursuant to  
12          title VI of the Federal Water Pollution Control Act.

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

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

18 **SEC. 4. GRANTS TO STATES.**

19          Subject to the provisions of this Act, the Adminis-  
20          trator shall make grants to each State for the purpose  
21          of establishing a water supply construction account in the  
22          State water pollution control revolving loan fund programs  
23          established pursuant to title VI of the Federal Water Pol-  
24          lution Control Act, if any, to provide assistance for the

1 construction, rehabilitation, and improvement of water  
2 supply systems.

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

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

9 (b) SPECIFIC REQUIREMENTS.—The Administrator  
10 shall enter into an agreement under this section with a  
11 State only after the State has established to the satisfac-  
12 tion of the Administrator that—

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

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

23 (3) the State will deposit in the water supply  
24 construction account from State moneys an amount  
25 equal to at least 20 percent of the total amount of

1 all grants which will be made to the State with  
2 funds to be made available under this Act on or be-  
3 fore the date on which each grant payment will be  
4 made to the State under this Act;

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

11 (5) the State will not make available any assist-  
12 ance from the account unless the State has first de-  
13 termined that the applicant—

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

21 (B) has legal, institutional, managerial,  
22 and financial capability to ensure adequate con-  
23 struction, operation, and maintenance of water  
24 supply systems throughout the applicant's juris-  
25 diction;

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

7           (7) the State will take such action as may be  
8 necessary with respect to construction, rehabilita-  
9 tion, and improvement of a water supply system un-  
10 dertaken with funds directly made available by  
11 grants under this Act as the Administrator is re-  
12 quired to take under section 513 of the Federal  
13 Water Pollution Control Act with respect to treat-  
14 ment works carried out with assistance provided  
15 under such Act; and

16           (8) the State will make annual reports to the  
17 Administrator on the actual use of funds in accord-  
18 ance with section 606(d) of the Federal Water Pol-  
19 lution Control Act.

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

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

1 section thereof shall be treated as a reference to such Act  
2 or section as in effect on the date of the enactment of  
3 this Act.

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

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

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

1 **SEC. 7. WATER POLLUTION CONTROL REVOLVING LOAN**  
2 **FUNDS.**

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

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

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

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

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

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

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

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

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

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

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

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

8 (d) ALLOTMENT PERIOD.—

9 (1) PERIOD OF AVAILABILITY FOR GRANT  
10 AWARD.—Sums allotted to a State under this section  
11 for a fiscal year shall be available for obligation by  
12 the State during the fiscal year for which sums are  
13 authorized and during the following fiscal year; ex-  
14 cept that for sums allotted in fiscal year 1994, such  
15 period of availability shall be fiscal years 1994–  
16 1996.

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

1 gated all sums allotted to such State in the first fis-  
2 cal year of such period.

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

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

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

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

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

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

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

1 bered year thereafter. The Administrator shall also submit  
2 recommendations for allotment of funds under this Act to  
3 the States based on such estimates and on such additional  
4 factors as the Administrator deems appropriate, including  
5 financial need. Whenever the Administrator, pursuant to  
6 this section, requests and receives an estimate of cost from  
7 a State, the Administrator shall furnish copies of such es-  
8 timate together with such detailed estimate to Congress.

9 **SEC. 11. DEFINITIONS.**

10 In this Act, the following definitions apply:

11 (1) ADMINISTRATOR.—The term “Adminis-  
12 trator” means the Administrator of the Environ-  
13 mental Protection Agency.

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

19 (3) STATE.—The term “State” means a State,  
20 the District of Columbia, the Commonwealth of  
21 Puerto Rico, the Virgin Islands, Guam, American  
22 Samoa, the Commonwealth of the Northern Mariana  
23 Islands, and the Trust Territory of the Pacific Is-  
24 lands.

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

16 **SEC. 12. AUTHORIZATION OF APPROPRIATIONS.**

17           There are authorized to be appropriated for purposes  
18 of this Act the following sums:

- 19           (1) \$559,000,000 for fiscal year 1994;  
20           (2) \$1,000,000,000 for fiscal year 1995; and  
21           (3) \$1,000,000,000 for fiscal year 1996.

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