

116TH CONGRESS
1ST SESSION

H. R. 1417

To establish a trust fund to provide for adequate funding for water and sewer infrastructure, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 28, 2019

Mrs. LAWRENCE (for herself, Mr. KHANNA, Ms. JAYAPAL, Mr. POCAN, Mr. CARTWRIGHT, Ms. SCHAKOWSKY, Mr. HUFFMAN, Mr. ESPALLAT, Ms. WASSERMAN SCHULTZ, Ms. MOORE, Ms. OMAR, Mrs. WATSON COLEMAN, Mr. WELCH, Ms. NORTON, Ms. JACKSON LEE, Mr. COHEN, Mr. RASKIN, Ms. HAALAND, Ms. LEE of California, Mr. DESAULNIER, Mr. LEVIN of Michigan, Mr. HASTINGS, Mr. GALLEGO, Ms. HILL of California, Mr. ROUDA, Ms. PINGREE, Mr. GRIJALVA, Ms. GABBARD, Mr. MCGOVERN, Mrs. BUSTOS, Ms. SLOTKIN, Ms. JOHNSON of Texas, Mr. CARBAJAL, Mr. DELGADO, Mr. KILDEE, Ms. DEAN, Mr. BROWN of Maryland, Mr. SEAN PATRICK MALONEY of New York, Mr. NADLER, Mrs. CAROLYN B. MALONEY of New York, Ms. VELÁZQUEZ, Ms. MENG, Ms. BARRAGÁN, and Ms. PRESSLEY) introduced the following bill; which was referred to the Committee on Transportation and Infrastructure, and in addition to the Committees on Energy and Commerce, Ways and Means, and Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To establish a trust fund to provide for adequate funding for water and sewer infrastructure, and for other purposes.

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

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

2 (a) SHORT TITLE.—This Act may be cited as the
3 “Water Affordability, Transparency, Equity, and Reli-
4 ability Act of 2019”.

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

- Sec. 1. Short title; table of contents.
- Sec. 2. Water Affordability, Transparency, Equity, and Reliability Trust Fund.
- Sec. 3. Report on affordability, discrimination and civil rights violations, public participation in regionalization, and data collection.
- Sec. 4. Technical assistance to rural and small municipalities and tribal governments.
- Sec. 5. Residential onsite sewage disposal system improvement.
- Sec. 6. Household water well systems.
- Sec. 7. State water pollution control revolving funds.
- Sec. 8. Use of State revolving loan funds under the Safe Drinking Water Act.
- Sec. 9. Drinking water grant programs.
- Sec. 10. Requirement for the use of American materials in drinking water.
- Sec. 11. Labor provisions.

7 **SEC. 2. WATER AFFORDABILITY, TRANSPARENCY, EQUITY,**
8 **AND RELIABILITY TRUST FUND.**

9 (a) ESTABLISHMENT.—

10 (1) IN GENERAL.—Subchapter A of chapter 98
11 of the Internal Revenue Code of 1986 is amended by
12 adding at the end the following:

13 **“SEC. 9512. WATER AFFORDABILITY, TRANSPARENCY, EQ-**
14 **UITY, AND RELIABILITY TRUST FUND.**

15 “(a) CREATION OF TRUST FUND.—There is estab-
16 lished in the Treasury of the United States a trust fund
17 to be known as the ‘Water Affordability, Transparency,
18 Equity, and Reliability Trust Fund’ (referred to in this
19 section as the ‘Trust Fund’), consisting of such amounts

1 as may be appropriated or credited to such Trust Fund
2 as provided in this section or section 9602(b).

3 “(b) TRANSFERS TO FUND.—

4 “(1) IN GENERAL.—There are hereby appro-
5 priated to the Trust Fund such amounts as the Sec-
6 retary from time to time estimates are equal to the
7 increase in Federal revenues attributable to the
8 amendment made by section 2(b) of the Water Af-
9 fordability, Transparency, Equity, and Reliability
10 Act of 2019.

11 “(2) LIMITATION.—The sum of the amounts
12 appropriated under paragraph (1) during any fiscal
13 year shall not exceed \$34,850,000,000.

14 “(c) EXPENDITURES.—Amounts in the Trust Fund
15 are available, without further appropriation and without
16 fiscal year limitation, for the purposes described in section
17 2(c) of the Water Affordability, Transparency, Equity,
18 and Reliability Act of 2019.”.

19 (2) CLERICAL AMENDMENT.—The table of
20 parts for subchapter A of chapter 98 of such Code
21 is amended by inserting after the item relating to
22 section 9511 the following new item:

“Sec. 9512. Water Affordability, Transparency, Equity, and Reliability Trust
Fund.”.

23 (b) IMPOSITION OF TAX.—

1 (1) IN GENERAL.—Section 11(b) of the Internal
2 Revenue Code of 1986 is amended by striking “21”
3 and inserting “24.5”.

4 (2) EFFECTIVE DATE.—The amendments made
5 by this Act shall apply to taxable years beginning
6 after December 31, 2018.

7 (c) ALLOCATION OF FUNDS.—The Administrator of
8 the Environmental Protection Agency and the Secretary
9 of Agriculture shall allocate, for a fiscal year, the funds
10 available, at the beginning of such fiscal year, in the Water
11 Affordability, Transparency, Equity, and Reliability Trust
12 Fund, established by section 9512 of the Internal Revenue
13 Code of 1986, as follows:

14 (1) CLEAN WATER PROGRAMS.—Of such
15 amount, the Administrator shall make available—

16 (A) 0.5 percent for making grants under
17 section 104(b)(8) of the Federal Water Pollu-
18 tion Control Act;

19 (B) 1.5 percent for making grants under
20 section 106 of such Act (33 U.S.C. 1256);

21 (C) 2.5 percent for making grants under
22 section 222 of such Act;

23 (D) 2.5 percent for making grants under
24 section 319 of such Act (33 U.S.C. 1329); and

1 (E) 45 percent for making capitalization
2 grants under section 601 of such Act (33
3 U.S.C. 1381).

4 (2) SAFE DRINKING WATER FUNDING.—Of such
5 amount, the Administrator shall make available—

6 (A) 0.5 percent for providing technical as-
7 sistance under section 1442(e) of the Safe
8 Drinking Water Act (42 U.S.C. 300j–1(e));

9 (B) 43.5 percent for making capitalization
10 grants under section 1452 of such Act (42
11 U.S.C. 300j–12); and

12 (C) 3 percent for making grants under sec-
13 tion 1465 of such Act.

14 (3) HOUSEHOLD WATER WELL SYSTEMS.—Of
15 such amount, the Secretary shall make available 1
16 percent for making grants under section 306E of the
17 Consolidated Farm and Rural Development Act (7
18 U.S.C. 1926e).

19 **SEC. 3. REPORT ON AFFORDABILITY, DISCRIMINATION AND**
20 **CIVIL RIGHTS VIOLATIONS, PUBLIC PARTICI-**
21 **PATION IN REGIONALIZATION, AND DATA**
22 **COLLECTION.**

23 (a) STUDY.—

24 (1) IN GENERAL.—The Administrator of the
25 Environmental Protection Agency shall conduct a

1 study on water and sewer services, in accordance
2 with this subsection.

3 (2) AFFORDABILITY.—In conducting the study
4 under paragraph (1), the Administrator shall study
5 water affordability nationwide, including—

6 (A) rates for water and sewer services, in-
7 creases in such rates during the ten-year period
8 preceding such study, and water service dis-
9 connections due to unpaid water service
10 charges; and

11 (B) the effectiveness of funding under sec-
12 tion 1452 of the Safe Drinking Water Act and
13 under section 601 of the Federal Water Pollu-
14 tion Control Act for promoting affordable, equi-
15 table, transparent, and reliable water and sewer
16 service.

17 (3) DISCRIMINATION AND CIVIL RIGHTS.—In
18 conducting the study under paragraph (1), the Ad-
19 ministrator, in collaboration with the Civil Rights
20 Division of the United States Department of Justice,
21 shall study—

22 (A) discriminatory practices of water and
23 sewer service providers; and

24 (B) violations by such service providers
25 that receive Federal assistance of civil rights

1 under title VI of the Civil Rights Act of 1964
2 with regard to equal access to water and sewer
3 services.

4 (4) PUBLIC PARTICIPATION IN REGIONALIZA-
5 TION.—In conducting the study under paragraph
6 (1), the Administrator shall evaluate efforts to re-
7 gionalize public water systems, as defined in section
8 1401 of the Safe Water Drinking Act, and sewer
9 services with respect to public participation in—

10 (A) the decision to undergo such regional-
11 ization; and

12 (B) decisionmaking by the board of direc-
13 tors (or other governing body) of the entity that
14 provides, or oversees or coordinates the provi-
15 sion of, water by the public water systems sub-
16 ject to such regionalization.

17 (5) DATA COLLECTION.—In conducting the
18 study under paragraph (1), the Administrator shall
19 collect information, assess the availability of infor-
20 mation, and evaluate the methodologies used to col-
21 lect information, related to—

22 (A) people living without water or sewer
23 services;

24 (B) water service disconnections due to un-
25 paid water service charges, including disconnec-

1 tions experienced by households containing chil-
2 dren, elderly persons, disabled persons, chron-
3 ically ill persons, or other vulnerable popu-
4 lations; and

5 (C) disparate effects, on the basis of race,
6 gender, or socioeconomic status, of water serv-
7 ice disconnections and the lack of public water
8 service.

9 (b) REPORT.—Not later than 1 year after the date
10 of the enactment of this Act, the Administrator of the En-
11 vironmental Protection Agency shall submit to Congress
12 a report that contains—

13 (1) the results of the study conducted under
14 subsection (a)(1); and

15 (2) recommendations for utility companies,
16 Federal agencies, and States relating to such results.

17 **SEC. 4. TECHNICAL ASSISTANCE TO RURAL AND SMALL**
18 **MUNICIPALITIES AND TRIBAL GOVERN-**
19 **MENTS.**

20 Section 104(u) of the Federal Water Pollution Con-
21 trol Act (33 U.S.C. 1254(u)) is amended by striking “not
22 to exceed \$25,000,000” and inserting “\$175,000,000”.

1 **SEC. 5. RESIDENTIAL ONSITE SEWAGE DISPOSAL SYSTEM**
2 **IMPROVEMENT.**

3 Title II of the Federal Water Pollution Control Act
4 (33 U.S.C. 1281 et seq.) is amended by adding at the end
5 the following:

6 **“SEC. 222. RESIDENTIAL ONSITE SEWAGE DISPOSAL SYS-**
7 **TEMS.**

8 “Not later than the date that is 1 year after the date
9 of the enactment of this section, the Administrator shall
10 establish a grant program to make grants to users of a
11 septic tank and drainage field for costs associated with
12 repairing, replacing, or upgrading such tank and such
13 field.”.

14 **SEC. 6. HOUSEHOLD WATER WELL SYSTEMS.**

15 Section 306E(d) of the Consolidated Farm and Rural
16 Development Act (7 U.S.C. 1926e(d)) is amended by
17 striking “\$20,000,000 for each of fiscal years 2019
18 through 2023” and inserting “\$348,500,000 for each fis-
19 cal year”.

20 **SEC. 7. STATE WATER POLLUTION CONTROL REVOLVING**
21 **FUNDS.**

22 (a) SPECIFIC REQUIREMENTS.—Section 602(b) of
23 the Federal Water Pollution Control Act (33 U.S.C.
24 1382(b)) is amended—

25 (1) in paragraph (2), by striking “will be made
26 to the State with funds to be made available” and

1 inserting “were made to the State with funds made
2 available for fiscal year 2019”;

3 (2) in paragraph (13), by striking “and” at the
4 end;

5 (3) in paragraph (14), by striking the period at
6 the end and inserting a semicolon; and

7 (4) by adding at the end the following:

8 “(15) the State will not provide financial assist-
9 ance using amounts from the fund for any project
10 that will provide substantial direct benefits to new
11 communities, lots, or subdivisions, other than a
12 project to construct an advanced decentralized
13 wastewater system; and”.

14 (b) PROJECTS AND ACTIVITIES ELIGIBLE FOR AS-
15 SISTANCE.—Section 603(c) of the Federal Water Pollution
16 Control Act (33 U.S.C. 1383(c)) is amended—

17 (1) in paragraph (11)(B), by striking “and” at
18 the end;

19 (2) in paragraph (12)(B), by striking the period
20 at the end and inserting “; and”; and

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

22 “(13) to any municipality or intermunicipal,
23 interstate, or State agency for—

1 “(A) purchasing from a willing or unwill-
2 ing seller a privately owned treatment works;
3 and

4 “(B) expenses related to canceling a con-
5 tract for the operation or management of a
6 publicly owned treatment works.”.

7 (c) INCREASING THE AMOUNT OF ADDITIONAL SUB-
8 SIDIZATION BY THE STATE.—Section 603(i)(3)(B) of the
9 Federal Water Pollution Control Act (33 U.S.C.
10 1383(i)(3)(B)) is amended to read as follows:

11 “(B) ADDITIONAL LIMITATION.—A State
12 may use not less than 50 percent of the total
13 amount received by the State in capitalization
14 grants under this title for a fiscal year for pro-
15 viding additional subsidization under this sub-
16 section.”.

17 **SEC. 8. USE OF STATE REVOLVING LOAN FUNDS UNDER**
18 **THE SAFE DRINKING WATER ACT.**

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

21 (1) in subsection (a)—

22 (A) in paragraph (2)—

23 (i) in subparagraph (A), by inserting
24 “publicly owned, operated, and managed”
25 before “community water systems”; and

1 (ii) in subparagraph (E), by striking
2 “The funds under this section shall not be
3 used for the acquisition of real property or
4 interests therein, unless the acquisition is
5 integral to a project authorized by this
6 paragraph and the purchase is from a will-
7 ing seller.” and inserting “The funds may
8 also be used for purchasing from a willing
9 or unwilling seller a privately owned com-
10 munity water system, or for the expenses
11 related to canceling a contract for the op-
12 eration or management of a community
13 water system.”; and

14 (B) by adding at the end the following new
15 paragraph:

16 “(6) EXCEPTION TO PUBLIC OWNERSHIP, OPER-
17 ATION, AND MANAGEMENT REQUIREMENT.—Not-
18 withstanding paragraph (2)(A), public water systems
19 that regularly serve fewer than 10,000 persons, and
20 which are not owned, operated, or managed by any
21 person who owns, operates, or manages any other
22 public water system, may receive assistance under
23 this section.”;

24 (2) by amending subsection (d)(2) to read as
25 follows:

1 “(2) TOTAL AMOUNT OF SUBSIDIES.—To the
2 extent that there are sufficient applications for loans
3 to communities described in paragraph (1), of the
4 amount of the capitalization grant received by a
5 State in a fiscal year, the total amount of loan sub-
6 sidies made by the State in the fiscal year pursuant
7 to paragraph (1) may not be less than 50 percent.”;

8 (3) in subsection (e), by striking “to be made
9 to the State” and inserting “that was made to the
10 State in fiscal year 2019”;

11 (4) in subsection (g)(3)—

12 (A) in paragraph (B), by striking “and” at
13 the end;

14 (B) in paragraph (C), by striking the pe-
15 riod at the end and inserting “; and”; and

16 (C) by inserting after subparagraph (C)
17 the following:

18 “(D) guidance to ensure affordable, equi-
19 table, transparent and reliable water service
20 provision, to provide protections for households
21 facing service disconnection due to unpaid
22 water service charges, and to promote universal
23 equal access to water services.”; and

24 (5) in subsection (k)(1), by adding at the end
25 the following:

1 “(E) Provide assistance in the form of a
2 grant to owners of private property on which a
3 lead service line (as defined in section 1459B)
4 is or may be located, for the purpose of replac-
5 ing the lead service line with a service line that
6 is lead-free (as defined in section 1417(d)).

7 “(F) Provide assistance to a publicly
8 owned, operated, and managed community
9 water system for the purpose of updating treat-
10 ment plants or switching water sources due to
11 contamination from per- and polyfluoroalkyl
12 substances (PFAS) (as defined by the State in
13 which the community water system is located).

14 “(G) Provide assistance in the form of a
15 grant to owners of a household water well that
16 has been contaminated by per- and
17 polyfluoroalkyl substances (PFAS) (as defined
18 by the State in which the household well is lo-
19 cated), for the purpose of purchasing and in-
20 stalling a household filtration system.”.

21 **SEC. 9. DRINKING WATER GRANT PROGRAMS.**

22 (a) SCHOOL DRINKING WATER IMPROVEMENT.—
23 Section 1465 of the Safe Drinking Water Act (42 U.S.C.
24 300j-25) is amended—

1 (1) in the section header, by striking “**FOUN-**
2 **TAIN**” and inserting “**INFRASTRUCTURE**”;

3 (2) in subsection (a), by striking “fountains
4 manufactured prior to 1988” and inserting “infra-
5 structure”;

6 (3) by amending subsection (b) to read as fol-
7 lows:

8 “(b) USE OF FUNDS.—Funds awarded under the
9 grant program may be used to pay costs associated with—

10 “(1) installing, repairing, or replacing the infra-
11 structure necessary to ensure that drinking water
12 fountains, drinking water coolers, and bottle filling
13 stations at schools are lead free; and

14 “(2) monitoring and reporting of lead levels in
15 the drinking water of schools, as determined appro-
16 priate by the Administrator.”; and

17 (4) in subsection (d)—

18 (A) by striking “\$5,000,000” and inserting
19 “\$1,050,000,000”; and

20 (B) by striking “2021” and inserting
21 “2022”.

22 (b) TRIBAL DRINKING WATER.—Section 1452(i)(1)
23 of the Safe Drinking Water Act (42 U.S.C. 300j–12(i)(1))
24 is amended, in the first sentence—

1 (1) by striking “1 1/2” and inserting “Three”;

2 and

3 (2) by striking “may” and inserting “shall”.

4 **SEC. 10. REQUIREMENT FOR THE USE OF AMERICAN MATE-**
5 **RIALS IN DRINKING WATER.**

6 Section 1452(a)(4) of the Safe Drinking Water Act
7 (42 U.S.C. 300j-12(a)(4)) is amended by striking “Dur-
8 ing fiscal years 2019 through 2023, funds” and inserting
9 “Funds”.

10 **SEC. 11. LABOR PROVISIONS.**

11 (a) PREVAILING RATE OF WAGE.—Nothing in this
12 Act shall affect the applicability of the requirements relat-
13 ing to labor standards of sections 513 and 602(b)(6) of
14 the Federal Water Pollution Control Act (33 U.S.C. 1372,
15 1382(b)(6)) and section 1450(e) of the Safe Drinking
16 Water Act (42 U.S.C. 300j-9(e)) to projects carried out
17 under those Acts.

18 (b) PROJECT LABOR AGREEMENTS.—

19 (1) CLEAN WATER REVOLVING FUNDS.—Sec-
20 tion 602(b) of the Federal Water Pollution Control
21 Act (33 U.S.C. 1382(b)), as amended by section 7,
22 is further amended by adding at the end the fol-
23 lowing:

24 “(16) the State will—

1 “(A) permit recipients of assistance under
2 this title to enter into agreements authorized
3 under section 8(f) of the National Labor Rela-
4 tions Act (commonly known as ‘project labor
5 agreements’) with respect to projects for build-
6 ing or construction carried out with such assist-
7 ance; and

8 “(B) ensure that, to the maximum extent
9 practicable, recipients of assistance under this
10 title carry out such projects through the use of
11 such agreements.”.

12 (2) DRINKING WATER REVOLVING FUNDS.—
13 Section 1452 of the Safe Drinking Water Act (42
14 U.S.C. 300j–12) is amended—

15 (A) in subsection (a), by adding at the end
16 the following:

17 “(7) PROJECT LABOR AGREEMENTS.—Each
18 agreement under this subsection shall require that
19 the State permit recipients of assistance under this
20 section to enter into agreements authorized under
21 section 8(f) of the National Labor Relations Act
22 (commonly known as ‘project labor agreements’)
23 with respect to projects for building or construction
24 carried out with such assistance.”; and

25 (B) in subsection (b)(3)(A)—

1 (i) in clause (ii), by striking “; and”
2 and inserting a semicolon;

3 (ii) in clause (iii), by striking the pe-
4 riod at the end and inserting “; and”; and

5 (iii) by adding at the end the fol-
6 lowing:

7 “(iv) with respect to projects for
8 building or construction, will be carried out
9 through the use of agreements authorized
10 under section 8(f) of the National Labor
11 Relations Act.”.

○