

109TH CONGRESS
1ST SESSION

S. _____

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

IN THE SENATE OF THE UNITED STATES

Mr. CHAFEE (for himself, Mrs. CLINTON, Mr. INHOFE, and Mr. JEFFORDS) introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

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

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

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

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Water Infrastructure Financing Act”.

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

Sec. 1. Short title; table of contents.

TITLE I—WATER POLLUTION INFRASTRUCTURE

- Sec. 101. Technical assistance for rural and small treatment works.
- Sec. 102. Projects eligible for assistance.
- Sec. 103. Water pollution control revolving loan funds.
- Sec. 104. Affordability.
- Sec. 105. Transferability of funds.
- Sec. 106. Costs of administering water pollution control revolving loan funds.
- Sec. 107. Water pollution control revolving loan funds.
- Sec. 108. Noncompliance.
- Sec. 109. Authorization of appropriations.
- Sec. 110. Critical water infrastructure projects.

TITLE II—SAFE DRINKING WATER INFRASTRUCTURE

- Sec. 201. Preconstruction work.
- Sec. 202. Affordability.
- Sec. 203. Safe drinking water revolving loan funds.
- Sec. 204. Other authorized activities.
- Sec. 205. Priority system requirements.
- Sec. 206. Authorization of appropriations.
- Sec. 207. Critical drinking water infrastructure projects.
- Sec. 208. Small system revolving loan funds.
- Sec. 209. Study on lead contamination in drinking water.
- Sec. 210. District of Columbia lead service line replacement.

TITLE III—MISCELLANEOUS

- Sec. 301. Definitions.
- Sec. 302. Demonstration grant program for water quality enhancement and management.
- Sec. 303. Agricultural pollution control technology grant program.
- Sec. 304. State revolving fund review process.
- Sec. 305. Cost of service study.
- Sec. 306. Water resources study.

1 **TITLE I—WATER POLLUTION**
 2 **INFRASTRUCTURE**
 3 **SEC. 101. TECHNICAL ASSISTANCE FOR RURAL AND SMALL**
 4 **TREATMENT WORKS.**

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

1 **“SEC. 222. TECHNICAL ASSISTANCE FOR RURAL AND SMALL**
2 **TREATMENT WORKS.**

3 “(a) DEFINITION OF QUALIFIED NONPROFIT TECH-
4 NICAL ASSISTANCE PROVIDER.—In this section, the term
5 ‘qualified nonprofit technical assistance provider’ means a
6 qualified nonprofit technical assistance provider of water
7 and wastewater services to small rural communities that
8 provide technical assistance to treatment works (including
9 circuit rider programs and training and preliminary engi-
10 neering evaluations) that—

11 “(1) serve not more than 10,000 users; and

12 “(2) may include a State agency.

13 “(b) GRANT PROGRAM.—

14 “(1) IN GENERAL.—The Administrator may
15 make grants to qualified nonprofit technical assist-
16 ance providers that are qualified to provide assist-
17 ance on a broad range of wastewater and
18 stormwater approaches—

19 “(A) to assist small treatment works to
20 plan, develop, and obtain financing for eligible
21 projects described in section 603(c);

22 “(B) to capitalize revolving loan funds to
23 provide loans, in consultation with the State in
24 which the assistance is provided, to rural and
25 small municipalities for predevelopment costs
26 (including costs for planning, design, associated

1 preconstruction, and necessary activities for
2 siting the facility and related elements) associ-
3 ated with wastewater infrastructure projects or
4 short-term costs incurred for equipment re-
5 placement that is not part of regular operation
6 and maintenance activities for existing waste-
7 water systems, if—

8 “(i) any loan from the fund is made
9 at or below the market interest rate, for a
10 term not to exceed 10 years;

11 “(ii) the amount of any single loan
12 does not exceed \$100,000; and

13 “(iii) all loan repayments are credited
14 to the fund;

15 “(C) to provide technical assistance and
16 training for rural and small publicly owned
17 treatment works and decentralized wastewater
18 treatment systems to enable those treatment
19 works and systems to protect water quality and
20 achieve and maintain compliance with this Act;
21 and

22 “(D) to disseminate information to rural
23 and small municipalities with respect to plan-
24 ning, design, construction, and operation of

1 publicly owned treatment works and decentral-
2 ized wastewater treatment systems.

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

8 “(3) CONSULTATION.—As a condition of receiv-
9 ing a grant under this subsection, a qualified non-
10 profit technical assistance provider shall consult with
11 each State in which grant funds are to be expended
12 or otherwise made available before the grant funds
13 are expended or made available in the State.

14 “(4) ANNUAL REPORT.—For each fiscal year, a
15 qualified nonprofit technical assistance provider that
16 receives a grant under this subsection shall submit
17 to the Administrator a report that—

18 “(A) describes the activities of the quali-
19 fied nonprofit technical assistance provider
20 using grant funds received under this sub-
21 section for the fiscal year; and

22 “(B) specifies—

23 “(i) the number of communities
24 served;

1 “(ii) the sizes of those communities;
2 and
3 “(iii) the type of financing provided
4 by the qualified nonprofit technical assist-
5 ance provider.

6 “(c) AUTHORIZATION OF APPROPRIATIONS.—There
7 is authorized to be appropriated to carry out this section
8 \$25,000,000 for each of fiscal years 2006 through 2010.”.

9 (b) GUIDANCE FOR SMALL SYSTEMS.—Section 602
10 of the Federal Water Pollution Control Act (33 U.S.C.
11 1382) 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 sys-
15 tem—

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

19 “(B) that serves a population of 10,000 or
20 fewer households.

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

1 “(3) PUBLICATION OF MANUAL.—Not later
2 than 1 year after the date of enactment of this sub-
3 section, after providing notice and opportunity for
4 public 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. PROJECTS ELIGIBLE FOR ASSISTANCE.**

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

13 “(c) PROJECTS ELIGIBLE FOR ASSISTANCE.—Funds
14 in each State water pollution control revolving fund shall
15 be used only for—

16 “(1) providing financial assistance to any mu-
17 nicipality or an intermunicipal, interstate, or State
18 agency that principally treats municipal wastewater
19 or domestic sewage for construction (including plan-
20 ning, design, associated preconstruction, and activi-
21 ties relating to the siting of a facility) of a treatment
22 works (as defined in section 212);

23 “(2) implementation of a management program
24 established under section 319;

1 “(3) development and implementation of a con-
2 servation and management plan under section 320;

3 “(4) providing financial assistance to a munici-
4 pality or an intermunicipal, interstate, or State
5 agency for projects to increase the security of waste-
6 water treatment works (excluding any expenditure
7 for operations or maintenance);

8 “(5) providing financial assistance to a munici-
9 pality or an intermunicipal, interstate, or State
10 agency for measures to control municipal
11 stormwater, the primary purpose of which is the
12 preservation, protection, or enhancement of water
13 quality;

14 “(6) water conservation projects, the primary
15 purpose of which is the protection, preservation, and
16 enhancement of water quality; or

17 “(7) reuse, reclamation, and recycling projects,
18 the primary purpose of which is the protection, pres-
19 ervation, and enhancement of water quality.”.

20 **SEC. 103. WATER POLLUTION CONTROL REVOLVING LOAN**
21 **FUNDS.**

22 Section 603(d) of the Federal Water Pollution Con-
23 trol Act (33 U.S.C. 1383(d)) is amended—

24 (1) in paragraph (6), by striking “and” at the
25 end;

1 (2) in paragraph (7), by striking the period at
2 the end and inserting “; and”; and

3 (3) by adding at the end the following:

4 “(8) to carry out a project under paragraph (2)
5 or (3) of section 601(a), which may be—

6 “(A) operated by a municipal, intermunic-
7 ipal, or interstate entity, State, public or pri-
8 vate utility, corporation, partnership, associa-
9 tion, or nonprofit agency; and

10 “(B) used to make loans that will be fully
11 amortized not later than 30 years after the date
12 of the completion of the project.”.

13 **SEC. 104. AFFORDABILITY.**

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

16 (1) by redesignating subsections (e) through (h)
17 as subsections (f) through (i), respectively; and

18 (2) by inserting after subsection (d) the fol-
19 lowing:

20 “(e) TYPES OF ASSISTANCE FOR DISADVANTAGED
21 COMMUNITIES.—

22 “(1) DEFINITION OF DISADVANTAGED COMMU-
23 NITY.—In this subsection, the term ‘disadvantaged
24 community’ means the service area, or portion of a
25 service area, of a treatment works that meets afford-

1 ability criteria established after public review and
2 comment by the State in which the treatment works
3 is located.

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

12 “(A) the forgiveness of the principal of the
13 loan; and

14 “(B) an interest rate on the loan of zero
15 percent.

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

21 “(4) EXTENDED TERM.—A State may provide
22 an extended term for a loan if the extended term—

23 “(A) terminates not later than the date
24 that is 30 years after the date of completion of
25 the project; and

1 “(B) does not exceed the expected design
2 life of the project.

3 “(5) INFORMATION.—The Administrator may
4 publish information to assist States in establishing
5 affordability criteria described in paragraph (1).”.

6 (b) CONFORMING AMENDMENT.—Section 221(d) of
7 the Federal Water Pollution Control Act (33 U.S.C.
8 1301(d)) is amended in the second sentence by striking
9 “603(h)” and inserting “603(i)”.

10 **SEC. 105. TRANSFERABILITY OF FUNDS.**

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

14 “(j) TRANSFER OF FUNDS.—

15 “(1) IN GENERAL.—The Governor of a State
16 may—

17 “(A)(i) reserve not more than 33 percent
18 of a capitalization grant made under this title;

19 and

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

23 and

24 “(B)(i) reserve for any year an amount
25 that does not exceed the amount that may be

1 reserved under subparagraph (A) for that year
2 from capitalization grants made under section
3 1452 of that Act (42 U.S.C. 300j-12); and

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

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

11 **SEC. 106. COSTS OF ADMINISTERING WATER POLLUTION**

12 **CONTROL REVOLVING LOAN FUNDS.**

13 Section 603(d)(7) of the Federal Water Pollution
14 Control Act (33 U.S.C. 1383(d)(7)) is amended by strik-
15 ing “4 percent” and inserting “6 percent”.

16 **SEC. 107. WATER POLLUTION CONTROL REVOLVING LOAN**

17 **FUNDS.**

18 Section 603 of the Federal Water Pollution Control
19 Act (33 U.S.C. 1383) is amended by striking subsection
20 (h) (as redesignated by section 104) and inserting the fol-
21 lowing:

22 “(h) PRIORITY SYSTEM REQUIREMENT.—

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

24 “(A) RESTRUCTURING.—The term ‘re-
25 structuring’ means—

1 “(i) the consolidation of management
2 functions or ownership with another facil-
3 ity; or

4 “(ii) the formation of cooperative
5 partnerships.

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

11 “(i) collection sewers;

12 “(ii) a centralized treatment plant
13 using biological, physical, or chemical
14 treatment processes; and

15 “(iii) a direct point source discharge
16 to surface water.

17 “(2) PRIORITY SYSTEM.—In providing financial
18 assistance from the water pollution control revolving
19 fund of the State, the State shall—

20 “(A) give greater weight to an application
21 for assistance by a treatment works if the appli-
22 cation includes such other information as the
23 State determines to be appropriate and—

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

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

6 “(iii) a financing plan indicating
7 sources of revenue from ratepayers, grants,
8 bonds, other loans, and other sources;

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

11 “(v) a review of options for ap-
12 proaches other than a traditional waste-
13 water approach that may include actions
14 or projects that treat or minimize sewage
15 or urban stormwater discharges using—

16 “(I) decentralized or distributed
17 stormwater controls;

18 “(II) decentralized wastewater
19 treatment;

20 “(III) low impact development
21 technologies;

22 “(IV) stream buffers;

23 “(V) wetland restoration; or

1 “(VI) actions to minimize the
2 quantity of and direct connections to
3 impervious surfaces;

4 “(vi) demonstration of consistency
5 with State, regional, and municipal water-
6 shed plans;

7 “(vii) a review of options for urban
8 waterfront development or brownfields re-
9 vitalization to be completed in conjunction
10 with the project; or

11 “(viii) provides the applicant the flexi-
12 bility through alternative means to carry
13 out responsibilities under Federal regula-
14 tions, that may include watershed permit-
15 ting and other innovative management ap-
16 proaches, while achieving results that—

17 “(I) the State, with the delegated
18 authority under section 402(a)(5), de-
19 termines meet permit requirements
20 for permits that have been issued in
21 accordance with the national pollution
22 discharge elimination system under
23 section 402; or

1 with the public health and water quality goals
2 and requirements of this title.

3 “(3) SAVINGS CLAUSE.—Nothing in paragraph
4 (2)(A)(viii) affects the authority of the Adminis-
5 trator under section 402(a)(5).”.

6 **SEC. 108. NONCOMPLIANCE.**

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

10 “(k) NONCOMPLIANCE.—

11 “(1) IN GENERAL.—Except as provided in para-
12 graph (2), no assistance (other than assistance that
13 is to be used by a treatment works solely for plan-
14 ning, design, or security purposes) shall be provided
15 under this title to a treatment works that has been
16 in significant noncompliance with any requirement
17 of this Act for any of the 4 quarters in the previous
18 8 quarters, unless the treatment works is in compli-
19 ance with, or has entered into, an enforceable ad-
20 ministrative order to effect compliance with the re-
21 quirement.

22 “(2) EXCEPTION.—A treatment works that is
23 determined under paragraph (1) to be in significant
24 noncompliance with a requirement described in that
25 paragraph may receive assistance under this title if

1 the Administrator and the State providing the as-
2 sistance determine that—

3 “(A) the entity conducting the enforcement
4 action on which the determination of significant
5 noncompliance is based has determined that the
6 use of assistance would enable the treatment
7 works to take corrective action toward resolving
8 the violations; or

9 “(B) the entity conducting the enforcement
10 action on which the determination of significant
11 noncompliance is based has determined that the
12 assistance would be used on a portion of the
13 treatment works that is not directly related to
14 the cause of finding significant noncompli-
15 ance.”.

16 **SEC. 109. AUTHORIZATION OF APPROPRIATIONS.**

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

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

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

23 “(1) \$3,200,000,000 for each of fiscal years
24 2006 and 2007;

25 “(2) \$3,600,000,000 for fiscal year 2008;

1 “(3) \$4,000,000,000 for fiscal year 2009; and

2 “(4) \$6,000,000,000 for fiscal year 2010.

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

5 “(c) RESERVATION FOR NEEDS SURVEYS.—Of the
6 amount made available under subsection (a) to carry out
7 this title for a fiscal year, the Administrator may reserve
8 not more than \$1,000,000 per year to pay the costs of
9 conducting needs surveys under section 516(2).”.

10 **SEC. 110. CRITICAL WATER INFRASTRUCTURE PROJECTS.**

11 (a) ESTABLISHMENT.—Not later than 180 days after
12 the date of enactment of this Act, the Administrator shall
13 establish a program under which grants are provided to
14 eligible entities for use in carrying out projects and activi-
15 ties the primary purpose of which is watershed restoration
16 through the protection or improvement of water quality.

17 (b) PROJECT SELECTION.—

18 (1) IN GENERAL.—The Administrator may pro-
19 vide funds under this section to an eligible entity to
20 carry out an eligible project described in paragraph
21 (2).

22 (2) EQUITABLE DISTRIBUTION.—The Adminis-
23 trator shall ensure an equitable distribution of
24 projects under this section, taking into account cost

1 and number of requests for each category listed in
2 paragraph (3).

3 (3) ELIGIBLE PROJECTS.—A project that is eli-
4 gible to be carried out using funds provided under
5 this section may include projects that—

6 (A) are listed on the priority list of a State
7 under section 216 of the Federal Water Pollu-
8 tion Control Act (33 U.S.C. 1296);

9 (B) mitigate wet weather flows, including
10 combined sewer overflows, sanitary sewer over-
11 flows, and stormwater discharges;

12 (C) upgrade publicly owned treatment
13 works with a permitted design capacity to treat
14 an annual average of at least 500,000 gallons
15 of wastewater per day, the upgrade of which
16 would produce the greatest nutrient load reduc-
17 tions at points of discharge, or result in the
18 greatest environmental benefits, with nutrient
19 removal technologies that are designed to re-
20 duce total nitrogen in discharged wastewater to
21 an average annual concentration of 3 milli-
22 grams per liter;

23 (D) implement locally based watershed
24 protection plans created by local nonprofit orga-
25 nizations that—

1 (i) provide a coordinating framework
2 for management that focuses public and
3 private efforts to address the highest pri-
4 ority water-related problems within a geo-
5 graphic area, considering both ground and
6 surface water flow; and

7 (ii) includes representatives from both
8 point source and nonpoint source contribu-
9 tors;

10 (E) are contained in a State plan devel-
11 oped in accordance with section 319 or 320 of
12 the Federal Water Pollution Control Act (33
13 U.S.C. 1329, 1330); or

14 (F) include means to develop alternative
15 water supplies.

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

19 (1) affected State and local governments; and

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

22 (d) COST SHARING.—Before carrying out any project
23 under this section, the Administrator shall enter into a
24 binding agreement with 1 or more non-Federal interests
25 that shall require the non-Federal interests—

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

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

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

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

17 (f) AUTHORIZATION OF APPROPRIATIONS.—There is
18 authorized to be appropriated to carry out this section
19 \$300,000,000 for each of fiscal years 2006 through 2010.

20 **TITLE II—SAFE DRINKING**
21 **WATER INFRASTRUCTURE**

22 **SEC. 201. PRECONSTRUCTION WORK.**

23 Section 1452(a)(2) of the Safe Drinking Water Act
24 (42 U.S.C. 300j–12(a)(2)) is amended in the second sen-
25 tence—

1 (1) by striking “(not” and inserting “(including
2 expenditures for planning, design, and associated
3 preconstruction and for recovery for siting of the fa-
4 cility and related elements but not”;

5 (2) by inserting before the period at the end the
6 following: “or to replace or rehabilitate aging collec-
7 tion, treatment, storage (including reservoirs), or
8 distribution facilities of public water systems or pro-
9 vide for capital projects to upgrade the security of
10 public water systems”.

11 **SEC. 202. AFFORDABILITY.**

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

16 **SEC. 203. SAFE DRINKING WATER REVOLVING LOAN**
17 **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 “4”
22 and inserting “6”; and

23 (B) by striking “1419,” and all that fol-
24 lows through “1933.” and inserting “1419.”;
25 and

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

2 “(5) TRANSFER OF FUNDS.—

3 “(A) IN GENERAL.—The Governor of a
4 State may—

5 “(i)(I) reserve not more than 33 per-
6 cent of a capitalization grant made under
7 this section; and

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

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

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

21 “(B) STATE MATCH.—Funds reserved
22 under this paragraph shall not be considered to
23 be a State match of a capitalization grant re-
24 quired under this section or section 602(b) of

1 the Federal Water Pollution Control Act (33
2 U.S.C. 1382(b)).”.

3 **SEC. 204. OTHER AUTHORIZED ACTIVITIES.**

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

8 **SEC. 205. PRIORITY SYSTEM REQUIREMENTS.**

9 Section 1452(b)(3) of the Safe Drinking Water Act
10 (42 U.S.C. 300j–12(b)(3)) is amended—

11 (1) by redesignating subparagraph (B) as sub-
12 paragraph (D);

13 (2) by striking subparagraph (A) and inserting
14 the following:

15 “(A) DEFINITION OF RESTRUCTURING.—

16 In this paragraph, the term ‘restructuring’
17 means changes in operations (including owner-
18 ship, accounting, rates, maintenance, consolida-
19 tion, and alternative water supply).

20 “(B) PRIORITY SYSTEM.—An intended use
21 plan shall provide, to the maximum extent prac-
22 ticable, that priority for the use of funds be
23 given to projects that—

24 “(i) address the most serious risk to
25 human health;

1 “(ii) are necessary to ensure compli-
2 ance with this title (including requirements
3 for filtration); and

4 “(iii) assist systems most in need on
5 a per-household basis according to State
6 affordability criteria.

7 “(C) WEIGHT GIVEN TO APPLICATIONS.—
8 After determining project priorities under sub-
9 paragraph (B), an intended use plan shall fur-
10 ther provide that the State shall give greater
11 weight to an application for assistance by a
12 community water system if the application in-
13 cludes such other information as the State de-
14 termines to be necessary and—

15 “(i) an inventory of assets, including
16 a description of the condition of the assets;

17 “(ii) a schedule for replacement of as-
18 sets;

19 “(iii) a financing plan indicating
20 sources of revenue from ratepayers, grants,
21 bonds, other loans, and other sources;

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

1 “(v) demonstration of consistency
2 with State, regional, and municipal water-
3 shed plans; or

4 “(vi) a review of options for urban
5 waterfront development or brownfields re-
6 vitalization to be completed in conjunction
7 with the project;” and

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

11 **SEC. 206. AUTHORIZATION OF APPROPRIATIONS.**

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

15 “(m) AUTHORIZATION OF APPROPRIATIONS.—

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

18 “(A) \$1,500,000,000 for fiscal year 2006;

19 “(B) \$2,000,000,000 for each of fiscal
20 years 2007 and 2008;

21 “(C) \$3,500,000,000 for fiscal year 2009;

22 and

23 “(D) \$6,000,000,000 for fiscal year 2010.

1 “(2) AVAILABILITY.—Amounts made available
2 under this subsection shall remain available until ex-
3 pended.

4 “(3) RESERVATION FOR NEEDS SURVEYS.—Of
5 the amount made available under paragraph (1) to
6 carry out this section for a fiscal year, the Adminis-
7 trator may reserve not more than \$1,000,000 per
8 year to pay the costs of conducting needs surveys
9 under subsection (h).”.

10 **SEC. 207. CRITICAL DRINKING WATER INFRASTRUCTURE**
11 **PROJECTS.**

12 (a) ESTABLISHMENT.—Not later than 180 days after
13 the date of enactment of this Act, the Administrator of
14 the Environmental Protection Agency shall establish a
15 program under which grants are provided to eligible enti-
16 ties for use in carrying out projects and activities the pri-
17 mary purpose of which is to assist community water sys-
18 tems 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
21 to be carried out using funds provided under this section
22 may 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 contamina-
4 tion.

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

7 (1) a community water system as defined in
8 section 1401 of the Safe Drinking Water Act (42
9 U.S.C. 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
19 U.S.C. 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 households.

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, 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, main-
16 tenance, 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 \$300,000,000 for each of fiscal years 2006 through 2010.

4 **SEC. 208. SMALL SYSTEM REVOLVING LOAN FUNDS.**

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) IN GENERAL.—The Administrator may
11 provide”; and

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

13 “(2) SMALL SYSTEM REVOLVING LOAN FUND.—

14 “(A) IN GENERAL.—In addition to
15 amounts provided under this section, the Ad-
16 ministrator may provide grants to qualified pri-
17 vate, nonprofit entities to capitalize revolving
18 funds to provide financing to eligible entities
19 described in subparagraph (B) for—

20 “(i) predevelopment costs (including
21 costs for planning, design, associated
22 preconstruction, and necessary activities
23 for siting the facility and related elements)
24 associated with proposed water projects or
25 with existing water systems; and

1 “(ii) short-term costs incurred for re-
2 placement equipment, small-scale extension
3 services, or other small capital projects
4 that are not part of the regular operations
5 and maintenance activities of existing
6 water systems.

7 “(B) ELIGIBLE ENTITIES.—To be eligible
8 for assistance under this paragraph, an entity
9 shall be a small water system (as described in
10 section 1412(b)(4)(E)(ii)).

11 “(C) MAXIMUM AMOUNT OF LOANS.—The
12 amount of financing made to an eligible entity
13 under this paragraph shall not exceed—

14 “(i) \$100,000 for costs described in
15 subparagraph (A)(i); and

16 “(ii) \$100,000 for costs described in
17 subparagraph (A)(ii).

18 “(D) TERM.—The term of a loan made to
19 an eligible entity under this paragraph shall not
20 exceed 10 years.

21 “(E) ANNUAL REPORT.—For each fiscal
22 year, a qualified private, nonprofit entity that
23 receives a grant under subparagraph (A) shall
24 submit to the Administrator a report that—

1 “(i) describes the activities of the
2 qualified private, nonprofit entity under
3 this paragraph for the fiscal year; and

4 “(ii) specifies—

5 “(I) the number of communities
6 served;

7 “(II) the sizes of those commu-
8 nities; and

9 “(III) the type of financing pro-
10 vided by the qualified private, non-
11 profit entity.

12 “(F) AUTHORIZATION OF APPROPRIA-
13 TIONS.—There is authorized to be appropriated
14 to carry out this subsection \$25,000,000 for
15 each of fiscal years 2006 through 2010.”.

16 **SEC. 209. STUDY ON LEAD CONTAMINATION IN DRINKING**
17 **WATER.**

18 (a) IN GENERAL.—As soon as practicable after the
19 date of enactment of this Act, the Administrator of the
20 Environmental Protection Agency shall enter into a coop-
21 erative agreement with the National Academy of Sciences
22 to carry out a study to analyze existing market conditions
23 for plumbing components, including pipes, faucets, water
24 meters, valves, household valves, and any other plumbing

1 components that come into contact with water commonly
2 used for human consumption.

3 (b) COMPONENTS.—In conducting the study under
4 subsection (a), the National Academy of Sciences shall
5 evaluate for each category of plumbing components de-
6 scribed in subsection (a)—

7 (1) the availability of plumbing components in
8 each category with lead content below 8 percent, in-
9 cluding those between 0 percent and 4 percent and
10 those between 4 percent and 8 percent;

11 (2) the relative market share of the plumbing
12 components;

13 (3) the relative cost of the plumbing compo-
14 nents;

15 (4) the issues surrounding transition from cur-
16 rent market to plumbing components with not more
17 than 0.2 percent lead;

18 (5) the feasibility of manufacturing plumbing
19 components with lead levels below 8 percent; and

20 (6) the use of lead alternatives in plumbing
21 components with lead levels below 8 percent.

22 (c) REPORT.—Not late than 1 year after the date of
23 enactment of this Act, the National Academy of Sciences
24 shall submit to the Committee on Environment and Public
25 Works of the Senate and the Committee on Energy and

1 Commerce of the House of Representatives a report de-
2 scribing the findings of the study under this section.

3 (d) AUTHORIZATION OF APPROPRIATIONS.—There is
4 authorized to be appropriated to carry out this section
5 \$500,000.

6 **SEC. 210. DISTRICT OF COLUMBIA LEAD SERVICE LINE RE-**
7 **PLACEMENT.**

8 (a) AUTHORIZATION OF APPROPRIATIONS.—There is
9 authorized to be appropriated to carry out lead service line
10 replacement in the District of Columbia \$30,000,000 for
11 each of fiscal years 2007 through 2011.

12 (b) LEAD SERVICE LINE REPLACEMENT ASSISTANCE
13 FUND.—

14 (1) IN GENERAL.—Of the funds provided under
15 subsection (a), not more than \$2,000,000 per year
16 may be allocated for water service line replacement
17 grants to provide assistance to low-income residents
18 to replace the privately-owned portion of lead service
19 lines.

20 (2) LIMITATION.—Individual grants shall be
21 limited to not more than \$5,000.

22 (3) DEFINITION OF LOW INCOME.—For the
23 purpose of this subsection, the term “low-income”
24 shall be defined by the District of Columbia.

1 **TITLE III—MISCELLANEOUS**

2 **SEC. 301. DEFINITIONS.**

3 In this title:

4 (1) ADMINISTRATOR.—The term “Adminis-
5 trator” means the Administrator of the Environ-
6 mental Protection Agency.

7 (2) SECRETARY.—The term “Secretary” means
8 the Secretary of the Interior, acting through the Di-
9 rector of the United States Geological Survey.

10 **SEC. 302. DEMONSTRATION GRANT PROGRAM FOR WATER**
11 **QUALITY ENHANCEMENT AND MANAGEMENT.**

12 (a) ESTABLISHMENT.—

13 (1) IN GENERAL.—As soon as practicable after
14 the date of enactment of this Act, the Administrator
15 shall establish a nationwide demonstration grant
16 program to—

17 (A) promote innovations in technology and
18 alternative approaches to water quality manage-
19 ment or water supply; or

20 (B) reduce costs to municipalities incurred
21 in complying with—

22 (i) the Federal Water Pollution Con-
23 trol Act (33 U.S.C. 1251 et seq.); and

24 (ii) the Safe Drinking Water Act (42
25 U.S.C. 300f et seq.).

1 (2) SCOPE.—The demonstration grant program
2 shall consist of 10 projects each year, to be carried
3 out in municipalities selected by the Administrator
4 under subsection (b).

5 (b) SELECTION OF MUNICIPALITIES.—

6 (1) APPLICATION.—A municipality that seeks
7 to participate in the demonstration grant program
8 shall submit to the Administrator a plan that—

9 (A) is developed in coordination with—

10 (i) the agency of the State having ju-
11 risdiction over water quality or water sup-
12 ply matters; and

13 (ii) interested stakeholders;

14 (B) describes water impacts specific to
15 urban or rural areas;

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

19 (i) address water quality or water
20 supply problems; and

21 (ii) achieve the water quality goals
22 that—

23 (I) could be achieved using more
24 traditional methods; and

25 (II) are required under—

1 (aa) the Federal Water Pol-
2 lution Control Act (33 U.S.C.
3 1251 et seq.); or

4 (bb) the Safe Drinking
5 Water Act (42 U.S.C. 300f et
6 seq.); and

7 (D) includes a schedule for achieving the
8 water quality or water supply goals of the mu-
9 nicipality.

10 (2) TYPES OF PROJECTS.—In carrying out the
11 demonstration grant program, the Administrator
12 shall provide grants for projects relating to water
13 supply or water quality matters such as—

14 (A) excessive nutrient growth;

15 (B) urban or rural population pressure;

16 (C) lack of an alternative water supply;

17 (D) difficulties in water conservation and
18 efficiency;

19 (E) lack of support tools and technologies
20 to rehabilitate and replace water supplies;

21 (F) lack of monitoring and data analysis
22 for water distribution systems;

23 (G) nonpoint source water pollution (in-
24 cluding stormwater);

25 (H) sanitary overflows;

1 (I) combined sewer overflows;

2 (J) problems with naturally occurring con-
3 stituents of concern;

4 (K) problems with erosion and excess sedi-
5 ment;

6 (L) new approaches to water treatment,
7 distribution, and collection systems; and

8 (M) new methods for collecting and treat-
9 ing wastewater (including system design and
10 nonstructural alternatives).

11 (3) RESPONSIBILITIES OF ADMINISTRATOR.—In
12 providing grants for projects under this subsection,
13 the Administrator shall—

14 (A) ensure, to the maximum extent prac-
15 ticable, that—

16 (i) the demonstration program in-
17 cludes a variety of projects with respect
18 to—

19 (I) geographic distribution;

20 (II) innovative technologies used
21 for the projects; and

22 (III) nontraditional approaches
23 (including low-impact development
24 technologies) used for the projects;
25 and

1 (ii) each category of project described
2 in paragraph (2) is adequately represented;

3 (B) give higher priority to projects that—

4 (i) address multiple problems; and

5 (ii) are regionally applicable;

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

10 (D) ensure that, for each fiscal year, no
11 municipality receives more than 25 percent of
12 the total amount of funds made available for
13 the fiscal year to provide grants under this sec-
14 tion.

15 (4) COST SHARING.—

16 (A) IN GENERAL.—Except as provided in
17 subparagraph (B), the non-Federal share of the
18 total cost of a project funded by a grant under
19 this section shall be not less than 20 percent.

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

23 (c) REPORTS.—

24 (1) REPORTS FROM GRANT RECIPIENTS.—A re-
25 cipient of a grant under this section shall submit to

1 the Administrator, on the date of completion of a
2 project of the recipient and on each of the dates that
3 is 1, 2, and 3 years after that date, a report that
4 describes the effectiveness of the project.

5 (2) REPORTS TO CONGRESS.—Not later than 2
6 years after the date of enactment of this Act, and
7 every 2 years thereafter, the Administrator shall
8 submit to the Committee on Environment and Pub-
9 lic Works of the Senate and the Committee on
10 Transportation and Infrastructure and the Com-
11 mittee on Energy and Commerce of the House of
12 Representatives a report that describes the status
13 and results of the demonstration program.

14 (d) INCORPORATION OF RESULTS AND INFORMA-
15 TION.—To the maximum extent practicable, the Adminis-
16 trator shall incorporate the results of, and information ob-
17 tained from, successful projects under this section into
18 programs administered by the Administrator.

19 (e) RESEARCH AND DEVELOPMENT.—

20 (1) IN GENERAL.—As soon as practicable after
21 the date of enactment of this Act, the Administrator
22 shall, through a competitive process, award grants
23 and enter into contracts and cooperative agreements
24 with research institutions, educational institutions,
25 and other appropriate entities (including consortia of

1 such institutions and entities) for research and de-
2 velopment on the use of innovative and alternative
3 technologies to improve water quality or drinking
4 water supply.

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

9 (A) to increase the effectiveness and effi-
10 ciency of public water supply systems, includ-
11 ing—

12 (i) source water protection;

13 (ii) water use reduction;

14 (iii) water reuse;

15 (iv) water treatment;

16 (v) water distribution and collection
17 systems; and

18 (vi) water security;

19 (B) to encourage the use of innovative or
20 alternative technologies or approaches relating
21 to water supply or availability;

22 (C) to increase the effectiveness and effi-
23 ciency of new and existing treatment works, in-
24 cluding—

1 (i) methods of collecting, treating, dis-
2 persing, reusing, reclaiming, and recycling
3 wastewater;

4 (ii) system design;

5 (iii) nonstructural alternatives;

6 (iv) decentralized approaches;

7 (v) assessment;

8 (vi) water efficiency; and

9 (vii) wastewater security;

10 (D) to increase the effectiveness and effi-
11 ciency of municipal separate storm sewer sys-
12 tems;

13 (E) to promote new water treatment tech-
14 nologies, including commercialization and dis-
15 semination strategies for adoption of innovative
16 or alternative low impact development tech-
17 nologies in the homebuilding industry; or

18 (F) to maintain a clearinghouse of tech-
19 nologies developed under this subsection and
20 subsection (a) at a research consortium or insti-
21 tute.

22 (3) AUTHORIZATION OF APPROPRIATIONS.—
23 There is authorized to be appropriated to carry out
24 this subsection \$20,000,000 for each of fiscal years
25 2006 through 2010.

1 (f) AUTHORIZATION OF APPROPRIATIONS.—There is
2 authorized to be appropriated to carry out this section
3 (other than subsection (e)) \$20,000,000 for each of fiscal
4 years 2006 through 2010.

5 **SEC. 303. AGRICULTURAL POLLUTION CONTROL TECH-**
6 **NOLOGY GRANT PROGRAM.**

7 (a) DEFINITIONS.—In this section:

8 (1) ADMINISTRATOR.—The term “Adminis-
9 trator” means the Administrator of the Environ-
10 mental Protection Agency.

11 (2) AGRICULTURAL COMMODITY.—The term
12 “agricultural commodity” means—

13 (A) agricultural, horticultural, viticultural,
14 and dairy products;

15 (B) livestock and the products of livestock;

16 (C) the products of poultry and bee rais-
17 ing;

18 (D) the products of forestry;

19 (E) other commodities raised or produced
20 on agricultural sites, as determined to be appro-
21 priate by the Secretary; and

22 (F) products processed or manufactured
23 from products specified in subparagraphs (A)
24 through (E), as determined by the Secretary.

1 (3) AGRICULTURAL PROJECT.—The term “agri-
2 cultural project” means an agricultural pollution
3 control technology project that, as determined by the
4 Administrator—

5 (A) is carried out at an agricultural site;
6 and

7 (B) achieves demonstrable reductions in
8 air and water pollution.

9 (4) AGRICULTURAL SITE.—The term “agricul-
10 tural site” means a farming or ranching operation of
11 a producer.

12 (5) PRODUCER.—The term “producer” means
13 any person who is engaged in the production and
14 sale of an agricultural commodity in the United
15 States and who owns, or shares the ownership and
16 risk of loss of, the agricultural commodity.

17 (6) REVOLVING FUND.—The term “revolving
18 fund” means an agricultural pollution control tech-
19 nology State revolving fund established by a State
20 using amounts provided under subsection (b)(1).

21 (7) SECRETARY.—The term “Secretary” means
22 the Secretary of Agriculture.

23 (b) GRANTS FOR AGRICULTURAL STATE REVOLVING
24 FUNDS.—

1 (1) IN GENERAL.—As soon as practicable after
2 the date of enactment of this section, the Adminis-
3 trator shall provide to each eligible State described
4 in paragraph (2) 1 or more capitalization grants,
5 that cumulatively equal no more than \$1,000,000
6 per State, for use in establishing, within an agency
7 of the State having jurisdiction over agriculture or
8 environmental quality, an agricultural pollution con-
9 trol technology State revolving fund.

10 (2) ELIGIBLE STATES.—An eligible State re-
11 ferred to in paragraph (1) is a State that agrees,
12 prior to receipt of a capitalization grant under para-
13 graph (1)—

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

16 (B) to provide, at a minimum, a State
17 share in an amount equal to 20 percent of the
18 capitalization grant;

19 (C) to use amounts in the revolving fund
20 to make loans to producers in accordance with
21 subsection (c); and

22 (D) to return amounts in the revolving
23 fund if no loan applications are granted within
24 2 years of the receipt of the initial capitaliza-
25 tion grant.

1 (c) LOANS TO PRODUCERS.—

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

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

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

14 (A) have an interest rate that is not more
15 than the market interest rate, including an in-
16 terest-free loan; and

17 (B) be repaid to the revolving fund not
18 later than 10 years after the date on which the
19 loan is made.

20 (d) REQUIREMENTS FOR PRODUCERS.—

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

23 (A) submit to the State in which the agri-
24 cultural site of the producer is located an appli-
25 cation that—

1 (i) contains such information as the
2 State may require; and

3 (ii) demonstrates, to the satisfaction
4 of the State, that each project proposed to
5 be carried out with funds from the loan is
6 an agricultural project; and

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

10 (2) **MAXIMUM PERCENTAGE OF AGRICULTURAL**
11 **PROJECT COST.**—Subject to subsection (c)(2), a pro-
12 ducer that receives a loan from a revolving fund may
13 use funds from the loan to pay up to 100 percent
14 of the cost of carrying out an agricultural project.

15 (e) **AUTHORIZATION OF APPROPRIATIONS.**—There is
16 authorized to be appropriated to carry out this section
17 \$50,000,000.

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

19 As soon as practicable after the date of enactment
20 of this Act, the Administrator shall—

21 (1) consult with States, utilities, and other Fed-
22 eral agencies providing financial assistance to iden-
23 tify ways to expedite and improve the application
24 and review process for the provision of assistance
25 from—

1 (A) the State water pollution control re-
2 volving funds established under title VI of the
3 Federal Water Pollution Control Act (33 U.S.C.
4 1381 et seq.); and

5 (B) the State drinking water treatment re-
6 volving loan funds established under section
7 1452 of the Safe Drinking Water Act (42
8 U.S.C. 300j-12);

9 (2) take such administrative action as is nec-
10 essary to expedite and improve the process as the
11 Administrator has authority to take under existing
12 law;

13 (3) collect information relating to innovative ap-
14 proaches taken by any State to simplify the applica-
15 tion process of the State, and provide the informa-
16 tion to each State; and

17 (4) submit to Congress a report that, based on
18 the information identified under paragraph (1), con-
19 tains recommendations for legislation to facilitate
20 further streamlining and improvement of the proc-
21 ess.

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

23 (a) IN GENERAL.—Not later than 2 years after the
24 date of enactment of this Act, the Administrator shall
25 enter into a contract with the National Academy of

1 Sciences for, and the National Academy of Sciences shall
2 complete and provide to the Administrator the results of,
3 a study of the means by which public water systems and
4 treatment works selected by the Academy in accordance
5 with subsection (c) meet the costs associated with oper-
6 ations, maintenance, capital replacement, and regulatory
7 requirements.

8 (b) REQUIRED ELEMENTS.—

9 (1) AFFORDABILITY.—The study shall, at a
10 minimum—

11 (A) determine whether the rates at public
12 water systems and treatment works for commu-
13 nities included in the study were established
14 using a full-cost pricing model;

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

18 (i) per capita water demand;

19 (ii) the volume of wastewater flows;

20 (iii) the volume of stormwater runoff;

21 or

22 (iv) the quantity of pollution gen-
23 erated by stormwater;

- 1 (C) identify a set of best industry practices
2 that public water systems and treatment works
3 may use in establishing a rate structure that—
- 4 (i) adequately addresses the true cost
5 of services provided to consumers by public
6 water systems and treatment works, in-
7 cluding infrastructure replacement;
- 8 (ii) encourages water conservation;
9 and
- 10 (iii) takes into consideration the needs
11 of disadvantaged individuals and commu-
12 nities, as identified by the Administrator;
- 13 (D) identify existing standards for afford-
14 ability;
- 15 (E) determine the manner in which those
16 standards are determined and defined;
- 17 (F) determine the manner in which afford-
18 ability varies with respect to communities of
19 different sizes and in different regions; and
- 20 (G) determine the extent to which afford-
21 ability affects the decision of a community to
22 increase public water system and treatment
23 works rates (including the decision relating to
24 the percentage by which those rates should be
25 increased).

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

3 (A) survey a cross-section of States rep-
4 resenting different sizes, demographics, and
5 geographical regions;

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

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

14 (D) determine which factors and character-
15 istics are required for a community to be con-
16 sidered “disadvantaged”; and

17 (E) evaluate the degree to which factors
18 such as a reduction in the tax base over a pe-
19 riod of time, a reduction in population, the loss
20 of an industrial base, and the existence of areas
21 of concentrated poverty are taken into account
22 in determining whether a community is a dis-
23 advantaged community.

24 (c) SELECTION OF COMMUNITIES.—The National
25 Academy of Sciences shall select communities, the public

1 water system and treatment works rate structures of
2 which are to be studied under this section, that include
3 a cross-section of communities representing various popu-
4 lations, income levels, demographics, and geographical re-
5 gions.

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

8 (1) submit to Congress a report that describes
9 the results of the study; and

10 (2) make the results available to treatment
11 works and public water systems for use by the pub-
12 licly owned treatment works and public water sys-
13 tems, on a voluntary basis, in determining whether
14 1 or more new approaches may be implemented at
15 facilities of the publicly owned treatment works and
16 public water systems.

17 (e) AUTHORIZATION OF APPROPRIATIONS.—There is
18 authorized to be appropriated to carry out this section
19 \$1,000,000 for each of fiscal years 2006 and 2007.

20 **SEC. 306. WATER RESOURCES STUDY.**

21 (a) ASSESSMENT.—

22 (1) IN GENERAL.—The Secretary shall—

23 (A) not later than 2 years after the date
24 of enactment of this Act, conduct an assess-

1 ment of water resources in the United States;
2 and

3 (B) update the assessment every 2 years
4 thereafter.

5 (2) COMPONENTS.—The assessment shall, at a
6 minimum—

7 (A) measure the status and trends of—

8 (i) fresh water in rivers and res-
9 ervoirs;

10 (ii) groundwater levels and volume of
11 useable fresh water stored in aquifers; and

12 (iii) fresh water withdrawn from
13 streams and aquifers in the United States;
14 and

15 (B) provide those measurements for—

16 (i) watersheds defined by the 352 hy-
17 drologic accounting units of the United
18 States; and

19 (ii) major aquifers of the United
20 States, as identified by the Secretary.

21 (3) REPORT.—Not later than 1 year after the
22 date of completion of the assessment and every 2
23 years thereafter, the Secretary shall submit to Con-
24 gress a report—

1 (A) describing the results of the assess-
2 ment; and

3 (B) containing any recommendations of
4 the Secretary relating to the assessment that—

5 (i) are consistent with existing laws,
6 treaties, decrees, and interstate compacts;
7 and

8 (ii) respect the primary role of States
9 in adjudicating, administering, and regu-
10 lating water rights and uses.

11 (b) WATER RESOURCE RESEARCH PRIORITIES.—

12 (1) IN GENERAL.—The Secretary shall coordi-
13 nate a process among Federal agencies and appro-
14 priate State agencies to develop and publish, not
15 later than 1 year after the date of enactment of this
16 Act, a list of water resource research priorities that
17 focuses on—

18 (A) water supply monitoring;

19 (B) means of capturing excess water and
20 flood water for conservation and use in the
21 event of a drought;

22 (C) strategies to conserve existing water
23 supplies, including recommendations for repair-
24 ing aging infrastructure;

1 (D) identifying incentives to ensure an
2 adequate and dependable supply of water;

3 (E) identifying available technologies and
4 other methods to optimize water supply reli-
5 ability, availability, and quality, while safe-
6 guarding the environment; and

7 (F) improving the quality of water re-
8 source information available to State, tribal,
9 and local water resource managers.

10 (2) USE OF LIST.—The list published under
11 paragraph (1) shall be used by Federal agencies as
12 a guide in making decisions on the allocation of
13 water research funding.

14 (c) INFORMATION DELIVERY SYSTEM.—

15 (1) IN GENERAL.—The Secretary shall coordi-
16 nate a process to develop an effective information
17 delivery system to communicate information de-
18 scribed in paragraph (2) to—

19 (A) decisionmakers at the Federal, re-
20 gional, State, tribal, and local levels;

21 (B) the private sector; and

22 (C) the general public.

23 (2) TYPES OF INFORMATION.—The information
24 referred to in paragraph (1) may include—

1 (A) the results of the national water re-
2 source assessments under subsection (a);

3 (B) a summary of the Federal water re-
4 search priorities developed under subsection (b);

5 (C) near real-time data and other informa-
6 tion on water shortages and surpluses;

7 (D) planning models for water shortages or
8 surpluses (at various levels including State,
9 river basin, and watershed levels);

10 (E) streamlined procedures for States and
11 localities to interact with and obtain assistance
12 from Federal agencies that perform water re-
13 source functions; and

14 (F) other water resource materials, as the
15 Secretary determine appropriate.

16 (d) REPORT TO CONGRESS.—Not later than 2 years
17 after the date of enactment of this Act, and every 2 years
18 thereafter through fiscal year 2009, the Secretary shall
19 submit to Congress a report on the implementation of this
20 section.

21 (e) SAVINGS CLAUSE.—Nothing in this section—

22 (1) modifies, supercedes, abrogates, impairs, or
23 otherwise affects in any way—

1 (A) any right or jurisdiction of any State
2 with respect to the water (including boundary
3 water) of the State;

4 (B) the authority of any State to allocate
5 quantities of water within areas under the juris-
6 diction of the State; or

7 (C) any right or claim to any quantity or
8 use of water that has been adjudicated, allo-
9 cated, or claimed—

10 (i) in accordance with State law;

11 (ii) in accordance with subsections (a)
12 through (e) of section 208 of the Depart-
13 ment of Justice Appropriation Act, 1953
14 (43 U.S.C. 666);

15 (iii) by or pursuant to an interstate
16 compact; or

17 (iv) by a decision of the United States
18 Supreme Court;

19 (2) requires a change in the nature of use or
20 the transfer of any right to use water or creates a
21 limitation on the exercise of any right to use water;
22 or

23 (3) requires modifying the delivery, diversion,
24 non-diversion, allocation, storage, or release from
25 storage of any water to be delivered by contract.

1 (f) AUTHORIZATION OF APPROPRIATIONS.—There
2 are authorized to be appropriated—

3 (1) to carry out the report authorized by this
4 section, \$3,000,000, to remain available until ex-
5 pended; and

6 (2) to carry out the updates authorized by sub-
7 section (a)(1)(B), such sums as are necessary.