

Calendar No. 1036

110TH CONGRESS
2D SESSION**S. 1933****[Report No. 110-475]**

To amend the Safe Drinking Water Act to provide grants to small public drinking water systems.

IN THE SENATE OF THE UNITED STATES

AUGUST 1, 2007

Mr. REID (for himself, Mr. ENSIGN, Mrs. BOXER, Mr. BAUCUS, Mrs. MURRAY, Mrs. CLINTON, Mr. SANDERS, Mr. CONRAD, and Ms. KLOBUCHAR) introduced the following bill; which was read twice and referred to the Committee on Environment and Public Works

SEPTEMBER 22 (legislative day, SEPTEMBER 17), 2008

Reported by Mrs. BOXER, without amendment

A BILL

To amend the Safe Drinking Water Act to provide grants to small public drinking water systems.

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 “Small Community
5 Drinking Water Funding Act”.

1 **SEC. 2. FINDINGS AND PURPOSE.**

2 (a) FINDINGS.—Congress finds that—

3 (1) in some cases, drinking water standards in
4 effect and proposed as of the date of enactment of
5 this Act can place large financial burdens on public
6 water systems, especially systems that serve fewer
7 than a few thousand people;

8 (2) some small public water systems have expe-
9 rienced water contamination problems that may pose
10 a significant risk to the health of water consumers;

11 (3) small communities are concerned about im-
12 proving drinking water quality;

13 (4) the limited scientific, technical, and profes-
14 sional resources of many small communities make
15 understanding and implementing regulatory require-
16 ments very difficult;

17 (5) small communities often struggle to meet
18 water quality standards because of difficulty in se-
19 curing funding;

20 (6) small communities often lack a tax base or
21 opportunities to benefit from economics of scale and
22 therefore face very high per capita costs in improv-
23 ing drinking water quality;

24 (7) the smallest public water systems, which
25 serve fewer than 3,300 people, represent 85 percent
26 of all public water systems;

1 (8) small public water systems serving fewer
2 than 10,000 people represent 94 percent of all public
3 water systems;

4 (9) small communities would benefit from a
5 grant program designed to provide funding for water
6 quality projects without a substantial matching re-
7 quirement; and

8 (10) Federal programs in effect as of the date
9 of enactment of this Act do not adequately meet the
10 needs of small communities with respect to public
11 water systems.

12 (b) PURPOSE.—The purpose of this Act is to estab-
13 lish a program to provide grants to small public water sys-
14 tems to—

15 (1) meet applicable national primary drinking
16 water regulations under the Safe Drinking Water
17 Act (42 U.S.C. 300f et seq.);

18 (2) maintain water costs at a reasonable level
19 for the communities served by small public water
20 systems; and

21 (3) obtain technical assistance to develop the
22 capacity to sustain operations over the long term.

1 **SEC. 3. SMALL PUBLIC WATER SYSTEM ASSISTANCE PRO-**
 2 **GRAM.**

3 (a) DEFINITION OF INDIAN TRIBE.—Section
 4 1401(14) of the Safe Drinking Water Act (42 U.S.C.
 5 300f(14)) is amended in the second sentence by striking
 6 “1452,” and inserting “1452 and part G,”.

7 (b) ESTABLISHMENT OF PROGRAM.—The Safe
 8 Drinking Water Act (42 U.S.C. 300f et seq.) is amended
 9 by adding at the end the following:

10 **“PART G—SMALL PUBLIC WATER SYSTEM**
 11 **ASSISTANCE**

12 **“SEC. 1471. DEFINITIONS.**

13 “In this part:

14 “(1) ELIGIBLE ACTIVITY.—

15 “(A) IN GENERAL.—The term ‘eligible ac-
 16 tivity’ means an activity concerning a small
 17 public water system (including obtaining tech-
 18 nical assistance) that is carried out by an eligi-
 19 ble entity for a purpose consistent with section
 20 1473(c)(1) or 1474(c)(1), as appropriate.

21 “(B) EXCLUSION.—The term ‘eligible ac-
 22 tivity’ does not include any activity to increase
 23 the population served by a small public water
 24 system, except to the extent that the State
 25 under section 1473(b)(1) or the Administrator

1 under section 1474(b)(1) determines an activity
2 to be necessary to—

3 “(i) achieve compliance with a na-
4 tional primary drinking water regulation;
5 and

6 “(ii) provide a water supply to a pop-
7 ulation that, as of the date of enactment of
8 this part, is not served by a safe public
9 water system.

10 “(2) ELIGIBLE ENTITY.—The term ‘eligible en-
11 tity’ means a small public water system that—

12 “(A) is located in a State or an area gov-
13 erned by an Indian Tribe; and

14 “(B)(i) if located in a State, serves a com-
15 munity that, under affordability criteria estab-
16 lished by the State under section 1452(d)(3), is
17 determined by the State to be—

18 “(I) a disadvantaged community; or

19 “(II) a community the State expects
20 to become a disadvantaged community as a
21 result of carrying out an eligible activity;
22 or

23 “(ii) if located in an area governed by an
24 Indian Tribe, serves a community that is deter-
25 mined by the Administrator, under criteria pub-

1 lished by the Administrator under section
2 1452(d)(3) and in consultation with the Sec-
3 retary, to be—

4 “(I) a disadvantaged community; or

5 “(II) a community the Administrator
6 expects to become a disadvantaged commu-
7 nity as a result of carrying out an eligible
8 activity.

9 “(3) ELIGIBLE STATE.—The term ‘eligible
10 State’ means a State that has—

11 “(A) adopted, and is implementing, an ap-
12 proved operator certification program under
13 section 1419; and

14 “(B) established affordability criteria
15 under section 1452(d)(3) for use in identifying
16 disadvantaged communities.

17 “(4) PROGRAM.—The term ‘Program’ means
18 the Small Public Water System Assistance Program
19 established under section 1472(a).

20 “(5) SECRETARY.—The term ‘Secretary’ means
21 the Secretary of Health and Human Services, acting
22 through the Director of the Indian Health Service.

23 “(6) SMALL PUBLIC WATER SYSTEM.—The
24 term ‘small public water system’ means a public
25 water system (including a community water system

1 and a noncommunity water system) that serves a
2 population of 10,000 or fewer.

3 **“SEC. 1472. SMALL PUBLIC WATER SYSTEM ASSISTANCE**
4 **PROGRAM.**

5 “(a) ESTABLISHMENT.—Not later than July 1, 2008,
6 the Administrator shall establish within the Environ-
7 mental Protection Agency a Small Public Water System
8 Assistance Program.

9 “(b) DUTIES.—The head of the Program shall—

10 “(1) in accordance with section 1474, establish
11 and administer a small public water system assist-
12 ance program for, and provide grants to, eligible en-
13 tities located in areas governed by Indian Tribes, for
14 use in carrying out eligible activities;

15 “(2) identify, and prepare annual prioritized
16 lists of, activities for eligible entities located in areas
17 governed by Indian Tribes that are eligible for
18 grants under section 1474;

19 “(3) provide funds to States for use in estab-
20 lishing small public water system assistance pro-
21 grams under section 1473 that award grants to eli-
22 gible entities to carry out eligible activities; and

23 “(4) prepare, and submit to the Administrator,
24 the reports required under subsection (d).

25 “(c) ALLOCATION OF FUNDS.—

1 “(1) STATES.—

2 “(A) IN GENERAL.—Subject to subpara-
3 graphs (B) through (D) and paragraph (2)(A),
4 for each fiscal year, the Administrator, through
5 the head of the Program, using the most recent
6 available needs survey conducted by the Admin-
7 istrator under section 1452(h), shall allocate
8 the funds made available to carry out the Pro-
9 gram for the fiscal year among eligible States
10 based on the ratio that—

11 “(i) the financial need associated with
12 treatment projects for small public water
13 systems in the State; bears to

14 “(ii) the total financial need associ-
15 ated with treatment projects for all small
16 public water systems in all States.

17 “(B) ADDITIONAL REQUIREMENTS.—Any
18 additional financial needs of small public water
19 systems associated with the cost of treatment
20 projects needed to comply with a national pri-
21 mary drinking water regulation that is promul-
22 gated after the most recent needs survey con-
23 ducted under section 1452(h) shall be factored
24 into the determination of financial need under

1 clauses (i) and (ii) of subparagraph (A) for
2 each fiscal year.

3 “(C) MINIMUM ALLOCATION.—An alloca-
4 tion of funds to a State for a fiscal year under
5 subparagraph (A), taking into consideration
6 any additional financial needs described in sub-
7 paragraph (B), shall be in an amount that is at
8 least 1 percent of the amount of funds available
9 for that fiscal year.

10 “(D) REDISTRIBUTION IF NONUSE.—If a
11 State does not qualify for, or fails to request,
12 funds allocated to the State under subpara-
13 graph (A) in any fiscal year, the Administrator
14 shall redistribute the funds among the States
15 that—

16 “(i) request funds for that fiscal year;

17 and

18 “(ii) are eligible to receive the funds
19 under subparagraph (A) for that fiscal
20 year.

21 “(2) INDIAN TRIBES.—

22 “(A) IN GENERAL.—For each fiscal year,
23 in accordance with subparagraph (B), 3 percent
24 of the total amount of funds made available to
25 carry out the Program for the fiscal year shall

1 be allocated by the Administrator to provide
2 grants to eligible entities that are located in
3 areas governed by Indian Tribes through the
4 program established under section 1474(a).

5 “(B) USE OF FUNDS.—

6 “(i) IN GENERAL.—For each fiscal
7 year, the Administrator shall award, on a
8 competitive basis, not less than 1.5 percent
9 of the funds allocated under subparagraph
10 (A) to nonprofit technical assistance orga-
11 nizations, to be used for the purposes of—

12 “(I) assisting the Administrator
13 in preparing the list required under
14 section 1474(b) (including assisting
15 the Administrator in identifying the
16 highest priority eligible activities for
17 eligible entities located in areas gov-
18 erned by Indian Tribes for which a
19 grant under section 1474 may be
20 used);

21 “(II) assisting eligible entities lo-
22 cated in areas governed by Indian
23 Tribes in—

24 “(aa) assessing needs relat-
25 ing to eligible activities; and

1 “(bb) identifying available
2 sources of funding to meet the
3 cost-sharing requirement of sec-
4 tion 1474(f)(1); and

5 “(III) assisting eligible entities
6 located in areas governed by Indian
7 Tribes that receive funding under sec-
8 tion 1474 in—

9 “(aa) planning, imple-
10 menting, and maintaining eligible
11 activities that are funded under
12 that section; and

13 “(bb) preparing reports re-
14 quired under section 1474(h).

15 “(ii) CONSULTATION.—Each nonprofit
16 technical assistance organization that re-
17 ceives funds under clause (i) shall consult
18 with the Administrator, through the head
19 of the program, before carrying out any
20 activity for the purposes described in sub-
21 clauses (II)(aa) and (III)(aa) of that
22 clause.

23 “(iii) NO FUNDS FOR LOBBYING EX-
24 PENSES.—None of the funds made avail-
25 able to a nonprofit technical assistance or-

1 ganization under clause (i) shall be used to
2 pay lobbying expenses.

3 “(3) PROGRAM.—For each fiscal year, the Ad-
4 ministrator may use not more than 0.1 percent of
5 the funds made available to carry out the Program
6 to pay reasonable costs incurred in the administra-
7 tion of the Program.

8 “(d) REPORTS.—Not later than January 1, 2009,
9 and annually thereafter through January 1, 2014, the Ad-
10 ministrator shall—

11 “(1) submit, to the Committee on Energy and
12 Commerce of the House of Representatives and the
13 Committee on Environment and Public Works of the
14 Senate, a report that, for the preceding fiscal year—

15 “(A) lists the eligible activities for eligible
16 entities, as prepared under sections 1473(b)(1)
17 and 1474(b)(1), located in areas governed by
18 Indian Tribes and in each State receiving funds
19 under this part;

20 “(B) identifies the number of grants
21 awarded by each State, and by the Adminis-
22 trator to eligible entities located in areas gov-
23 erned by Indian Tribes, under this part;

24 “(C) identifies each eligible entity that re-
25 ceived a grant to carry out an eligible activity;

1 “(D) identifies the amount of each grant
2 provided to an eligible entity to carry out an eli-
3 gible activity; and

4 “(E) describes each eligible activity funded
5 by such a grant (including the status of the eli-
6 gible activity); and

7 “(2) make the report under paragraph (1)
8 available to the public.

9 **“SEC. 1473. STATE SMALL PUBLIC WATER SYSTEM ASSIST-**
10 **ANCE PROGRAMS.**

11 “(a) IN GENERAL.—To be eligible to receive funding
12 under this part, a State shall—

13 “(1) be an eligible State;

14 “(2) not later than July 1, 2008 (if funding is
15 sought for fiscal year 2008) or not later than Sep-
16 tember 30 of any of fiscal years 2008 through 2014
17 (if funding is sought for the following fiscal year),
18 establish a small public water system assistance pro-
19 gram—

20 “(A) under which the requirements of sub-
21 section (b), oversight, and related activities
22 (other than financial administration) with re-
23 spect to the program are administered—

24 “(i) in the case of a State that is ex-
25 ercising primary enforcement responsibility

1 for public water systems, by the State
2 agency having primary responsibility for
3 administration of the State program under
4 section 1413; and

5 “(ii) in the case of a State that is not
6 exercising primary enforcement authority
7 for public water systems, by a State agen-
8 cy selected by the Governor of the State;
9 and

10 “(B) that meets the requirements of this
11 section; and

12 “(3) for each fiscal year for which funding is
13 sought under this section—

14 “(A) in preparing an intended use plan
15 under section 1452(b), after providing for pub-
16 lic review and comment, prepare an annual list
17 of eligible activities for eligible entities in the
18 State in accordance with subsection (b); and

19 “(B) prepare and submit to the Adminis-
20 trator a request for the funding, by such date
21 and in such form as the Administrator shall
22 prescribe.

23 “(b) PROGRAM PRIORITY REQUIREMENT.—

24 “(1) LIST OF ELIGIBLE ACTIVITIES.—A small
25 public water system assistance program established

1 under subsection (a) shall, for each fiscal year for
2 which funding is sought, identify, and, using the pri-
3 ority criteria described in paragraph (2) and consid-
4 ering the additional criteria described in paragraph
5 (3), list in descending order of priority, eligible ac-
6 tivities for eligible entities in the State for which
7 funds provided from a grant under this part may be
8 used.

9 “(2) PRIORITY CRITERIA.—In preparing the list
10 under paragraph (1), a small public water system
11 assistance program shall give priority for the use of
12 grants to eligible activities that—

13 “(A) address the most serious risk to
14 human health;

15 “(B) are necessary to ensure compliance
16 with national primary water regulations appli-
17 cable to eligible entities under section 1412;
18 and

19 “(C) assist systems most in need, as cal-
20 culated on the basis of median household in-
21 come, under affordability criteria established by
22 the State under section 1452(d)(3).

23 “(3) ADDITIONAL CRITERIA.—In addition to
24 the priority criteria described in paragraph (2), a
25 small public water system assistance program shall,

1 in preparing a list under paragraph (1), consider
2 giving additional priority to any listed eligible activi-
3 ties that are to be carried out by communities that
4 form management cooperatives (including manage-
5 ment cooperatives between systems that do not have
6 connections).

7 “(c) USE OF FUNDS.—Using any funds received by
8 a State under this section for a fiscal year, in accordance
9 with the list prepared under subsection (b), a small public
10 water system assistance program established by the State
11 under subsection (a)—

12 “(1) shall provide to an eligible entity, on a
13 cost-shared basis, a grant to be used for an eligible
14 activity (including source water protection) the pur-
15 pose of which is compliance with national primary
16 drinking water regulations applicable to the eligible
17 entity under section 1412;

18 “(2) shall—

19 “(A) award, on a competitive basis, not
20 less than 1.5 percent of the funds to nonprofit
21 technical assistance organizations to be used for
22 the purposes of—

23 “(i) assisting the State in preparing
24 the list required under subsection (b) (in-
25 cluding assisting the State in identifying

1 the highest priority eligible activities for el-
2 ible entities located in the State for
3 which a grant under this section may be
4 used); and

5 “(ii) assisting eligible entities in—

6 “(I) assessing needs relating to
7 eligible activities;

8 “(II) identifying available sources
9 of funding to meet the cost-sharing
10 requirement of subsection (f); and

11 “(III) planning, implementing,
12 and maintaining any eligible activities
13 of the eligible entities that receive
14 funding under this section;

15 “(B) require each nonprofit technical as-
16 sistance organization that receives funds under
17 subparagraph (A) to consult with the State,
18 through the head of the small public water as-
19 sistance program, before carrying out any activ-
20 ity for the purposes described in subclauses (I)
21 and (III) of subparagraph (A)(ii); and

22 “(C) require that none of the funds made
23 available to a nonprofit technical assistance or-
24 ganization under subparagraph (A) be used to
25 pay lobbying expenses; and

1 “(3) may use not to exceed 1 percent of the
2 funds allocated to the State to pay reasonable costs
3 incurred in the administration of the small public
4 water system assistance program.

5 “(d) LIMITATION ON USE OF FUNDS.—For each fis-
6 cal year, not more than 5 percent of the funds received
7 by an eligible entity under this section may be used to
8 obtain technical assistance in planning, implementing, and
9 maintaining eligible activities that are funded under this
10 section.

11 “(e) LIMITATION ON RECEIPT OF FUNDS.—

12 “(1) IN GENERAL.—Except as provided in para-
13 graph (2), a grant under this section shall not be
14 provided to an eligible entity that, as determined by
15 the State—

16 “(A) does not have the technical, manage-
17 rial, and financial capability to ensure compli-
18 ance with national primary drinking water reg-
19 ulations applicable to the eligible entity under
20 section 1412; or

21 “(B) is in significant noncompliance with
22 any applicable national primary drinking water
23 regulation.

1 “(2) EXCEPTION FOR RECEIPT OF GRANT.—An
2 eligible entity described in paragraph (1) may re-
3 ceive a grant under this section only—

4 “(A) if the State determines that use of
5 the grant will ensure compliance with national
6 primary drinking water regulations applicable
7 to the eligible entity under section 1412;

8 “(B)(i) to restructure or consolidate the
9 facility to achieve compliance with applicable
10 national primary drinking water regulations; or

11 “(ii) in a case in which restructuring or
12 consolidation of the facility is not practicable, if
13 the State determines that—

14 “(I) the eligible entity has made a
15 good faith effort to achieve compliance
16 with applicable national primary drinking
17 water regulations; and

18 “(II) the eligible entity is adhering to
19 an enforceable schedule for achieving those
20 regulations; and

21 “(C) in a case in which paragraph (1)(A)
22 applies to an eligible entity, and the eligible en-
23 tity agrees to undertake feasible and appro-
24 priate changes in operations (including changes
25 in ownership, management, accounting, rates,

1 maintenance, consolidation, provision of an al-
2 ternative water supply, or other procedures), if
3 the State determines that the measures are nec-
4 essary to ensure that the eligible entity has the
5 technical, managerial, and financial capability
6 to comply with applicable national primary
7 drinking water regulations over the long term.

8 “(3) REVIEW.—Before providing assistance
9 under this section to an eligible entity that is in sig-
10 nificant noncompliance with any national primary
11 drinking water regulation applicable to the eligible
12 entity under section 1412, the State shall conduct a
13 review to determine whether paragraph (1)(A) ap-
14 plies to the entity.

15 “(f) COST SHARING.—

16 “(1) IN GENERAL.—

17 “(A) LIMIT.—Except as provided in para-
18 graph (2), the share of the total cost of an eligi-
19 ble activity funded by a grant under this section
20 shall not exceed 80 percent.

21 “(B) USE OF OTHER FEDERAL FUNDS.—

22 To pay the portion of an eligible activity that
23 may not be funded by a grant under this sec-
24 tion, an eligible entity may use Federal finan-

1 cial assistance other than assistance received
2 under this section.

3 “(2) WAIVER OF COST-SHARING REQUIRE-
4 MENT.—

5 “(A) IN GENERAL.—Subject to subpara-
6 graph (B), a State may waive the requirement
7 of an eligible entity to pay all or a portion of
8 the share of an eligible activity that may not be
9 funded by a grant under this section, based on
10 a determination by the State that the eligible
11 entity is unable to pay any or all of the share.

12 “(B) LIMITATION.—For each fiscal year in
13 which a State receives funding under this sec-
14 tion, the total amount of cost-share waivers
15 provided by the State under subparagraph (A)
16 shall not exceed 30 percent of the amount of
17 funding received by the State for the fiscal year
18 under section 1472(c)(1).

19 “(g) UNOBLIGATED FUNDS.—Any funds not obli-
20 gated by the State for a purpose consistent with sub-
21 section (c) within 1 year after the date of the allocation
22 of the funds by the Administrator under section 1472(c)
23 shall be returned to the Administrator for reallocation
24 under that section.

1 “(h) REPORTS.—Not later than November 1 fol-
 2 lowing each fiscal year in which a State receives funding
 3 under this section, the State shall—

4 “(1) submit to the Administrator a report that,
 5 for the preceding fiscal year—

6 “(A) lists the eligible activities for eligible
 7 entities, as prepared under subsection (b);

8 “(B) identifies the number of grants
 9 awarded by the State small public water system
 10 assistance program to eligible entities;

11 “(C) identifies each eligible entity that re-
 12 ceived a grant to carry out an eligible activity;

13 “(D) identifies the amount of each grant
 14 provided to an eligible entity to carry out an eli-
 15 gible activity; and

16 “(E) describes each eligible activity funded
 17 by such grants (including the status of the eli-
 18 gible activity); and

19 “(2) make the report under paragraph (1)
 20 available to the public.

21 **“SEC. 1474. SMALL PUBLIC WATER SYSTEM ASSISTANCE**
 22 **PROGRAM FOR INDIAN TRIBES.**

23 “(a) ESTABLISHMENT.—Not later than July 1, 2008,
 24 the Administrator shall establish a small public water sys-
 25 tem assistance program for Indian Tribes, through which

1 eligible entities located in areas governed by the Indian
2 Tribe may receive grants for eligible activities under this
3 part.

4 “(b) PROGRAM PRIORITY REQUIREMENT.—

5 “(1) LIST OF ELIGIBLE ACTIVITIES.—

6 “(A) IN GENERAL.—The Administrator,
7 acting through the head of the small public
8 water system assistance program for Indian
9 Tribes, in consultation with the Secretary, shall,
10 for each fiscal year, identify, and, using the pri-
11 ority criteria described in paragraph (2) and
12 considering the additional criteria described in
13 paragraph (3), list in descending order of pri-
14 ority, eligible activities for eligible entities lo-
15 cated in areas governed by Indian Tribes for
16 which funds provided from a grant under this
17 part may be used.

18 “(B) COORDINATION.—

19 “(i) IN GENERAL.—To the maximum
20 extent practicable, the Administrator shall
21 ensure that the list under subparagraph
22 (A) is coordinated with any needs assess-
23 ment conducted under section 1452(i)(4).

24 “(ii) ADDITIONAL CONSIDERATION.—

25 Any additional financial needs of small

1 public water systems located in areas gov-
2 erned by Indian Tribes that are associated
3 with the cost of complying with a national
4 primary drinking water regulation that is
5 promulgated after the most recent needs
6 survey conducted under section 1452(i)(4)
7 shall be factored into the determination of
8 financial need for, and prioritization of, eli-
9 gible activities under this section.

10 “(2) PRIORITY CRITERIA.—In preparing the list
11 under paragraph (1), the Administrator shall give
12 priority for the use of grants to eligible activities
13 that—

14 “(A) address the most serious risk to
15 human health;

16 “(B) are necessary to ensure compliance
17 with national primary water regulations appli-
18 cable to eligible entities under section 1412;
19 and

20 “(C) assist systems most in need, as cal-
21 culated on the basis of median household in-
22 come, under affordability criteria published by
23 the Administrator under section 1452(d)(3).

24 “(3) ADDITIONAL CRITERIA.—In addition to
25 the priority criteria described in paragraph (2), the

1 Administrator shall, in preparing a list under para-
2 graph (1), consider giving additional priority to any
3 listed eligible activities that are to be carried out by
4 communities that form management cooperatives
5 (including management cooperatives between sys-
6 tems that do not have connections).

7 “(c) USE OF FUNDS.—

8 “(1) IN GENERAL.—Using funds allocated
9 under section 1472(c)(2)(A), the small public water
10 system assistance program established under sub-
11 section (a) shall provide to an eligible entity located
12 in an area governed by an Indian Tribe, on a cost-
13 shared basis, a grant to be used for an eligible activ-
14 ity (including source water protection) the purpose
15 of which is compliance with national primary drink-
16 ing water regulations applicable to the eligible entity
17 under section 1412.

18 “(2) ALLOCATION OF GRANT FUNDING.—For
19 each fiscal year, taking into consideration the fund-
20 ing allocation under section 1472(c)(2)(A) for the
21 fiscal year, the head of the small public water assist-
22 ance program established under subsection (a), in
23 consultation with the Secretary, shall provide grants
24 under paragraph (1) for the maximum number of el-
25 ible activities for which the funding allocation

1 makes assistance available, based on the priority as-
2 signed by the Administrator to eligible activities
3 under subsection (b).

4 “(d) LIMITATION ON USE OF FUNDS.—For each fis-
5 cal year, not more than 5 percent of the funds received
6 by an eligible entity under this section may be used to
7 obtain technical assistance in planning, implementing, and
8 maintaining eligible activities that are funded under this
9 section.

10 “(e) LIMITATION ON RECEIPT OF FUNDS.—

11 “(1) IN GENERAL.—Except as provided in para-
12 graph (2), a grant under this section shall not be
13 provided to an eligible entity that, as determined by
14 the Administrator—

15 “(A) does not have the technical, manage-
16 rial, and financial capability to ensure compli-
17 ance with national primary drinking water reg-
18 ulations applicable to the eligible entity under
19 section 1412; or

20 “(B) is in significant noncompliance with
21 any applicable national primary drinking water
22 regulation.

23 “(2) EXCEPTION FOR RECEIPT OF GRANT.—An
24 eligible entity described in paragraph (1) may re-
25 ceive a grant under this section only—

1 “(A) if the Administrator determines that
2 use of the grant will ensure compliance with na-
3 tional primary drinking water regulations appli-
4 cable to the eligible entity under section 1412;

5 “(B)(i) to restructure or consolidate the
6 facility to achieve compliance with applicable
7 national primary drinking water regulations; or

8 “(ii) in a case in which restructuring or
9 consolidation of the facility is not practicable, if
10 the Administrator determines that—

11 “(I) the eligible entity has made a
12 good faith effort to achieve compliance
13 with applicable national primary drinking
14 water regulations; and

15 “(II) the eligible entity is adhering to
16 an enforceable schedule for achieving those
17 regulations; and

18 “(C) in a case in which paragraph (1)(A)
19 applies to an eligible entity, and the eligible en-
20 tity agrees to undertake feasible and appro-
21 priate changes in operations (including changes
22 in ownership, management, accounting, rates,
23 maintenance, consolidation, provision of an al-
24 ternative water supply, or other procedures), if
25 the Administrator determines that the measures

1 are necessary to ensure that the eligible entity
2 has the technical, managerial, and financial ca-
3 pability to comply with applicable national pri-
4 mary drinking water regulations over the long
5 term.

6 “(3) REVIEW.—Before providing assistance
7 under this section to an eligible entity that is in sig-
8 nificant noncompliance with any national primary
9 drinking water regulation applicable to the eligible
10 entity under section 1412, the Administrator shall
11 conduct a review to determine whether paragraph
12 (1)(A) applies to the entity.

13 “(f) COST SHARING.—

14 “(1) IN GENERAL.—

15 “(A) LIMIT.—Except as provided in para-
16 graph (2), the share of the total cost of an eligi-
17 ble activity funded by a grant under this section
18 shall not exceed 80 percent.

19 “(B) USE OF OTHER FEDERAL FUNDS.—

20 To pay the portion of an eligible activity that
21 may not be funded by a grant under this sec-
22 tion, an eligible entity may use Federal finan-
23 cial assistance other than assistance received
24 under this section.

1 “(2) WAIVER OF COST-SHARING REQUIRE-
2 MENT.—

3 “(A) IN GENERAL.—The Administrator
4 may waive the requirement of an eligible entity
5 to pay all or a portion of the share of eligible
6 activity that may not be funded by a grant
7 under this section based on a determination by
8 the Administrator that the eligible entity is un-
9 able to pay any or all of the share.

10 “(B) LIMITATION.—For each fiscal year,
11 the total amount of cost-share waivers provided
12 by the Administrator under subparagraph (A)
13 shall not exceed 30 percent of the amount of
14 funding allocated to eligible entities located in
15 areas governed by Indian Tribes for the fiscal
16 year under section 1472(c)(2)(A).

17 “(g) UNOBLIGATED FUNDS.—Any funds not obli-
18 gated by the small public water system assistance program
19 established under subsection (a) for a purpose consistent
20 with section 1472(c)(2)(B) and subsection (c) within 1
21 year after the date of allocation of the funds by the Ad-
22 ministrator under section 1472(c)(2)(A) shall be returned
23 to the Administrator for reallocation under that section.

24 “(h) REPORTS.—Not later than November 1 fol-
25 lowing each fiscal year in which an Indian Tribe receives

1 funding under this section, the Indian Tribe shall submit
2 to the Administrator a report that, for the preceding fiscal
3 year—

4 “(1) identifies the number of grants awarded to
5 eligible entities located in areas governed by the In-
6 dian Tribe;

7 “(2) identifies each such eligible entity that re-
8 ceived a grant to carry out an eligible activity;

9 “(3) identifies the amount of each grant pro-
10 vided to such an eligible entity to carry out an eligi-
11 ble activity; and

12 “(4) describes each eligible activity funded by
13 such grants (including the status of the eligible ac-
14 tivity).

15 **“SEC. 1475. AUTHORIZATION OF APPROPRIATIONS.**

16 “‘There is authorized to be appropriated to carry out
17 this part \$750,000,000 for each of fiscal years 2008
18 through 2014.’”.

Calendar No. 1036

110TH CONGRESS
2^D SESSION

S. 1933

[Report No. 110-475]

A BILL

To amend the Safe Drinking Water Act to provide grants to small public drinking water systems.

SEPTEMBER 22 (legislative day, SEPTEMBER 17), 2008
Reported without amendment