

Calendar No. 109111TH CONGRESS
1ST SESSION**S. 1005****[Report No. 111-47]**

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

IN THE SENATE OF THE UNITED STATES

MAY 7, 2009

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 Environment and Public Works

JULY 15, 2009

Reported by Mrs. BOXER, with an amendment

[Strike out all after the enacting clause and insert the part printed in *italic*]

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,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) **SHORT TITLE.**—This Act may be cited as the
 3 “Water Infrastructure Financing Act”.

4 (b) **TABLE OF CONTENTS.**—The table of contents of
 5 this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Definition of Administrator.

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.

4 **TITLE I—WATER POLLUTION**
5 **INFRASTRUCTURE**

6 **SEC. 101. TECHNICAL ASSISTANCE FOR RURAL SMALL**
7 **TREATMENT WORKS AND MEDIUM TREAT-**
8 **MENT WORKS.**

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

12 **“SEC. 222. TECHNICAL ASSISTANCE FOR RURAL SMALL**
13 **TREATMENT WORKS AND MEDIUM TREAT-**
14 **MENT WORKS.**

15 “(a) **DEFINITIONS.**—In this section:

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

21 “(2) **DECENTRALIZED WASTEWATER SYSTEM.**—

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

1 “(B) INCLUSIONS.—The term ‘decentral-
2 ized wastewater system’ includes a system that
3 provides for—

4 “(i) nonpotable reuse of treated efflu-
5 ent; or

6 “(ii) energy and nutrient recovery
7 from wastewater constituents.

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

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

23 “(5) SMALL TREATMENT WORKS.—The term
24 ‘small treatment works’ means a publicly owned

1 treatment works serving not more than 10,000 indi-
2 viduals.

3 “(b) GRANT PROGRAM.—

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

9 “(A) to assist owners and operators of
10 small treatment works and medium treatment
11 works to plan, develop, and obtain financing for
12 eligible projects described in section 603(e) or
13 518(e);

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

1 tenance activities for existing stormwater or
2 wastewater systems; if the amount of assistance
3 for any single project does not exceed \$50,000;

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

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

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

23 “(3) CONSULTATION.—As a condition of receiv-
24 ing a grant under this subsection, a qualified non-
25 profit technical assistance provider shall agree to

1 consult with each State in which grant funds are to
2 be expended before the grant funds are expended in
3 the State.

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

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

13 “(B) specifies—

14 “(i) the number of communities
15 served;

16 “(ii) the sizes of those communities;
17 and

18 “(iii) the type of assistance provided
19 by the qualified nonprofit technical assist-
20 ance provider.

21 “(e) AUTHORIZATION OF APPROPRIATIONS.—There
22 are authorized to be appropriated to carry out this sec-
23 tion—

1 “(1) for grants for small treatment works,
2 \$25,000,000 for each of fiscal years 2010 through
3 2014; and

4 “(2) for grants for medium treatment works,
5 \$15,000,000 for each of fiscal years 2010 through
6 2014.”.

7 (b) GUIDANCE FOR SMALL SYSTEMS.—Section 602
8 of the Federal Water Pollution Control Act (33 U.S.C.
9 1382) is amended by adding at the end the following:

10 “(c) GUIDANCE FOR SMALL SYSTEMS.—

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

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

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

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

24 “(3) PUBLICATION OF MANUAL.—Not later
25 than 1 year after the date of enactment of this sub-

1 section, after providing notice and opportunity for
2 public comment, the Administrator shall publish—

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

5 “(B) in the Federal Register, notice of the
6 availability of the manual.”.

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

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

11 “(c) PROJECTS ELIGIBLE FOR ASSISTANCE.—

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

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

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

22 “(ii) for capital costs associated with
23 monitoring equipment for combined sani-
24 tary sewer overflows;

1 “(B) to implement measures to control,
2 manage, reduce, treat, infiltrate, or reuse
3 stormwater, the primary purpose of which is
4 the preservation, protection, or enhancement of
5 water quality to support public purposes (in-
6 cluding the procurement and use of equipment
7 to support minimum measures, such as street
8 sweeping and storm drain system cleaning, or
9 acquisition of other land and interests in land
10 that are necessary for those activities and meas-
11 ures);

12 “(C) to implement a management program
13 established under section 319;

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

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

20 “(F) to carry out water conservation or ef-
21 ficiency projects that result in direct water
22 quality benefits;

23 “(G) to implement measures to integrate
24 water resource management planning and im-
25 plementation;

1 “(H) to carry out water reuse (including
2 wastewater reuse), reclamation, and recycling
3 projects that result in direct water quality bene-
4 fits;

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

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

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

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

1 ~~“(3) STATE WATER POLLUTION CONTROL RE-~~
2 ~~VOLVING FUNDS.—~~

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

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

10 (b) ~~MODIFICATION OF DEFINITION.—Section~~
11 ~~212(2)(A) of the Federal Water Pollution Control Act (33~~
12 ~~U.S.C. 1292(2)(A)) is amended—~~

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

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

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

19 **SEC. 103. AFFORDABILITY.**

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

22 (1) by redesignating subsections (e) through (h)
23 as subsections (g) through (j), respectively;

24 (2) in subsection (d)—

25 (A) in paragraph (1)—

1 (i) in subparagraph (A), by striking
 2 “20 years” and inserting “the lesser of 30
 3 years or the design life of the project to be
 4 financed with the proceeds of the loan”;
 5 and

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

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

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

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

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

20 “(I) \$400,000;

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

23 “(III) 6 percent of all grant
 24 awards to the fund under this title for
 25 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 eordance with subsection (e) 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 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:

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),”;

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(e) of the Federal Water
22 Pollution Control Act (33 U.S.C. 1386(e)).

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) Before carrying out any project under this sec-
4 tion, the Administrator shall enter into an agreement with
5 1 or more non-Federal interests that shall require the non-
6 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 ear-
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”;

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 ~~(c)~~; 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 “(H) 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 “(H) 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 (~~e~~) 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 (4) ~~MINORITY-SERVING INSTITUTIONS.~~—In car-
2 rying out the program under this subsection, the Ad-
3 ministrato~~r~~—

4 (A) may provide extramural grants to in-
5 stitutions of higher education; and

6 (B) shall encourage participation by minor-
7 ity-serving institutions.

8 (b) ~~STRATEGIC RESEARCH PLAN.~~—

9 (1) ~~IN GENERAL.~~—Not later than 180 days
10 after the date of enactment of this Act, the Adminis-
11 trator, in coordination with the heads of other ap-
12 propriate Federal departments and agencies, shall
13 develop a strategic research plan for the grant pro-
14 gram under subsection (a).

15 (2) ~~REQUIREMENTS.~~—

16 (A) ~~COORDINATION.~~—The plan under
17 paragraph (1) shall be carried out, to the max-
18 imum extent practicable, in coordination with
19 other research and development strategic plans
20 of the Environmental Protection Agency.

21 (B) ~~CONTENTS.~~—The plan under para-
22 graph (1) shall—

23 (i) describe, in outline form, research
24 goals and priorities relating to an agenda
25 of water quality, drinking water supply,

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 (e) 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 (c)(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 munic-
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 (c) 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 ~~(D)~~ the products of forestry; and

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

5 ~~(2)~~ AGRICULTURAL PROJECT.—The term “agricultural project” means an agricultural watershed sustainability technology pilot project that, as determined 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 mandated by statutory or regulatory requirements;
12 or
13 or

14 ~~(ii)~~ improves water use efficiency; and

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

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

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

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 (e); 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 (e) 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 pro-
16 cess.

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 (e) 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 (e) 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 pro-
7 cess 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.~~

8 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

9 (a) *SHORT TITLE.—This Act may be cited as the*
 10 *“Water Infrastructure Financing Act”.*

11 (b) *TABLE OF CONTENTS.—The table of contents of this*
 12 *Act is as follows:*

Sec. 1. Short title; table of contents.
Sec. 2. Definition of Administrator.

TITLE I—WATER POLLUTION INFRASTRUCTURE

*Sec. 101. Technical assistance for rural small treatment works and medium treat-
 ment works.*
Sec. 102. Preservation of employee labor standards.
Sec. 103. Projects eligible for assistance.
Sec. 104. Affordability.
Sec. 105. Water pollution control revolving loan funds.
Sec. 106. Transferability of funds.
Sec. 107. Noncompliance.
Sec. 108. Negotiation of contracts.
Sec. 109. Allotment of funds.
Sec. 110. Authorization of appropriations.
Sec. 111. Sewer overflow control grants.
Sec. 112. Critical water infrastructure projects.

TITLE II—SAFE DRINKING WATER INFRASTRUCTURE

Sec. 201. Drinking water technical assistance for communities.
Sec. 202. Preservation of employee labor standards.
Sec. 203. Preconstruction work.
Sec. 204. Priority system requirements.
Sec. 205. Affordability.
Sec. 206. Safe drinking water revolving loan funds.
Sec. 207. Other authorized activities.
Sec. 208. Authorization of appropriations.
Sec. 209. Negotiation of contracts.

Sec. 210. *Critical drinking water infrastructure projects.*

Sec. 211. *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.*

Sec. 308. *Pharmaceuticals and personal care products.*

Sec. 309. *Financing capability guidance.*

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

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

4 **TITLE I—WATER POLLUTION**
 5 **INFRASTRUCTURE**

6 **SEC. 101. TECHNICAL ASSISTANCE FOR RURAL SMALL**
 7 **TREATMENT WORKS AND MEDIUM TREAT-**
 8 **MENT WORKS.**

9 *(a) IN GENERAL.—Title II of the Federal Water Pollu-*
 10 *tion Control Act (33 U.S.C. 1281 et seq.) is amended by*
 11 *adding at the end the following:*

12 **“SEC. 222. TECHNICAL ASSISTANCE FOR RURAL SMALL**
 13 **TREATMENT WORKS AND MEDIUM TREAT-**
 14 **MENT WORKS.**

15 *“(a) DEFINITIONS.—In this section:*

16 *“(1) ADVANCED DECENTRALIZED WASTEWATER*
 17 *SYSTEM.—The term ‘advanced decentralized waste-*
 18 *water system’ means a decentralized wastewater sys-*

1 *tem that provides more effective treatment than a con-*
2 *ventional septic system.*

3 “(2) *DECENTRALIZED WASTEWATER SYSTEM.*—

4 “(A) *IN GENERAL.*—*The term ‘decentralized*
5 *wastewater system’ means a wastewater treat-*
6 *ment system that is at or near a site at which*
7 *wastewater is generated.*

8 “(B) *INCLUSIONS.*—*The term ‘decentralized*
9 *wastewater system’ includes a system that pro-*
10 *vides for—*

11 “(i) *nonpotable reuse of treated efflu-*
12 *ent; or*

13 “(ii) *energy and nutrient recovery*
14 *from wastewater constituents.*

15 “(3) *MEDIUM TREATMENT WORKS.*—*The term*
16 *‘medium treatment works’ means a publicly owned*
17 *treatment works serving more than 10,000 but fewer*
18 *than 100,000 individuals.*

19 “(4) *QUALIFIED NONPROFIT TECHNICAL ASSIST-*
20 *ANCE PROVIDER.*—*The term ‘qualified nonprofit tech-*
21 *nical assistance provider’ means a qualified nonprofit*
22 *technical assistance provider of water and wastewater*
23 *services to small or medium-sized communities that*
24 *provides technical assistance (including circuit rider,*
25 *multi-State regional assistance programs, and train-*

1 *ing and preliminary engineering evaluations) to own-*
2 *ers and operators of small treatment works or me-*
3 *diu treatment works that may include State agen-*
4 *cies.*

5 “(5) *SMALL TREATMENT WORKS.*—*The term*
6 *‘small treatment works’ means a publicly owned*
7 *treatment works serving not more than 10,000 indi-*
8 *viduals.*

9 “(b) *GRANT PROGRAM.*—

10 “(1) *IN GENERAL.*—*The Administrator may*
11 *make grants on a competitive basis to qualified non-*
12 *profit technical assistance providers that are qualified*
13 *to provide assistance on a broad range of wastewater*
14 *and stormwater approaches—*

15 “(A) *to assist owners and operators of small*
16 *treatment works and medium treatment works to*
17 *plan, develop, and obtain financing for eligible*
18 *projects described in section 603(c) or 518(c);*

19 “(B) *to provide financial assistance, in con-*
20 *sultation with the State in which the assistance*
21 *is provided, to owners and operators of small*
22 *treatment works and medium treatment works*
23 *for predevelopment costs (including costs for*
24 *planning, design, and associated preconstruction*
25 *activities, such as activities relating directly to*

1 *the siting of the facility and related elements) as-*
2 *sociated with stormwater or wastewater infra-*
3 *structure projects or short-term costs incurred for*
4 *equipment replacement that is not part of reg-*
5 *ular operation and maintenance activities for*
6 *existing stormwater or wastewater systems, if the*
7 *amount of assistance for any single project does*
8 *not exceed \$50,000;*

9 “(C) *to provide technical assistance and*
10 *training for owners and operators of small treat-*
11 *ment works and medium treatment works to en-*
12 *able those treatment works and systems to pro-*
13 *tect water quality and achieve and maintain*
14 *compliance with this Act; and*

15 “(D) *to disseminate information to owners*
16 *and operators of small treatment works and me-*
17 *diu m treatment works, with respect to planning,*
18 *design, construction, and operation of treatment*
19 *works, small municipal separate storm sewer*
20 *systems, decentralized wastewater treatment sys-*
21 *tems, and advanced decentralized wastewater*
22 *treatment systems.*

23 “(2) *DISTRIBUTION OF GRANT.—In carrying out*
24 *this subsection, the Administrator shall ensure, to the*
25 *maximum extent practicable, that technical assistance*

1 *provided using funds from a grant under paragraph*
2 *(1) is made available in each State.*

3 “(3) *CONSULTATION.*—*As a condition of receiv-*
4 *ing a grant under this subsection, a qualified non-*
5 *profit technical assistance provider shall agree to con-*
6 *sult with each State in which grant funds are to be*
7 *expended before the grant funds are expended in the*
8 *State.*

9 “(4) *ANNUAL REPORT.*—*Not later than 60 days*
10 *after the end of each fiscal year, a qualified nonprofit*
11 *technical assistance provider that receives a grant*
12 *under this subsection shall submit to the Adminis-*
13 *trator a report that—*

14 “(A) *describes the activities of the qualified*
15 *nonprofit technical assistance provider using*
16 *grant funds received under this subsection for the*
17 *fiscal year; and*

18 “(B) *specifies—*

19 “(i) *the number of communities served;*

20 “(ii) *the sizes of those communities;*

21 *and*

22 “(iii) *the type of assistance provided*
23 *by the qualified nonprofit technical assist-*
24 *ance provider.*

1 “(c) *AUTHORIZATION OF APPROPRIATIONS.*—*There are*
2 *authorized to be appropriated to carry out this section—*

3 “(1) *for grants for small treatment works,*
4 *\$25,000,000 for each of fiscal years 2010 through*
5 *2014; and*

6 “(2) *for grants for medium treatment works,*
7 *\$15,000,000 for each of fiscal years 2010 through*
8 *2014.”.*

9 “(b) *GUIDANCE FOR SMALL SYSTEMS.*—*Section 602 of*
10 *the Federal Water Pollution Control Act (33 U.S.C. 1382)*
11 *is amended by adding at the end the following:*

12 “(c) *GUIDANCE FOR SMALL SYSTEMS.*—

13 “(1) *DEFINITION OF SMALL SYSTEM.*—*In this*
14 *subsection, the term ‘small system’ means a system—*

15 “(A) *for which a municipality or inter-*
16 *municipal, interstate, or State agency seeks as-*
17 *sistance under this title; and*

18 “(B) *that serves a population of not more*
19 *than 10,000 individuals.*

20 “(2) *SIMPLIFIED PROCEDURES.*—*Not later than*
21 *1 year after the date of enactment of this subsection,*
22 *the Administrator shall assist the States in estab-*
23 *lishing simplified procedures for small systems to ob-*
24 *tain assistance under this title.*

1 “(3) *PUBLICATION OF MANUAL.*—Not later than
 2 1 year after the date of enactment of this subsection,
 3 after providing notice and opportunity for public
 4 comment, the Administrator shall publish—

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

7 “(B) in the Federal Register, notice of the
 8 availability of the manual.”.

9 **SEC. 102. PRESERVATION OF EMPLOYEE LABOR STAND-**
 10 **ARDS.**

11 Section 513 of the Federal Water Pollution Control Act
 12 (33 U.S.C. 1372) is amended to read as follows:

13 **“SEC. 513. PRESERVATION OF EMPLOYEE LABOR STAND-**
 14 **ARDS.**

15 “(a) *IN GENERAL.*—Notwithstanding section
 16 602(b)(6), the Administrator shall take such action as the
 17 Administrator determines to be necessary to ensure that
 18 each laborer and mechanic employed by a contractor or sub-
 19 contractor of a construction project financed, in whole or
 20 in part, by a grant, loan, loan guarantee, refinancing, or
 21 any other form of financial assistance provided under this
 22 Act (including assistance provided by a State loan fund es-
 23 tablished under title VI) is paid wages at a rate of not less
 24 than the wages prevailing for the same type of work on
 25 similar construction in the immediate locality, as deter-

1 *mined by the Secretary of Labor in accordance with sub-*
 2 *chapter IV of chapter 31 of title 40, United States Code.*

3 “(b) *AUTHORITY OF SECRETARY OF LABOR.—With re-*
 4 *spect to the labor standards specified in this section, the*
 5 *Secretary of Labor shall have the authority and functions*
 6 *established in Reorganization Plan Numbered 14 of 1950*
 7 *(5 U.S.C. App.) and section 3145 of title 40, United States*
 8 *Code.”.*

9 **SEC. 103. PROJECTS ELIGIBLE FOR ASSISTANCE.**

10 “(a) *IN GENERAL.—Section 603 of the Federal Water*
 11 *Pollution Control Act (33 U.S.C. 1383) is amended by*
 12 *striking subsection (c) and inserting the following:*

13 “(c) *PROJECTS ELIGIBLE FOR ASSISTANCE.—*

14 “(1) *IN GENERAL.—Funds in each State water*
 15 *pollution control revolving fund shall be used only for*
 16 *providing financial assistance—*

17 “(A) *to a municipality or an intermunic-*
 18 *ipal, interstate, or State agency or a private*
 19 *treatment works or decentralized wastewater sys-*
 20 *tem that principally treats municipal waste-*
 21 *water or domestic sewage—*

22 “(i) *for construction of treatment*
 23 *works (as defined in section 212); or*

1 “(i) for capital costs associated with
2 monitoring equipment for combined sani-
3 tary or sewer overflows;

4 “(B) to implement measures to control,
5 manage, reduce, treat, infiltrate, or reuse
6 stormwater, the primary purpose of which is the
7 preservation, protection, or enhancement of
8 water quality to support public purposes (in-
9 cluding the procurement and use of equipment to
10 support minimum measures, such as street
11 sweeping and storm drain system cleaning, or
12 acquisition of other land and interests in land
13 that are necessary for those activities and meas-
14 ures);

15 “(C) to implement a management program
16 established under section 319;

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

19 “(E) for projects to increase the security of
20 wastewater treatment works (as defined in sec-
21 tion 212), excluding any expenditure for oper-
22 ations or maintenance;

23 “(F) to carry out water conservation or effi-
24 ciency projects that result in direct water quality
25 benefits;

1 “(G) to implement measures to integrate
2 water resource management planning and imple-
3 mentation;

4 “(H) to carry out water reuse (including
5 wastewater reuse), reclamation, and recycling
6 projects that result in direct water quality bene-
7 fits;

8 “(I) for projects to increase the energy effi-
9 ciency of treatment works (as defined in section
10 212) that result in direct water quality benefits;

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

16 “(K) for the development and implementa-
17 tion of integrative watershed improvement plans
18 that include cost-effective solutions that consider
19 point and nonpoint sources of pollution and tra-
20 ditional and cost-saving water treatment and ef-
21 ficiency projects.

22 “(2) LIMITATION.—Not more than 5 percent of
23 the amount of a capitalization grant of a State may
24 be used during a fiscal year to provide assistance for

1 *activities described in subparagraph (J) or (K) of*
 2 *paragraph (1).*

3 “(3) *STATE WATER POLLUTION CONTROL RE-*
 4 *VOLVING FUNDS.—*

5 “(A) *IN GENERAL.—A State water pollution*
 6 *control revolving fund shall be established, main-*
 7 *tained, and credited with repayments.*

8 “(B) *BALANCE OF FUND.—The balance of*
 9 *each fund described in subparagraph (A) shall be*
 10 *available in perpetuity for providing financial*
 11 *assistance under this section.”.*

12 (b) *MODIFICATION OF DEFINITION.—Section*
 13 *212(2)(A) of the Federal Water Pollution Control Act (33*
 14 *U.S.C. 1292(2)(A)) is amended—*

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

16 (2) *by striking “is used for ultimate” and insert-*
 17 *ing “will be used for ultimate”; and*

18 (3) *by inserting “; and acquisition of other land*
 19 *and interests in land necessary for construction” be-*
 20 *fore the period at the end.*

21 **SEC. 104. AFFORDABILITY.**

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

24 (1) *by redesignating subsections (e) through (h)*
 25 *as subsections (g) through (j), respectively;*

1 (2) *in subsection (d)—*

2 (A) *in paragraph (1)—*

3 (i) *in subparagraph (A), by striking*
 4 “20 years” *and inserting “the lesser of 30*
 5 *years or the design life of the project to be*
 6 *financed with the proceeds of the loan”;* *and*

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

11 (B) *in paragraph (6), by striking “and” at*
 12 *the end; and*

13 (C) *in paragraph (7), by striking “title, ex-*
 14 *cept that” and all that follows and inserting the*
 15 *following:*

16 “title, except that—

17 “(A) *such amounts shall not exceed an*
 18 *amount equal to the sum of, for each fiscal*
 19 *year—*

20 “(i) *an amount equal to the greatest*
 21 *of—*

22 “(I) \$400,000;

23 “(II) $\frac{1}{5}$ percent of the current
 24 *valuation of the fund; or*

1 “(III) 6 percent of all grant
2 awards to the fund under this title for
3 a fiscal year; and

4 “(ii) the amount of any fees collected
5 by the State for that purpose, regardless of
6 the source; and

7 “(B) as a source of revenue (restricted solely
8 to interest earnings of the fund) or security for
9 payment of the principal and interest on revenue
10 or general obligation bonds issued by the State
11 to provide matching funds under section
12 602(b)(2), if the proceeds of the sale of the bonds
13 will be deposited in the fund.”; and

14 (3) by inserting after subsection (d) the fol-
15 lowing:

16 “(e) *ADDITIONAL ASSISTANCE FOR DISADVANTAGED*
17 *COMMUNITIES.*—

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

1 “(2) *LOAN SUBSIDY.*—Notwithstanding any
2 other provision of this section, subject to paragraph
3 (5), in a case in which the State makes a loan from
4 the water pollution control revolving loan fund in ac-
5 cordance with subsection (c) to a disadvantaged com-
6 munity or a community that the State expects to be-
7 come a disadvantaged community as the result of a
8 proposed project, the State may provide additional
9 subsidization, including—

10 “(A) the forgiveness of all or a portion of
11 the principal of the loan; and

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

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

18 “(4) *INFORMATION.*—The Administrator may
19 publish information to assist States in establishing
20 affordability criteria described in paragraph (1).

21 “(f) *COST-SAVING WATER TREATMENT AND EFFI-*
22 *CIENCY IMPROVEMENTS.*—

23 “(1) *IN GENERAL.*—Subject to subsection (e)(3),
24 in providing a loan for a project under this section,
25 a State may forgive repayment of a portion of the

1 *loan amount up to the percentage of the project that*
2 *is devoted to alternative approaches to wastewater*
3 *and stormwater controls (including nonstructural*
4 *methods), such as projects that treat or minimize sew-*
5 *age or urban stormwater discharges using—*

6 *“(A) decentralized or distributed stormwater*
7 *controls;*

8 *“(B) advanced decentralized wastewater*
9 *treatment;*

10 *“(C) low-impact development technologies*
11 *and nonstructural approaches;*

12 *“(D) stream buffers;*

13 *“(E) wetland restoration and enhancement;*

14 *“(F) actions to minimize the quantity of*
15 *and direct connections to impervious surfaces;*

16 *“(G) soil and vegetation, or other permeable*
17 *materials;*

18 *“(H) actions that increase efficient water*
19 *use, water conservation, or water reuse, includ-*
20 *ing the rehabilitation or replacement of existing*
21 *leaking pipes; or*

22 *“(I) actions that increase energy efficiency*
23 *or reduce energy consumption at a treatment*
24 *works.*

1 “(ii) the formation of cooperative part-
2 nerships.

3 “(B) TRADITIONAL WASTEWATER AP-
4 PROACH.—The term ‘traditional wastewater ap-
5 proach’ means a managed system used to collect
6 and treat wastewater from an entire service area
7 consisting of—

8 “(i) collection sewers;

9 “(ii) a centralized treatment plant
10 using biological, physical, or chemical treat-
11 ment processes; and

12 “(iii) a direct point source discharge to
13 surface water.

14 “(2) PRIORITY SYSTEM.—In providing financial
15 assistance from the water pollution control revolving
16 fund of the State, the State shall establish a priority
17 system that—

18 “(A) takes into consideration appropriate
19 chemical, physical, and biological data relating
20 to water quality that the State considers reason-
21 ably available and of sufficient quality;

22 “(B) ensures that projects undertaken with
23 assistance under this title are designed to
24 achieve, as determined by the State, the optimum
25 water quality management, consistent with the

1 *public health and water quality goals and re-*
2 *quirements of this Act;*

3 “(C) *provides for public notice and oppor-*
4 *tunity to comment on the establishment of the*
5 *priority system and the summary under sub-*
6 *paragraph (D); and*

7 “(D) *provides for the publication, not less*
8 *than biennially in summary form, of a descrip-*
9 *tion of projects in the State that are eligible for*
10 *assistance under this title that indicates—*

11 “(i) *the priority assigned to each*
12 *project under the priority system of the*
13 *State; and*

14 “(ii) *the funding schedule for each*
15 *project, to the extent the information is*
16 *available.*

17 “(3) *WEIGHT GIVEN TO APPLICATIONS.—After*
18 *determining project priorities under subparagraph*
19 *(2), the State shall give greater weight to an applica-*
20 *tion for assistance if the application includes such in-*
21 *formation as the State determines to be necessary and*
22 *contains—*

23 “(A) *a description of utility management*
24 *best practices undertaken by a treatment works*
25 *applying for assistance, including—*

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

3 “(ii) a schedule for replacement of the
4 assets;

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 and

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

12 “(B) approaches other than a traditional
13 wastewater approach that treat or minimize sew-
14 age or urban stormwater discharges using—

15 “(i) decentralized or distributed
16 stormwater controls;

17 “(ii) advanced decentralized waste-
18 water treatment;

19 “(iii) low-impact development tech-
20 nologies and nonstructural approaches;

21 “(iv) stream buffers;

22 “(v) wetland restoration and enhance-
23 ment;

1 “(vi) actions to minimize the quantity
2 of and direct connections to impervious sur-
3 faces;

4 “(vii) soil and vegetation, or other per-
5 meable materials;

6 “(viii) actions that increase efficient
7 water use, water conservation, or water
8 reuse; or

9 “(ix) actions that increase energy effi-
10 ciency or reduce energy consumption at a
11 treatment works;

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

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

22 “(i) the State, in the case of a permit
23 program approved under section 402, deter-
24 mines will meet permit requirements; or

1 “(ii) the Administrator determines are
2 measurably superior, as compared to regu-
3 latory standards; or

4 “(E) projects that address adverse environ-
5 mental conditions.”.

6 **SEC. 106. TRANSFERABILITY OF FUNDS.**

7 Section 603 of the Federal Water Pollution Control Act
8 (33 U.S.C. 1383) (as amended by section 104(a)(1)) is
9 amended by adding at the end the following:

10 “(k) *TRANSFER OF FUNDS.*—

11 “(1) *IN GENERAL.*—The Governor of a State
12 may—

13 “(A)(i) reserve not more than the greater
14 of—

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

17 “(II) 33 percent of a capitalization
18 grant made under section 1452 of the Safe
19 Drinking Water Act (42 U.S.C. 300j-12);
20 and

21 “(ii) add the reserved funds to any funds
22 provided to the State under section 1452 of the
23 Safe Drinking Water Act (42 U.S.C. 300j-12);
24 and

1 “(B)(i) reserve for any year an amount that
 2 does not exceed the amount that may be reserved
 3 under subparagraph (A) for that year from cap-
 4 italization grants made under section 1452 of
 5 that Act (42 U.S.C. 300j-12); and

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

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

13 **SEC. 107. NONCOMPLIANCE.**

14 Section 603 of the Federal Water Pollution Control Act
 15 (33 U.S.C. 1383) (as amended by section 106) is amended
 16 by adding at the end the following:

17 “(l) NONCOMPLIANCE.—

18 “(1) IN GENERAL.—Except as provided in para-
 19 graph (2), no assistance (other than assistance that is
 20 to be used by a treatment works solely for planning,
 21 design, or security purposes) shall be provided under
 22 this title to the owner or operator of a treatment
 23 works that has been in significant noncompliance
 24 with any requirement of this Act for any of the 4
 25 quarters during the preceding 8 quarters, unless the

1 *treatment works is in compliance with an enforceable*
2 *administrative order to effect compliance with the re-*
3 *quirement.*

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

10 “(A) *the entity conducting the enforcement*
11 *action on which the determination of significant*
12 *noncompliance is based has determined that the*
13 *use of assistance would enable the owner or oper-*
14 *ator of the treatment works to take corrective ac-*
15 *tion toward resolving the violations; or*

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

1 **SEC. 108. NEGOTIATION OF CONTRACTS.**

2 *Section 603 of the Federal Water Pollution Control Act*
3 *(33 U.S.C. 1383) (as amended by section 107) is amended*
4 *by adding at the end the following:*

5 “(m) *NEGOTIATION OF CONTRACTS.—For commu-*
6 *nities with populations of more than 10,000 individuals,*
7 *a contract to be carried out using funds directly made*
8 *available by a capitalization grant under this section for*
9 *program management, construction management, feasi-*
10 *bility studies, preliminary engineering, design, engineering,*
11 *surveying, mapping, or architectural or related services*
12 *shall be negotiated in the same manner as—*

13 *“(1) a contract for architectural and engineering*
14 *services is negotiated under chapter 11 of title 40,*
15 *United States Code; or*

16 *“(2) an equivalent State qualifications-based re-*
17 *quirement (as determined by the Governor of the*
18 *State).”.*

19 **SEC. 109. ALLOTMENT OF FUNDS.**

20 *Section 604 of the Federal Water Pollution Control Act*
21 *(33 U.S.C. 1384) is amended by striking subsections (a)*
22 *and (b) and inserting the following:*

23 “(a) *IN GENERAL.—Subject to subsection (b)(2),*
24 *amounts authorized to be appropriated to carry out this*
25 *section for each of fiscal years 2010 through 2014 shall be*

- 1 *allotted among States by the Administrator in accordance*
 2 *with the allotment values specified in the following table:*

| <i>“State</i> | <i>Allotment value</i> |
|-----------------------------------|----------------------------|
| <i>Alabama</i> | <i>0.012860</i> |
| <i>Alaska</i> | <i>0.007500</i> |
| <i>Arizona</i> | <i>0.010247</i> |
| <i>Arkansas</i> | <i>0.007500</i> |
| <i>California</i> | <i>0.079629</i> |
| <i>Colorado</i> | <i>0.010164</i> |
| <i>Connecticut</i> | <i>0.014150</i> |
| <i>Delaware</i> | <i>0.007500</i> |
| <i>District of Columbia</i> | <i>0.005000</i> |
| <i>Florida</i> | <i>0.044139</i> |
| <i>Georgia</i> | <i>0.012825</i> |
| <i>Hawaii</i> | <i>0.008048</i> |
| <i>Idaho</i> | <i>0.007500</i> |
| <i>Illinois</i> | <i>0.048540</i> |
| <i>Indiana</i> | <i>0.024633</i> |
| <i>Iowa</i> | <i>0.010266</i> |
| <i>Kansas</i> | <i>0.009129</i> |
| <i>Kentucky</i> | <i>0.012025</i> |
| <i>Louisiana</i> | <i>0.013465</i> |
| <i>Maine</i> | <i>0.007829</i> |
| <i>Maryland</i> | <i>0.025129</i> |
| <i>Massachusetts</i> | <i>0.025754</i> |
| <i>Michigan</i> | <i>0.033487</i> |
| <i>Minnesota</i> | <i>0.020385</i> |
| <i>Mississippi</i> | <i>0.009112</i> |
| <i>Missouri</i> | <i>0.028037</i> |
| <i>Montana</i> | <i>0.007500</i> |
| <i>Nebraska</i> | <i>0.008023</i> |
| <i>Nevada</i> | <i>0.007500</i> |
| <i>New Hampshire</i> | <i>0.007500</i> |
| <i>New Jersey</i> | <i>0.046117</i> |
| <i>New Mexico</i> | <i>0.007500</i> |
| <i>New York</i> | <i>0.103531</i> |
| <i>North Carolina</i> | <i>0.019007</i> |
| <i>North Dakota</i> | <i>0.007500</i> |
| <i>Ohio</i> | <i>0.054722</i> |
| <i>Oklahoma</i> | <i>0.008171</i> |
| <i>Oregon</i> | <i>0.012456</i> |
| <i>Pennsylvania</i> | <i>0.041484</i> |
| <i>Rhode Island</i> | <i>0.007500</i> |
| <i>South Carolina</i> | <i>0.007500</i> |
| <i>South Dakota</i> | <i>0.007500</i> |
| <i>Tennessee</i> | <i>0.011019</i> |
| <i>Texas</i> | <i>0.037664</i> |
| <i>Utah</i> | <i>0.007500</i> |
| <i>Vermont</i> | <i>0.007500</i> |
| <i>Virginia</i> | <i>0.020698</i> |
| <i>Washington</i> | <i>0.017588</i> |

| <i>“State</i> | <i>Allotment value</i> |
|----------------------------|----------------------------|
| <i>West Virginia</i> | <i>0.011825</i> |
| <i>Wisconsin</i> | <i>0.022844</i> |
| <i>Wyoming</i> | <i>0.007500</i> |
| <i>Puerto Rico</i> | <i>0.005000</i> |
| <i>Territories</i> | <i>0.002500</i> |

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 of—*

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

7 “(B) *\$100,000.*

8 “(2) *OPERATOR TRAINING; INDIAN TRIBES.*—*Of*
9 *the total amount of funds made available to carry out*
10 *this title, before allotting funds in accordance with*
11 *subsection (a), for fiscal year 2009 and each fiscal*
12 *year thereafter, the Administrator—*

13 “(A) *may reserve not more than \$5,000,000*
14 *to carry out the objectives described in section*
15 *104(g); and*

16 “(B) *shall allocate 1.5 percent to Indian*
17 *tribes (as defined in section 518(h)).”.*

18 **SEC. 110. AUTHORIZATION OF APPROPRIATIONS.**

19 *The Federal Water Pollution Control Act is amended*
20 *by striking section 607 (33 U.S.C. 1387) and inserting the*
21 *following:*

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

2 “(a) *IN GENERAL.*—*There are authorized to be appro-*
3 *priated to carry out this title—*

4 “(1) \$3,200,000,000 for each of fiscal years 2010
5 *and 2011;*

6 “(2) \$3,600,000,000 for fiscal year 2012;

7 “(3) \$4,000,000,000 for fiscal year 2013; and

8 “(4) \$6,000,000,000 for fiscal year 2014.

9 “(b) *AVAILABILITY.*—*Amounts made available under*
10 *this section shall remain available until expended.*

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

17 **SEC. 111. SEWER OVERFLOW CONTROL GRANTS.**

18 (a) *SEWER OVERFLOW CONTROL GRANTS.*—*Section*
19 *221 of the Federal Water Pollution Control Act (33 U.S.C.*
20 *1301) is amended—*

21 (1) *in subsection (a), by striking “IN GENERAL”*
22 *and all that follows through “(2) subject to subsection*
23 *(g), the Administrator may” and inserting the fol-*
24 *lowing:*

25 “(a) *IN GENERAL.*—*The Administrator may—*

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

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

8 (2) by striking subsections (e) through (g) and
9 inserting the following:

10 “(e) *ADMINISTRATIVE REQUIREMENTS.*—

11 “(1) *IN GENERAL.*—Subject to paragraph (2), a
12 project that receives grant assistance under subsection
13 (a) shall be carried out subject to the same require-
14 ments as a project that receives assistance from a
15 State water pollution control revolving fund estab-
16 lished pursuant to title VI.

17 “(2) *DETERMINATION OF GOVERNOR.*—The re-
18 quirement described in paragraph (1) shall not apply
19 to a project that receives grant assistance under sub-
20 section (a) to the extent that the Governor of the State
21 in which the project is located determines that a re-
22 quirement described in title VI is inconsistent with
23 the purposes of this section.

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

4 “(1) \$250,000,000 for fiscal year 2010;

5 “(2) \$300,000,000 for fiscal year 2011;

6 “(3) \$350,000,000 for fiscal year 2012;

7 “(4) \$400,000,000 for fiscal year 2013; and

8 “(5) \$500,000,000 for fiscal year 2014.

9 “(g) *ALLOCATION OF FUNDS.—*

10 “(1) *FISCAL YEAR 2010 AND 2011.—For each of*
11 *fiscal years 2010 and 2011, subject to subsection (h),*
12 *the Administrator shall use the amounts made avail-*
13 *able to carry out this section to provide grants to mu-*
14 *nicipalities and municipal entities under subsection*
15 *(a)(2)—*

16 “(A) *in accordance with the priority cri-*
17 *teria described in subsection (b); and*

18 “(B) *with additional priority given to pro-*
19 *posed projects that involve the use of—*

20 “(i) *nonstructural, low-impact develop-*
21 *ment;*

22 “(ii) *water conservation, efficiency, or*
23 *reuse; or*

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

4 “(2) FISCAL YEAR 2012 AND THEREAFTER.—For
5 fiscal year 2012 and each fiscal year thereafter, sub-
6 ject to subsection (h), the Administrator shall use the
7 amounts made available to carry out this section to
8 provide grants to States under subsection (a)(1) in
9 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 of
15 the State for municipal combined sewer overflow
16 controls and sanitary sewer overflow controls, as
17 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 “2011”.

1 **SEC. 112. CRITICAL WATER INFRASTRUCTURE PROJECTS.**

2 (a) *ESTABLISHMENT.*—*The Administrator shall estab-*
3 *lish a program under which grants are provided to eligible*
4 *entities for use in carrying out projects and activities the*
5 *primary purpose of which is watershed restoration through*
6 *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 eligi-*
18 *ble to be carried out using funds provided under this*
19 *section may include projects that are included in the*
20 *intended use plan of the State developed in accord-*
21 *ance with section 606(c) of the Federal Water Pollu-*
22 *tion 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, mainte-*
14 *nance, 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 as-*
13 *sistance” and inserting the following:*

14 “(2) *TYPES OF ASSISTANCE.—Such assistance”;*

15 (3) *in the third sentence, by striking “The Ad-*
16 *ministrator shall ensure” and inserting the following:*

17 “(3) *AVAILABILITY.—The Administrator shall*
18 *ensure”;*

19 (4) *in the fourth sentence, by striking “Each*
20 *nonprofit” and inserting the following:*

21 “(4) *REQUIREMENT APPLICABLE TO NONPROFIT*
22 *ORGANIZATIONS.—Each nonprofit”;* and

23 (5) *by striking the fifth sentence and all that fol-*
24 *lows and inserting the following:*

1 “(5) *PRIORITY.*—*In providing grants under this*
2 *section, the Administrator shall give priority to small*
3 *systems organizations that, as determined by the Ad-*
4 *ministrator, in consultation with the State, are quali-*
5 *fied and will be the most effective at assisting small*
6 *systems.*

7 “(6) *WELLS AND WELL SYSTEMS.*—

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

15 “(B) *FORM OF ASSISTANCE.*—*Technical as-*
16 *sistance referred to in subparagraph (A) may in-*
17 *clude—*

18 “(i) *training and education;*

19 “(ii) *operation of a hotline; and*

20 “(iii) *the conduct of other activities re-*
21 *lating to the design and construction of*
22 *household, shared, and small water well sys-*
23 *tems in rural areas.*

24 “(C) *PRIORITY.*—*Subject to paragraph (5),*
25 *in providing grants under this section, the Ad-*

1 *administrator shall give priority to applicants*
2 *that, as determined by the Administrator—*

3 *“(i) are qualified; and*

4 *“(ii) have demonstrated experience in*
5 *providing similar technical assistance and*
6 *in developing similar projects.*

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

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

11 *and*

12 *“(ii) \$7,500,000 for each of fiscal years*
13 *2011 through 2014.*

14 *“(7) FUNDING.—*

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

20 *“(B) LOBBYING EXPENSES.—No portion of*
21 *any State loan fund established under section*
22 *1452 and no portion of any funds made avail-*
23 *able under this subsection may be used for lob-*
24 *bying expenses.*

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

6 **SEC. 202. PRESERVATION OF EMPLOYEE LABOR STAND-**
 7 **ARDS.**

8 Section 1450 of the Safe Drinking Water Act (42
 9 U.S.C. 300j-9) is amended by striking subsection (e) and
 10 inserting the following:

11 “(e) *LABOR STANDARDS.*—

12 “(1) *IN GENERAL.*—The Administrator shall take
 13 such action as the Administrator determines to be
 14 necessary to ensure that each laborer and mechanic
 15 employed by a contractor or subcontractor of a con-
 16 struction project financed, in whole or in part, by a
 17 grant, loan, loan guarantee, refinancing, or any other
 18 form of financial assistance provided under this Act
 19 (including assistance provided by a State loan fund
 20 established under section 1452) is paid wages at a
 21 rate of not less than the wages prevailing for the same
 22 type of work on similar construction in the imme-
 23 diate locality, as determined by the Secretary of
 24 Labor in accordance with subchapter IV of chapter 31
 25 of title 40, United States Code.

1 “(2) *AUTHORITY OF SECRETARY OF LABOR.*—
2 *With respect to the labor standards specified in this*
3 *subsection, the Secretary of Labor shall have the au-*
4 *thority and functions established in Reorganization*
5 *Plan Numbered 14 of 1950 (5 U.S.C. App.) and sec-*
6 *tion 3145 of title 40, United States Code.”.*

7 **SEC. 203. PRECONSTRUCTION WORK.**

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

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

13 (2) *in subparagraph (B) (as designated by para-*
14 *graph (1))—*

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

20 (B) *by inserting before the period at the end*
21 *the following: “or to replace or rehabilitate aging*
22 *treatment, storage, or distribution facilities of*
23 *public water systems or provide for capital*
24 *projects (excluding any expenditure for oper-*

1 *ations and maintenance) to upgrade the security*
 2 *of public water systems”; and*

3 *(3) by inserting after subparagraph (B) (as des-*
 4 *ignated by paragraph (1)) the following:*

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

14 **SEC. 204. PRIORITY SYSTEM REQUIREMENTS.**

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

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

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

21 “(A) *DEFINITION OF RESTRUCTURING.—In*
 22 *this paragraph, the term ‘restructuring’ means*
 23 *changes in operations (including ownership, co-*
 24 *operative partnerships, asset management, con-*
 25 *solidation, and alternative water supply).*

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

5 “(i) *address the most serious risk to*
6 *human health;*

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

10 “(iii) *assist systems most in need on a*
11 *per-household basis according to State af-*
12 *fordability criteria; and*

13 “(iv) *improve the sustainability of sys-*
14 *tems.*

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

23 “(i) *a description of utility manage-*
24 *ment best practices undertaken by a treat-*

1 *ment works applying for assistance, includ-*
2 *ing—*

3 *“(I) an inventory of assets, in-*
4 *cluding a description of the condition*
5 *of the assets;*

6 *“(II) a schedule for replacement of*
7 *assets;*

8 *“(III) a financing plan that fac-*
9 *tors in all lifecycle costs indicating*
10 *sources of revenue from ratepayers,*
11 *grants, bonds, other loans, and other*
12 *sources to meet the costs; and*

13 *“(IV) a review of options for re-*
14 *structuring the public water system;*

15 *“(ii) demonstration of consistency with*
16 *State, regional, and municipal watershed*
17 *plans;*

18 *“(iii) a water conservation plan con-*
19 *sistent with guidelines developed for those*
20 *plans by the Administrator under section*
21 *1455(a); and*

22 *“(iv) approaches to improve the sus-*
23 *tainability of the system, including—*

1 “(I) water efficiency or conserva-
2 tion, including the rehabilitation or re-
3 placement of existing leaking pipes;

4 “(II) use of reclaimed water;

5 “(III) actions to increase energy
6 efficiency; and

7 “(IV) implementation of source
8 water protection plans.”; and

9 (3) in subparagraph (D) (as redesignated by
10 paragraph (1)), by striking “periodically” and insert-
11 ing “at least biennially”.

12 **SEC. 205. AFFORDABILITY.**

13 Section 1452(d)(3) of the Safe Drinking Water Act (42
14 U.S.C. 300j-12(d)(3)) is amended in the first sentence by
15 inserting “, or portion of a service area,” after “service
16 area”.

17 **SEC. 206. SAFE DRINKING WATER REVOLVING LOAN FUNDS.**

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

20 (1) paragraph (2)—

21 (A) in the first sentence, by striking “up to
22 4 percent of the funds allotted to the State under
23 this section” and inserting “, for each fiscal
24 year, an amount that does not exceed the sum of
25 the amount of any fees collected by the State for

1 *use in covering reasonable costs of administra-*
 2 *tion of programs under this section, regardless of*
 3 *the source, and an amount equal to the greatest*
 4 *of \$400,000, $\frac{1}{5}$ percent of the current valuation*
 5 *of the fund, or 6 percent of all grant awards to*
 6 *the fund under this section for the fiscal year;”;*
 7 *and*

8 *(B) by striking “1419,” and all that follows*
 9 *through “1993.” and inserting “1419.”; and*

10 *(2) by adding at the end the following:*

11 “(5) *TRANSFER OF FUNDS.—*

12 “(A) *IN GENERAL.—The Governor of a*
 13 *State may—*

14 “(i)(I) *reserve not more than the great-*
 15 *er of—*

16 “(aa) *33 percent of a capitaliza-*
 17 *tion grant made under this section; or*

18 “(bb) *33 percent of a capitaliza-*
 19 *tion grant made under section 601 of*
 20 *the Federal Water Pollution Control*
 21 *Act (33 U.S.C. 1381);*

22 “(II) *add the funds reserved to any*
 23 *funds provided to the State under section*
 24 *601 of the Federal Water Pollution Control*
 25 *Act (33 U.S.C. 1381); and*

1 “(i)(I) reserve for any fiscal year an
 2 amount that does not exceed the amount
 3 that may be reserved under clause (i)(I) for
 4 that year from capitalization grants made
 5 under section 601 of that Act (33 U.S.C.
 6 1381); and

7 “(II) add the reserved funds to any
 8 funds provided to the State under this sec-
 9 tion.

10 “(B) STATE MATCH.—Funds reserved under
 11 this paragraph shall not be considered to be a
 12 State match of a capitalization grant required
 13 under this section or section 602(b) of the Fed-
 14 eral Water Pollution Control Act (33 U.S.C.
 15 1382(b)).”.

16 **SEC. 207. OTHER AUTHORIZED ACTIVITIES.**

17 Section 1452(k)(2)(D) of the Safe Drinking Water Act
 18 (42 U.S.C. 300j-12(k)(2)(D)) is amended by inserting be-
 19 fore the period at the end the following: “(including imple-
 20 mentation of source water protection plans)”.

21 **SEC. 208. AUTHORIZATION OF APPROPRIATIONS.**

22 Section 1452 of the Safe Drinking Water Act (42
 23 U.S.C. 300j-12) is amended by striking subsection (m) and
 24 inserting the following:

25 “(m) AUTHORIZATION OF APPROPRIATIONS.—

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

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

4 “(B) \$2,000,000,000 for each of fiscal years
5 2011 and 2012;

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

7 *and*

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

9 “(2) *AVAILABILITY.*—*Amounts made available*
10 *under this subsection shall remain available until ex-*
11 *pended.*

12 “(3) *RESERVATION FOR NEEDS SURVEYS.*—*Of*
13 *the amount made available under paragraph (1) to*
14 *carry out this section for a fiscal year, the Adminis-*
15 *trator may reserve not more than \$1,000,000 per year*
16 *to pay the costs of conducting needs surveys under*
17 *subsection (h).”.*

18 **SEC. 209. NEGOTIATION OF CONTRACTS.**

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

22 “(s) *NEGOTIATION OF CONTRACTS.*—*For communities*
23 *with populations of more than 10,000 individuals, a con-*
24 *tract to be carried out using funds directly made available*
25 *by a capitalization grant under this section for program*

1 *management, construction management, feasibility studies,*
 2 *preliminary engineering, design, engineering, surveying,*
 3 *mapping, or architectural or related services shall be nego-*
 4 *tiated in the same manner as—*

5 “(1) *a contract for architectural and engineering*
 6 *services is negotiated under chapter 11 of title 40,*
 7 *United States Code; or*

8 “(2) *an equivalent State qualifications-based re-*
 9 *quirement (as determined by the Governor of the*
 10 *State).”.*

11 **SEC. 210. CRITICAL DRINKING WATER INFRASTRUCTURE**
 12 **PROJECTS.**

13 (a) *ESTABLISHMENT.—Not later than 180 days after*
 14 *the date of enactment of this Act, the Administrator shall*
 15 *establish a program under which grants are provided to eli-*
 16 *gible entities for use in carrying out projects and activities*
 17 *the primary purpose of which is to assist community water*
 18 *systems in meeting the requirements of the Safe Drinking*
 19 *Water Act (42 U.S.C. 300f et seq.).*

20 (b) *PROJECT SELECTION.—A project that is eligible to*
 21 *be carried out using funds provided under this section may*
 22 *include projects that—*

23 (1) *develop alternative water sources;*

24 (2) *provide assistance to small systems; or*

25 (3) *assist a community water system—*

1 (A) to comply with a national primary
2 drinking water regulation; or

3 (B) to mitigate groundwater contamination,
4 including saltwater intrusion.

5 (c) *ELIGIBLE ENTITIES.*—An entity eligible to receive
6 a grant under this section is—

7 (1) a community water system as defined in sec-
8 tion 1401 of the Safe Drinking Water Act (42 U.S.C.
9 300f); or

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

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

16 (1) serve a community that, under affordability
17 criteria established by the State under section
18 1452(d)(3) of the Safe Drinking Water Act (42 U.S.C.
19 300j–12), is determined by the State to be—

20 (A) a disadvantaged community; or

21 (B) a community that may become a dis-
22 advantaged community as a result of carrying
23 out an eligible activity; or

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

1 (e) *LOCAL PARTICIPATION.*—*In prioritizing projects*
2 *for implementation under this section, the Administrator*
3 *shall consult with, and consider the priorities of, affected*
4 *States, Indian Tribes, and local governments.*

5 (f) *COST SHARING.*—*Before carrying out any project*
6 *under this section, the Administrator shall enter into a*
7 *binding agreement with 1 or more non-Federal interests*
8 *that shall require the non-Federal interests—*

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

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

15 (3) *to pay 100 percent of any operation, mainte-*
16 *nance, repair, replacement, and rehabilitation costs*
17 *associated with the project.*

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

1 (h) *AUTHORIZATION OF APPROPRIATIONS.*—*There is*
2 *authorized to be appropriated to carry out this section—*

3 (1) *\$230,000,000 for fiscal year 2010; and*

4 (2) *\$300,000,000 for each of fiscal years 2011*
5 *through 2014.*

6 **SEC. 211. REDUCING LEAD IN DRINKING WATER.**

7 (a) *DEFINITIONS.*—*In this section:*

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

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

13 (B) *a system located in an area governed by*
14 *an Indian Tribe (as defined in that section);*

15 (C) *a nontransient noncommunity water*
16 *system;*

17 (D) *a qualified nonprofit organization, as*
18 *determined by the Administrator; and*

19 (E) *a municipality or State, interstate, or*
20 *intermunicipal agency.*

21 (2) *LEAD REDUCTION PROJECT.*—*The term “lead*
22 *reduction project” means a project or activity the pri-*
23 *mary purpose of which is to reduce the level of lead*
24 *in water for human consumption by—*

1 (A) replacement of publicly owned lead
2 service lines;

3 (B) capital costs, testing, planning, or other
4 relevant activities, as determined by the Admin-
5 istrator, to identify and address conditions (in-
6 cluding corrosion control) that contribute to in-
7 creased lead levels in water for human consump-
8 tion;

9 (C) assistance to low-income homeowners to
10 replace privately owned service lines, pipes, fit-
11 tings, or fixtures that contain lead; and

12 (D) education of consumers regarding meas-
13 ures to reduce exposure to lead from drinking
14 water or other sources.

15 (3) *LOW-INCOME*.—The term “low-income”, with
16 respect to an individual provided assistance under
17 this section, has such meaning as may be given the
18 term by the head of the municipality or State, inter-
19 state, or intermunicipal agency with jurisdiction over
20 the area to which assistance is provided.

21 (4) *MUNICIPALITY*.—The term “municipality”
22 means—

23 (A) a city, town, borough, county, parish,
24 district, association, or other public entity estab-

1 *lished by, or pursuant to, applicable State law;*
2 *and*

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

6 *(b) GRANT PROGRAM.—*

7 *(1) ESTABLISHMENT.—Not later than 180 days*
8 *after the date of enactment of this Act, the Adminis-*
9 *trator shall establish a grant program to provide as-*
10 *sistance to eligible entities for lead reduction projects*
11 *in the United States.*

12 *(2) EVALUATION.—In providing assistance under*
13 *this section, the Administrator shall evaluate—*

14 *(A) whether an eligible entity applying for*
15 *assistance has taken steps to identify the source*
16 *of lead in water for human consumption; and*

17 *(B) the means by which the proposed lead*
18 *reduction project would reduce lead levels in the*
19 *applicable water system.*

20 *(3) PRIORITY APPLICATION.—In providing*
21 *grants under this subsection, the Administrator shall*
22 *give priority to an eligible entity that—*

23 *(A) carries out a lead reduction project at*
24 *a public water system or nontransient non-*
25 *community water system that has exceeded the*

1 *lead action level established by the Administrator*
2 *at any time during the 3-year period preceding*
3 *the date of submission of the application of the*
4 *eligible entity;*

5 *(B) addresses lead levels in water for*
6 *human consumption at a school, daycare, or*
7 *other facility that primarily serves children or*
8 *another vulnerable human subpopulation; or*

9 *(C) addresses such priority criteria as the*
10 *Administrator may establish, consistent with the*
11 *goal of reducing lead levels of concern.*

12 (4) *COST SHARING.*—

13 (A) *IN GENERAL.*—*Subject to subparagraph*
14 *(B), the non-Federal share of the total cost of a*
15 *project funded by a grant under this subsection*
16 *shall be not less than 20 percent.*

17 (B) *WAIVER.*—*The Administrator may re-*
18 *duce or eliminate the non-Federal share under*
19 *subparagraph (A) for reasons of affordability, as*
20 *the Administrator determines to be appropriate.*

21 (5) *LOW-INCOME ASSISTANCE.*—

22 (A) *IN GENERAL.*—*Subject to subpara-*
23 *graphs (B) and (C), an eligible entity may use*
24 *a grant provided under this subsection to provide*

1 *assistance to low-income homeowners to carry*
2 *out lead reduction projects.*

3 *(B) LOW-INCOME ASSISTANCE CAP.—Of the*
4 *funds made available to carry out this section,*
5 *not more than \$5,000,000 may be allocated to*
6 *provide assistance to low-income homeowners*
7 *under this paragraph for any fiscal year.*

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

11 *(6) SPECIAL CONSIDERATION FOR LEAD SERVICE*
12 *LINE REPLACEMENT.—In carrying out lead service*
13 *line replacement using a grant under this subsection,*
14 *an eligible entity shall—*

15 *(A) notify customers of the replacement of*
16 *any publicly owned portion of the lead service*
17 *line;*

18 *(B) offer to replace the privately owned por-*
19 *tion of the lead service line at the cost of replace-*
20 *ment;*

21 *(C) recommend measures to avoid exposure*
22 *to short-term increases in lead levels following a*
23 *partial lead service line replacement; and*

24 *(D) demonstrate that the eligible entity has*
25 *considered multiple options for reducing lead in*

1 *drinking water supply, or water use efficiency and*
2 *conservation.*

3 (2) *TYPES OF PROJECTS.—In carrying out this*
4 *subsection, the Administrator may select projects re-*
5 *lating to such matters as innovative or alternative*
6 *technologies, approaches, practices, or methods—*

7 (A) *to increase the effectiveness and effi-*
8 *ciency of water and wastewater infrastructure*
9 *through the use of integrated water resource*
10 *management;*

11 (B) *to increase the effectiveness and effi-*
12 *ciency of public water systems, including—*

13 (i) *source water protection;*

14 (ii) *water use reduction;*

15 (iii) *water collection, storage, and*
16 *treatment and reuse of rainwater,*
17 *stormwater, and graywater;*

18 (iv) *identification of behavioral, social,*
19 *and economic barriers to achieving greater*
20 *water use efficiency;*

21 (v) *use of watershed planning directed*
22 *toward water quality, conservation, and*
23 *supply;*

24 (vi) *actions to reduce energy consump-*
25 *tion;*

1 (vii) water treatment;

2 (viii) water distribution and waste-
3 water collection systems;

4 (ix) desalination; and

5 (x) water security;

6 (C) to encourage the use of innovative or al-
7 ternative technologies or approaches relating to
8 water supply or availability;

9 (D) to increase the effectiveness and effi-
10 ciency of new and existing treatment works, in-
11 cluding—

12 (i) methods of collecting, treating, dis-
13 persing, reusing, reclaiming, and recycling
14 wastewater;

15 (ii) system design;

16 (iii) nonstructural alternatives;

17 (iv) decentralized approaches;

18 (v) stormwater and wastewater reuse;

19 (vi) water use efficiency and conserva-
20 tion;

21 (vii) actions to reduce energy consump-
22 tion;

23 (viii) technologies to extract energy
24 from wastewater; and

25 (ix) wastewater security;

1 (E) to increase the effectiveness and effi-
2 ciency of municipal separate storm sewer sys-
3 tems and combined sewer systems, including
4 through the use of soil and vegetation or other
5 permeable materials;

6 (F) to promote new water treatment tech-
7 nologies and management approaches, including
8 commercialization and dissemination strategies
9 for adoption of innovative water, wastewater,
10 and stormwater technologies and management
11 approaches or low-impact development tech-
12 nologies in the homebuilding industry; or

13 (G) to maintain a clearinghouse of tech-
14 nologies and management approaches developed
15 under this subsection and subsections (c) and (d)
16 at a research consortium or institute or other ap-
17 propriate organization, as determined by the Ad-
18 ministrator.

19 (3) *FACTORS FOR CONSIDERATION.*—In planning
20 and implementing the program under this subsection,
21 the Administrator shall take into consideration—

22 (A) research needs identified by water re-
23 source managers, State and local governments,
24 and other interested parties; and

1 (B) technologies and processes likely to
2 achieve the greatest increases in water quality,
3 drinking water supply, or water use efficiency
4 and conservation.

5 (4) *MINORITY-SERVING INSTITUTIONS.*—*In car-*
6 *rying out the program under this subsection, the Ad-*
7 *ministrator—*

8 (A) may provide extramural grants to insti-
9 tutions of higher education; and

10 (B) shall encourage participation by minor-
11 ity-serving institutions.

12 (b) *STRATEGIC RESEARCH PLAN.*—

13 (1) *IN GENERAL.*—*Not later than 180 days after*
14 *the date of enactment of this Act, the Administrator,*
15 *in coordination with the heads of other appropriate*
16 *Federal departments and agencies, shall develop a*
17 *strategic research plan for the grant program under*
18 *subsection (a).*

19 (2) *REQUIREMENTS.*—

20 (A) *COORDINATION.*—*The plan under para-*
21 *graph (1) shall be carried out, to the maximum*
22 *extent practicable, in coordination with other re-*
23 *search and development strategic plans of the*
24 *Environmental Protection Agency.*

1 (B) *CONTENTS.*—*The plan under para-*
2 *graph (1) shall—*

3 (i) *describe, in outline form, research*
4 *goals and priorities relating to an agenda*
5 *of water quality, drinking water supply,*
6 *and water use efficiency and conservation,*
7 *including—*

8 (I) *developing innovative water*
9 *supply-enhancing processes and tech-*
10 *nologies;*

11 (II) *improving existing processes*
12 *and technologies, including wastewater*
13 *treatment, desalination, and ground-*
14 *water recharge and recovery schemes;*

15 (III) *improving the effectiveness*
16 *and efficiency of nontraditional waste-*
17 *water treatment practices, including*
18 *nonstructural alternatives, low-impact*
19 *development techniques, and decentral-*
20 *ized approaches; and*

21 (IV) *exploring concepts that ex-*
22 *tract energy from wastewater;*

23 (ii)(I) *identify current Federal water-*
24 *related research efforts directed toward*
25 *achieving the goals of improving water*

1 *quality, water use efficiency, or water con-*
2 *servation or expanding water supply; and*

3 *(II) describe the means by which those*
4 *efforts are coordinated with the program es-*
5 *tablished under subsection (a) in order to*
6 *leverage resources and avoid duplication;*

7 *(iii) take into consideration the public*
8 *health and environmental quality impacts*
9 *and cost-effectiveness of each relevant tech-*
10 *nology and approach; and*

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

18 (3) *SCIENCE ADVISORY BOARD REVIEW.—The*
19 *Administrator shall submit the plan under paragraph*
20 *(1) to the Science Advisory Board of the Environ-*
21 *mental Protection Agency for review.*

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

1 (c) *MUNICIPALITIES GRANT PROGRAM.*—

2 (1) *DEFINITION OF MUNICIPALITY.*—*In this sub-*
3 *section, the term “municipality” means—*

4 (A) *a city, town, borough, county, parish,*
5 *district, association, authority, or other public*
6 *entity established by, or pursuant to, State law;*
7 *or*

8 (B) *an Indian tribe (as defined in section*
9 *4 of the Indian Self-Determination and Edu-*
10 *cation Assistance Act (25 U.S.C. 450b)).*

11 (2) *ESTABLISHMENT.*—*Not later than 90 days*
12 *after the date of publication of the initial report*
13 *under subsection (e)(2), the Administrator shall estab-*
14 *lish a nationwide demonstration grant program—*

15 (A) *to promote innovations in technology*
16 *and alternative approaches to water quality*
17 *management or water supply developed under*
18 *subsection (a); and*

19 (B) *to reduce costs to municipalities in-*
20 *curring in complying with the Federal Water Pol-*
21 *lution Control Act (33 U.S.C. 1251 et seq.) and*
22 *the Safe Drinking Water Act (42 U.S.C. 300f et*
23 *seq.) through the approaches and technologies de-*
24 *veloped under subsection (a).*

1 (3) *SCOPE.*—*The demonstration grant program*
2 *shall consist of up to 10 projects each year, to be car-*
3 *ried out in municipalities selected by the Adminis-*
4 *trator under paragraph (5).*

5 (4) *APPLICATIONS.*—*A municipality that seeks*
6 *to participate in the demonstration grant program es-*
7 *tablished under this subsection shall submit to the Ad-*
8 *ministrator a plan that—*

9 (A) *is developed in coordination with—*

10 (i) *the agencies of the State having ju-*
11 *risdiction over water quality and water*
12 *supply matters; and*

13 (ii) *interested stakeholders, including*
14 *institutions of higher education and related*
15 *research institutions;*

16 (B) *describes water impacts specific to*
17 *urban or rural areas;*

18 (C) *includes a strategy under which the mu-*
19 *nicipality, through participation in the dem-*
20 *onstration grant program, could effectively—*

21 (i) *address water quality or water sup-*
22 *ply problems; and*

23 (ii) *achieve the water quality goals*
24 *that—*

1 (I) could be achieved using more
2 traditional methods; and

3 (II) are required under the Fed-
4 eral Water Pollution Control Act (33
5 U.S.C. 1251 et seq.) or the Safe Drink-
6 ing Water Act (42 U.S.C. 300f et seq.);
7 and

8 (D) includes a schedule for achieving the
9 water quality, water supply, or water use effi-
10 ciency and conservation goals of the munici-
11 pality.

12 (5) CATEGORIES OF PROJECTS.—

13 (A) IN GENERAL.—In carrying out the dem-
14 onstration grant program, the Administrator
15 shall provide grants for—

16 (i) projects relating to water supply,
17 water quality, or water use efficiency and
18 conservation matters described in subsection
19 (a)(2); and

20 (ii) subject to subparagraph (B), not
21 less than 2 projects for the incorporation
22 into a building of the most current water
23 use efficiency and conservation technologies
24 and designs.

25 (B) PROJECTS FOR INCORPORATION.—

1 (i) *INCREMENTAL COST LIMITATION.*—
2 A grant provided under subparagraph
3 (A)(ii) may be used only to pay the incre-
4 mental costs of incorporation into a build-
5 ing of a water use efficiency and conserva-
6 tion technology or design.

7 (ii) *TYPES OF BUILDINGS.*—Of the
8 projects for which grants are provided
9 under subparagraph (A)(ii)—

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

12 (II) at least 1 shall be for a com-
13 mercial building.

14 (iii) *PUBLIC AVAILABILITY.*—The de-
15 sign of each building for which a grant is
16 provided under subparagraph (A)(ii) shall
17 be made available to the public, and each
18 such building shall be accessible to the pub-
19 lic for tours and educational purposes.

20 (6) *RESPONSIBILITIES OF ADMINISTRATOR.*—In
21 providing grants for projects under this subsection,
22 the Administrator shall—

23 (A) ensure, to the maximum extent prac-
24 ticable, that—

1 (i) the demonstration grant program
2 under this subsection includes a variety of
3 projects with respect to—

4 (I) geographical distribution;

5 (II) innovative technologies used
6 for the projects; and

7 (III) nontraditional approaches
8 (including low-impact development
9 technologies) used for the projects; and

10 (ii) each category of project described
11 in paragraph (5) is adequately represented;

12 (B) give higher priority to projects that—

13 (i) address multiple problems; and

14 (ii) are regionally applicable;

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

19 (D) ensure that, for each fiscal year, no mu-
20 nicipality receives more than 25 percent of the
21 total amount of funds made available for the fis-
22 cal year to provide grants under this subsection.

23 (7) COST SHARING.—

24 (A) IN GENERAL.—Except as provided in
25 subparagraph (B), the non-Federal share of the

1 *total cost of a project funded by a grant under*
 2 *this subsection shall be not less than 20 percent.*

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, in-*
 17 *cluding through the establishment of a publicly*
 18 *accessible clearinghouse, regarding those tech-*
 19 *nologies and processes, including information*
 20 *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 INFORMA-*
5 *TION.—To the maximum extent practicable, the Ad-*
6 *ministrator shall incorporate the results of, and infor-*
7 *mation obtained from, successful projects under this*
8 *section into other programs administered by the Ad-*
9 *ministrator.*

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 de-*
16 *scribes 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 not*
19 *less frequently than once every 2 years thereafter, the*
20 *Administrator shall submit to the Committee on En-*
21 *vironment and Public Works of the Senate and the*
22 *Committees on Transportation and Infrastructure*
23 *and Energy and Commerce of the House of Represent-*
24 *atives a report describing—*

1 (A) *the findings of each recipient of a grant*
2 *under subsection (a) with respect to the identi-*
3 *fication of any potential new technology or man-*
4 *agement approach developed by the recipient;*
5 *and*

6 (B) *the status and results of the grant pro-*
7 *gram 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 by*
15 *using a design technique that infiltrates, filters,*
16 *stores, evaporates, and detains runoff close to the*
17 *source.*

18 (B) *SOFT PATH APPROACH.—The term “soft*
19 *path approach” means a general framework that*
20 *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 ministrators shall enter into an arrangement
8 with the National Academy of Sciences under
9 which the Academy shall conduct a study, by not
10 later than 2 years after that date, of innovative,
11 effective, and systematic approaches for the man-
12 agement of water supply, wastewater, and
13 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 subparagraph
21 (A);

22 (iii) take into consideration the costs of
23 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 sys-*
8 *tems, 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 of*
24 *the House of Representatives a report describing*

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

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

5 *(i) an evaluation of relevant challenges*
6 *and opportunities; and*

7 *(ii) recommendations for innovative*
8 *and integrated solutions for use as a prac-*
9 *tical reference by water managers, planners,*
10 *developers, scientists, engineers, nongovern-*
11 *mental organizations, Federal departments*
12 *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 “ag-*
20 *ricultural 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 raising;*

25 *(D) the products of forestry; and*

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

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

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

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

12 (ii) improves water use efficiency; and

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

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

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

1 *that owns, or shares the ownership and risk of loss of,*
 2 *the agricultural commodity.*

3 (5) *REVOLVING FUND.*—*The term “revolving*
 4 *fund” means an agricultural watershed sustainability*
 5 *technology revolving fund—*

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

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

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

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

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

23 (2) *ELIGIBLE STATES.*—*An eligible State re-*
 24 *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 from*
4 *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 to*
9 *make loans to producers in accordance with sub-*
10 *section (c); and*

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

15 *(c) LOANS TO PRODUCERS.—*

16 *(1) USE OF FUNDS.—A State that establishes a*
17 *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 agri-*
20 *cultural projects.*

21 *(2) MAXIMUM AMOUNT OF LOAN.—The amount of*
22 *a loan made to a producer using funds from a revolv-*
23 *ing fund shall not exceed \$250,000, in the aggregate,*
24 *for all agricultural projects serving an agricultural*
25 *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 later
7 than 20 years after the date on which funds are
8 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 of
18 the State, that each project proposed to be
19 carried out with funds from the loan is an
20 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 of*
 3 *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 *(a) IN GENERAL.—As soon as practicable after the*
 9 *date of enactment 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 revolv-*
 16 *ing funds established under title VI of the Fed-*
 17 *eral 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 1452*
 21 *of the Safe Drinking Water Act (42 U.S.C. 300j–*
 22 *12);*

23 *(2) take such administrative action as is nec-*
 24 *essary to expedite and improve the process as the Ad-*
 25 *ministrator has authority to take under existing law;*

1 (3) collect information relating to innovative ap-
2 proaches taken by any State to simplify the applica-
3 tion process of the State, and provide the information
4 to each State;

5 (4) conduct an evaluation of the process used to
6 develop and carry out the needs survey under section
7 516(b)(1)(B) of the Federal Water Pollution Control
8 Act (33 U.S.C. 1375(b)(1)(B)), including rec-
9 ommendations for ways to streamline the development
10 and conduct of that survey; and

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

16 (b) CONSIDERATIONS.—In carrying out this section,
17 the Administrator shall consider the needs of—

18 (1) small treatment works and medium treat-
19 ment works (as defined in section 222 of the Federal
20 Water Pollution Control Act);

21 (2) treatment works serving populations of
22 100,000 or more;

23 (3) small public water systems described in sec-
24 tion 1433(d) of the Safe Drinking Water Act (42
25 U.S.C. 300i-2(d)); and

1 (4) *public water systems described in section*
 2 *1433(a)(2) of the Safe Drinking Water Act (42 U.S.C.*
 3 *300i-2(a)(2)).*

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

5 (a) *IN GENERAL.*—*Not later than 2 years after the*
 6 *date of enactment of this Act, the Administrator shall enter*
 7 *an arrangement with the Academy under which the Acad-*
 8 *emy shall complete and provide to the Administrator the*
 9 *results of a study of the means by which public water sys-*
 10 *tems and treatment works selected by the Academy in ac-*
 11 *cordance with subsection (c) meet the costs associated with*
 12 *operations, maintenance, capital replacement, and regu-*
 13 *latory requirements.*

14 (b) *REQUIRED ELEMENTS.*—

15 (1) *AFFORDABILITY.*—*The study shall, at a min-*
 16 *imum—*

17 (A) *determine whether the rates at public*
 18 *water systems and treatment works for commu-*
 19 *nities included in the study were established*
 20 *using a full-cost pricing model;*

21 (B) *if a full-cost pricing model was not*
 22 *used, identify any incentive rate systems that*
 23 *have been successful in significantly reducing—*

24 (i) *per capita water demand;*

25 (ii) *the volume of wastewater flows;*

1 (iii) the volume of stormwater runoff;

2 or

3 (iv) the quantity of pollution generated
4 by stormwater;

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

8 (i) adequately addresses the true cost of
9 services provided to consumers by public
10 water systems and treatment works, includ-
11 ing infrastructure replacement;

12 (ii) encourages water conservation; and

13 (iii) takes into consideration the needs
14 of disadvantaged individuals and commu-
15 nities, as identified by the Administrator;

16 (D) identify existing standards for afford-
17 ability and the manner in which those standards
18 are determined and defined;

19 (E) determine the manner in which afford-
20 ability varies with respect to communities of dif-
21 ferent sizes and in different regions; and

22 (F) determine the extent to which afford-
23 ability affects the decision of a community to in-
24 crease public water system and treatment works
25 rates (including the decision relating to the per-

1 *centage by which those rates should be in-*
2 *creased).*

3 (2) *DISADVANTAGED COMMUNITIES.*—*The study*
4 *shall, at a minimum—*

5 (A) *survey a cross-section of States rep-*
6 *resenting different sizes, demographics, and geo-*
7 *graphical regions;*

8 (B) *describe, for each State described in*
9 *subparagraph (A), the definition of “disadvan-*
10 *taged community” used in the State in carrying*
11 *out projects and activities under the Safe Drink-*
12 *ing Water Act (42 U.S.C. 300f et seq.);*

13 (C) *review other means of identifying the*
14 *meaning of the term “disadvantaged”, as that*
15 *term applies to communities;*

16 (D) *determine which factors and character-*
17 *istics are required for a community to be consid-*
18 *ered “disadvantaged”; and*

19 (E) *evaluate the degree to which factors*
20 *such as a reduction in the tax base over a period*
21 *of time, a reduction in population, the loss of an*
22 *industrial base, and the existence of areas of con-*
23 *centrated poverty are taken into account in de-*
24 *termining whether a community is a disadvan-*
25 *taged community.*

1 (c) *SELECTION OF COMMUNITIES.*—*The Academy shall*
2 *select communities, the public water system and treatment*
3 *works rate structures of which are to be studied under this*
4 *section, that include a cross-section of communities rep-*
5 *resenting various populations, income levels, demographics,*
6 *and geographical regions.*

7 (d) *USE OF RESULTS OF STUDY.*—*On receipt of the*
8 *results of the study, the Administrator shall—*

9 (1) *submit the study to Congress;*

10 (2) *submit a report that describes the results of*
11 *the study; and*

12 (3) *make the results available to treatment works*
13 *and public water systems for use by the publicly*
14 *owned treatment works and public water systems, on*
15 *a voluntary basis, in determining whether 1 or more*
16 *new approaches may be implemented at facilities of*
17 *the publicly owned treatment works and public water*
18 *systems.*

19 (e) *AUTHORIZATION OF APPROPRIATIONS.*—*There is*
20 *authorized to be appropriated to carry out this section*
21 *\$1,000,000 for each of fiscal years 2010 and 2014.*

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

23 (a) *DEFINITIONS.*—*In this section:*

24 (1) *EFFECTIVE UTILITY MANAGEMENT STRAT-*
25 *EGY.*—*The term “effective utility management strat-*

1 *egy” means a strategy for the operation and manage-*
 2 *ment of a utility that, as determined by the Adminis-*
 3 *trator, incorporates the following attributes:*

4 (A) *Product quality.*

5 (B) *Stakeholder understanding and support.*

6 (C) *Customer satisfaction.*

7 (D) *Employee development.*

8 (E) *Operational optimization.*

9 (F) *Financial viability.*

10 (G) *Infrastructure stability.*

11 (H) *Operational resiliency.*

12 (I) *Community sustainability.*

13 (J) *Water resource adequacy.*

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

15 (A) *a treatment works (as defined in section*
 16 *212 of the Federal Water Pollution Control Act*
 17 *(33 U.S.C. 1292)); and*

18 (B) *a public water system (as defined in*
 19 *section 1401 of the Safe Drinking Water Act (42*
 20 *U.S.C. 300f)).*

21 (b) *ACTION BY ADMINISTRATOR.—The Administrator*
 22 *may carry out training programs, provide technical assist-*
 23 *ance, and disseminate information regarding effective util-*
 24 *ity management strategies, including by—*

1 (1) *providing seminars and workshops (includ-*
2 *ing electronic-based seminars and workshops), con-*
3 *ferences, and other educational programs and devel-*
4 *oping curricula to advance effective utility manage-*
5 *ment strategies;*

6 (2) *offering support and advice (including finan-*
7 *cial, operational, and management advice) to utility*
8 *operators and managers regarding effective utility*
9 *management strategies; and*

10 (3) *publishing and disseminating manuals on*
11 *best management practices and other relevant infor-*
12 *mation, success stories, and lessons learned relating to*
13 *effective utility management strategies.*

14 (c) *PARTNER ORGANIZATIONS.—In carrying out sub-*
15 *section (b), the Administrator may enter into cooperative*
16 *agreements, as the Administrator determines to be appro-*
17 *priate, with—*

18 (1) *stakeholder associations;*

19 (2) *qualified nonprofit organizations; and*

20 (3) *other relevant organizations, as determined*
21 *by the Administrator.*

22 (d) *AUTHORIZATION OF APPROPRIATIONS.—There is*
23 *authorized to be appropriated to carry out this section*
24 *\$1,000,000 for each of fiscal years 2010 through 2014.*

1 **SEC. 307. WATERSENSE PROGRAM.**

2 (a) *ESTABLISHMENT.*—*There is established within the*
3 *Environmental Protection Agency a program, to be known*
4 *as the “WaterSense Program”, to identify and promote vol-*
5 *untary approaches to increase water efficiency in the*
6 *United States to reduce the strain on water and wastewater*
7 *infrastructure and conserve water resources for future gen-*
8 *erations through voluntary labeling, promotion, or other*
9 *forms of communication regarding water efficient products,*
10 *programs, processes, buildings, landscapes, facilities, and*
11 *services that meet the highest water conservation and per-*
12 *formance standards.*

13 (b) *ADMINISTRATION.*—*The WaterSense Program shall*
14 *be carried out by the Administrator.*

15 (c) *DUTIES.*—*In carrying out the WaterSense Pro-*
16 *gram, the Administrator shall—*

17 (1) *establish—*

18 (A) *a WaterSense label to be used for cer-*
19 *tain items; and*

20 (B) *the procedure by which an item may be*
21 *certified to display the WaterSense label;*

22 (2) *promote products displaying the WaterSense*
23 *label as the preferred technologies in the market place*
24 *for—*

25 (A) *reducing water use; and*

26 (B) *ensuring product performance;*

1 (3) *work to enhance public awareness of the*
2 *WaterSense label;*

3 (4) *preserve the integrity of the WaterSense label*
4 *by—*

5 (A) *developing specifications to ensure reli-*
6 *able performance of WaterSense-labeled products,*
7 *buildings, landscapes, and services;*

8 (B) *overseeing WaterSense certifications*
9 *made by third parties;*

10 (C) *conducting reviews of the use of the*
11 *WaterSense label in the marketplace and taking*
12 *corrective action in any case in which misuse of*
13 *the label is identified; and*

14 (D) *carrying out such other measures as the*
15 *Administrator determines to be appropriate;*

16 (5) *regularly research and update WaterSense*
17 *product criteria for each applicable category of prod-*
18 *ucts;*

19 (6) *solicit comments from interested parties be-*
20 *fore establishing or revising a WaterSense product*
21 *category, specification, or criterion (or before the ef-*
22 *fective date for any such product category, specifica-*
23 *tion, or criterion, as applicable);*

1 (7) *on adoption of a new or revised product cat-*
2 *egory, specification, or criterion, provide reasonable*
3 *notice to interested parties regarding—*

4 (A) *any change (including a change of effec-*
5 *tive date) to the product category, specification,*
6 *or criterion;*

7 (B) *an explanation of the change; and*

8 (C) *as appropriate, responses to comments*
9 *submitted by interested parties regarding the*
10 *product category, specification, or criterion;*

11 (8) *provide appropriate lead time, as determined*
12 *by the Administrator, before the applicable effective*
13 *date for a new or significant revision to a product*
14 *category, specification, or criterion, taking into ac-*
15 *count the timing requirements of the manufacturing,*
16 *product marketing, and distribution process for the*
17 *specific product, programs, processes, buildings, land-*
18 *scapes, facilities, or services addressed; and*

19 (9) *identify and, where appropriate, implement*
20 *other voluntary approaches in commercial, institu-*
21 *tional, and industrial sectors to improve water effi-*
22 *ciency.*

23 (d) *ANNUAL REPORTS.—Not less frequently than once*
24 *each year, the Administrator shall prepare and make pub-*
25 *licly available a report describing the activities carried out*

1 *under this section, including, to the maximum extent prac-*
 2 *ticable—*

3 (1) *available information regarding sales in each*
 4 *WaterSense product category; and*

5 (2) *the savings of water, energy, and capital*
 6 *costs of water, wastewater, and stormwater infra-*
 7 *structure attributable to the WaterSense program and*
 8 *each category of WaterSense product, expressed on a*
 9 *national, regional, State, and watershed level.*

10 (e) *AUTHORIZATION OF APPROPRIATIONS.—There is*
 11 *authorized to be appropriated to carry out this section—*

12 (1) *\$5,000,000 for each of fiscal years 2010 and*
 13 *2011;*

14 (2) *\$7,500,000 for each of fiscal years 2012 and*
 15 *2013; and*

16 (3) *\$10,000,000 for fiscal year 2014.*

17 **SEC. 308. PHARMACEUTICALS AND PERSONAL CARE PROD-**
 18 **UCTS.**

19 *Section 104 of the Federal Water Pollution Control Act*
 20 *(33 U.S.C. 1254) is amended by adding at the end the fol-*
 21 *lowing:*

22 “(w) *PRESENCE OF PHARMACEUTICALS AND PER-*
 23 *SONAL CARE PRODUCTS IN WATERS OF THE UNITED*
 24 *STATES.—*

25 “(1) *DEFINITIONS.—In this subsection:*

1 “(A) *ACADEMY.*—*The term ‘Academy’*
2 *means the National Academy of Sciences.*

3 “(B) *PHARMACEUTICAL.*—*The term ‘phar-*
4 *maceutical’ has the meaning given the term*
5 *‘drug’ in section 201 of the Federal Food, Drug,*
6 *and Cosmetic Act (21 U.S.C. 321).*

7 “(C) *PERSONAL CARE PRODUCT.*—*The term*
8 *‘personal care product’ has the meaning given*
9 *the term ‘cosmetic’ in section 201 of the Federal*
10 *Food, Drug, and Cosmetic Act (21 U.S.C. 321).*

11 “(2) *STUDY.*—*The Administrator shall offer to*
12 *enter into an arrangement with the National Acad-*
13 *emy of Sciences under which the Academy, in con-*
14 *sultation with the Administrator, the Secretary of*
15 *Health and Human Services (acting through the*
16 *Commissioner of Food and Drugs), the Director of the*
17 *United States Geological Survey, the heads of other*
18 *appropriate Federal agencies (including the National*
19 *Institute of Environmental Health Sciences), and*
20 *other interested stakeholders (including manufacturers*
21 *of pharmaceuticals and personal care products), shall*
22 *conduct a study on the presence of pharmaceuticals*
23 *and personal care products in the waters of the*
24 *United States.*

1 “(3) *CONTENTS.*—*In conducting the study under*
2 *paragraph (2), the Academy shall—*

3 “(A) *identify pharmaceuticals and personal*
4 *care products that have been detected in the wa-*
5 *ters of the United States and the levels at which*
6 *such pharmaceuticals and personal care products*
7 *have been detected;*

8 “(B) *identify the sources of pharmaceuticals*
9 *and personal care products in the waters of the*
10 *United States, including point sources and*
11 *nonpoint sources of pharmaceutical and personal*
12 *care products; and*

13 “(C) *evaluate—*

14 “(i) *risks associated with the presence*
15 *of pharmaceuticals and personal care prod-*
16 *ucts in the waters of the United States; and*

17 “(ii) *based upon that assessment, the*
18 *technical, economic, and legal feasibility of*
19 *methods to control, limit, treat, or prevent*
20 *that presence.*

21 “(4) *REPORT.*—*Not later than 2 years after the*
22 *date of enactment of this subsection, the Academy*
23 *shall submit to the Administrator and Congress a re-*
24 *port on the results of the study conducted under this*
25 *subsection, including the potential effects of pharma-*

1 *ceuticals and personal care products in the waters of*
2 *the United States on human health and aquatic wild-*
3 *life.”.*

4 **SEC. 309. FINANCING CAPABILITY GUIDANCE.**

5 *Not later than 180 days after the date of enactment*
6 *of this Act, for the purpose of updating the document enti-*
7 *tled “Combined Sewer Overflows—Guidance for Financial*
8 *Capability Assessment and Schedule Development” and*
9 *dated February 1997, the Administrator shall—*

10 *(1) collect and take into consideration informa-*
11 *tion that can be used to assess the financial condition*
12 *of permittees under the Federal Water Pollution Con-*
13 *trol Act (33 U.S.C. 1251 et seq.);*

14 *(2) consult with the affected States, municipali-*
15 *ties, and other interested parties, as determined by*
16 *the Administrator; and*

17 *(3) conduct a public outreach process.*

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111TH CONGRESS
1ST Session

S. 1005

[Report No. 111-47]

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.

JULY 15, 2009

Reported with an amendment