NRWA Guidance & Interpretation
Of the 23 Safe Drinking Water Act Provisions
Of the “America's Water Infrastructure Act of 2018”
Public Law No: 115-270 (October 23, 2018)

White House signing ceremony, October 23, 2018 with President Trump with Senator Boozman, Barrasso, Carper and Cardin.

Illinois Rural Water Association’s Steve Fletcher testifies before the House Health and Environment Subcommittee, May 19, 2017.

Arkansas Rural Water Association’s Dennis Sternberg testifies before the Senate Environment and Public Works Committee, May 9, 2018.

National Rural Water Association
November, 2018
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The National Rural Water Association is the country’s largest public drinking water and sanitation supply organization with over 30,000 members. Safe drinking water and sanitation are generally recognized as the most essential public health, public welfare, and civic necessities.

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Executive Summary

On October 23, 2018, President Donald J. Trump signed into law the “America’s Water Infrastructure Act” (AWIA). The new law has provisions widely supported by water related stakeholders including NRWA.

Senate sponsor, John Barrasso (WY) stated, “The Act is the most significant drinking water legislation in decades. This bill invests in repairing aging drinking water systems. For the first time since 1996, Congress will authorize the Drinking Water State Revolving Funds.”

The AWIA combines a reauthorization of the Water Resources Development Act (WRDA) with enhancements to the Safe Drinking Water Act. It also includes the Securing Required Funding for Water Infrastructure Now (SRF WIN) Act, which was introduced by Senators John Boozman (AR) and Cory Booker (NJ).

The Act authorizes increased funding for the Drinking Water State Revolving Fund.

NRWA Appreciates the Beneficial Water Provisions in the “America’s Water Infrastructure Act of 2018”

NRWA is appreciative of the very helpful and beneficial water related provisions for rural and small communities in “America’s Water Infrastructure Act of 2018.” The legislation makes significant improvements and modifications to the Clean Water Act, the Safe Drinking Water Act and the Water Infrastructure Finance and Innovation Act. Most U.S. water utilities are small; over 91 percent of the country’s approximately 50,000 drinking water systems serve communities with fewer than 10,000 people and approximately 80 percent of the country’s 14,500 plus wastewater systems serve fewer than 10,000 people.

Mark Pepper, Executive Director of Wyoming Association of Rural Water Systems stated,

“Thank you, Senator Barrasso for consistently listening to and helping rural and small communities and sponsoring the ‘American’s Water Infrastructure Act of 2018.’ Rural America is very appreciative for the help. Small and rural communities have more difficulty affording public wastewater service due to lack of population density and lack of economies of scale. Likewise, we have a much more challenging time complying with our federal Clean Water Act permits and operating complex wastewater treatment systems due to the lack of technical resources in small communities. This bill provides a solution to the lack of technical resources in small communities by providing technical experts, we call them Circuit Riders, in each state to be shared by all small and rural communities who are in need of assistance. A Circuit Rider is a person with expertise in...
wastewater treatment operation, maintenance, governance and compliance who constantly travels the state to be available on-site to any community in need of assistance. Senator Barrasso’s legislation makes significant improvements and modifications to the Clean Water Act, the Safe Drinking Water Act and the Water Infrastructure Finance and Innovation Act that will be very beneficial to small and rural communities in Wyoming and every other state.”

The legislation addresses priority small and rural community water issues with the following provisions:

- **Section 4103, Technical Assistance for Treatment Works:** This provision includes a version of Senator Wicker and Heitkamp’s “Small and Rural Community Clean Water Technical Assistance Act” which would establish a federal Clean Water Act technical assistance program administered to assist small public wastewater treatment systems in complying with EPA regulations. Small and rural communities have more difficulty affording public wastewater service due to lack of population density and lack of economies of scale. Likewise, they have a much more challenging time complying with our federal Clean Water Act permits and operating complex wastewater treatment systems due to the lack of technical resources in small communities. This bill provides a solution to this lack of technical resources in small communities by providing technical experts (known as Circuit Riders) in each state to be shared by all small and rural communities in need of assistance. A Circuit Rider is a person with expertise in wastewater treatment operation, maintenance, governance and compliance who constantly travels the state to be available on-site to any community that needs help.

- **Section 4201, WIFIA Reauthorization and Innovative Financing for State Loan Funds:** This provision includes a version of the “Securing Required Funding for Water Infrastructure Now (SRF WIN) Act” sponsored by Senators Boozman (AR), Booker (NJ), Inhofe (OK) and Feinstein (D-CA) which improves the current Water Infrastructure and Finance Innovation Act (WIFIA) by extending WIFIA-type authorities to your state revolving loan funds (SRFs). State SRFs are preferred to the status quo WIFIA program because the SRFs, by statute, target federal water funding to communities with the most need or merit (i.e. the combination of compliance burden, water rates, and local consumers’ ability to pay for the projects) and allow states to choose projects that meet state-determined needs. All sizes of communities are eligible for SRF funding.

- **Title II, Drinking Water System Improvement:** This title is a version of the House of Representatives Energy and Commerce Committee’s Safe Drinking Water Act reauthorization, H.R. 3387 (Drinking Water System Improvement Act of 2017). Enhancing drinking water quality in small communities is more of a resource issue than a regulatory problem. Most small community non-compliance with the Safe
Drinking Water Act and Clean Water Act can be quickly remedied by on-site technical assistance and education. This title improves the current SDWA by targeting funding to disadvantaged communities and small communities with minimum set-asides, and prioritization of projects with the greatest environmental and economic need. Moreover, it extends maximum loan duration up to 40 years. The bill also increases to 35 percent of the amount of additional subsidization to include forgiveness of principal that can be used in disadvantaged communities. Commonly, low income or disadvantaged communities do not have the ability to pay back a loan, even with very low interest rates, and require some portion of grant or principal forgiveness funding to make a project affordable to the ratepayers. Very importantly, the title includes no additional regulatory burden or new unfunded mandates on small and rural communities. In the consolidation provisions, the bill reflects NRWA's "Fletcher" principle that local communities (governments) should retain authority to choose when to merge, consolidate or enter into any type of privatization arrangement. The principle was articulated by NRWA President Steve Fletcher on May 19, 2017 during the House Subcommittee on Environment hearing regarding the legislation.

- Section 4304, Water Infrastructure and Workforce Investment: New federal attention and emphasis on water workforce development is proposed in this section. It takes more than 380,000 highly skilled water and wastewater personnel to ensure the public supply of safe drinking water and to protect our lakes, streams and groundwater. A college degree is of value but is not required. This career does require a great deal of training and experience. The apprenticeship model would be a welcome enterprise for the water worker universe. NRWA is very appreciative that the legislation includes numerous substantive and necessary drinking water and clean water provisions that make "America's Water Infrastructure Act of 2018" a comprehensive and beneficial water legislative package for the country.
Summary of the 23 Safe Drinking Water Act Sections

Title II of the legislation includes 23 new SDWA provisions summarized below.

America’s Water Infrastructure Act of 2018
TITLE II (amendments to the Safe Drinking Water Act)

Section 2001. Indian reservation drinking water program; annual authorizes $20 million in grants to certain Indian tribes to connect, repair, expand existing drinking water services or improve water quality, pressure, or water services.

Section 2002. Clean, safe, reliable water infrastructure; permits states to use a portion of their Drinking Water State Revolving Loan Fund to protect source water in areas delineated by that state in its source water protection plan.

Section 2003. Study on intractable water systems; requires a group of federal agencies to study and report back to Congress on intractable water systems and the barriers they face to delivering potable drinking water. An intractable water system serves fewer than 1,000 persons; where the owner or operator is unable or unwilling to provide safe drinking water, has effectively abandoned their water system or fails to maintain it, or has defaulted on their loans.

Section 2004. Sense of Congress relating to access to nonpotable water; expresses the Sense of Congress that access to non-potable water for industry can relieve supply challenges for potable water in water-stressed regions of the country.

Section 2005. Drinking water infrastructure resilience and sustainability; provides grant opportunities for states to assist or otherwise carry out necessary and appropriate activities concerning contaminated drinking water, provided by a public water system or underground source of drinking water, in an underserved and disadvantaged community when an imminent and substantial endangerment is present.

Section 2006. Voluntary school and child care program lead testing grant program enhancement; authorizes $25 million in each of fiscal years 2019, 2020, and 2021 for technical assistance to aid in identifying lead in drinking water at schools and day care centers.

Section 2007. Innovative water technology grant program; authorizes $10 million in grants in fiscal years 2019 and 2020 for competitively awarded grants to develop, test, and deploy innovative water technologies or provide technical assistance to deploy these technologies.

Section 2008. Improved consumer confidence reports; requires community water systems, serving more than 10,000 persons, to provide a CCR to each customer of the system at least biannually. Also requires EPA to improve the format of the consumer
confidence report to increase understandability and usefulness to non-technical readers on the quality of their water.

Section 2009. Contractual agreements; permits an owner or operator of a public water system to enter a contractual agreement for significant management or administrative functions of its public water system to correct its identified violations.

Section 2010. Additional considerations for compliance; permits either a state with primary enforcement responsibility for SDWA or EPA, if the state does not have that authority under SDWA to require the owner or operator of certain public water systems to assess their options for consolidation, transfer of ownership, or other activities to get that system into compliance if: (1) the public water system in question has repeatedly, even despite efforts to correct it, violated one or more SDWA requirements and this lack of compliance is likely to adversely affect human health; (2) consolidation or transfer of the public water system is feasible, including feasibility based upon geographic considerations, technical concerns, access to capital, and chances for long-term success; and (3) consolidation, transfer or ownership or other actions could result in greater compliance with national primary drinking water regulations. For certain actions undertaken pursuant to this section, liability protection is provided for outside entities that aid the utility in getting back into compliance.

Section 2011. Improved accuracy and availability of compliance monitoring data; requires the EPA, in coordination with the States, public water systems, and other interested stakeholders to create a strategic plan for improving the accuracy and availability of monitoring data.

Section 2012. Asset management; encourages the use of asset management by drinking water delivery systems.

Section 2013. Community water system risk and resilience; replaces the provisions in SDWA regarding anti-terrorism activities and instead, in line with existing water system practices, creates requirements for assessing risks from malevolent acts, including terrorism, and resilience to natural hazards and emergency response plans to those threats by community water systems serving more than 3,300 persons.


Section 2015. State Revolving Loan Funds; makes changes regarding requirements on the use of State Revolving Loan Funds (SRF) as well as eligible uses. The section also moves existing prevailing wage requirements on SRFs into the SDWA, reinvigorates the use of the SRF for state source water protection planning, asks EPA to collect information on best management practices for SRFs, requires the EPA’s national drinking water needs survey to include a report on lead pipes, and permits states to increase the amount of SRF
loans they make to economically disadvantaged communities and permits an additional 10 years for repayment of these loans to the state.

Section 2016. Authorization for source water petition programs; authorizes funding in fiscal years 2020 and 2021 for the execution of voluntary source water protection plans based upon state source water protection plans.

Section 2017. Review of technologies; authorizes $10 million for EPA to review existing and potential methods, means, equipment, and intelligent systems or other smart technology to specified purposes.

Section 2018. Source water; amends the Emergency Planning and Community Right to Know Act to help community water systems better understand real and potential threats to the source water they treat for drinking water.

Section 2019. Report on federal cross-cutting requirements; requires GAO study compliance with a state or local environmental law that may be substantially equivalent to federal cross-cutting requirements.

Section 2020. Assistance for areas affected by natural disasters; authorizes $100 million in funding over the next two fiscal years to aid areas that since January 1, 2017 have received a major federal disaster declaration.

Section 2021. Monitoring for unregulated contaminants; authorizes EPA, subject to funding, to require drinking water systems serving between 3,300 and 10,000 persons to be part of unregulated contaminant monitoring. Also authorizes funding to pay for costs associated with those tests by this group of public water systems.

Section 2022. American iron and steel products; extends the requirements on purchases of iron and steel components using DWSRF monies be manufactured in the United States for five fiscal years.

Section 2023. Authorization for capitalization grants to States for State Drinking Water Treatment Revolving Loan Funds; authorizes over $4.4 billion in appropriations, over three years, for capitalization grants awarded to state drinking water revolving loan funds. The amounts are: $1.174 billion in fiscal year 2019, $1.3 billion in fiscal year 2020, and $1.95 billion in fiscal year 2021.

Section 2007 INNOVATIVE WATER TECHNOLOGY GRANT PROGRAM
(b) Grant Program Authorized. -- The Administrator shall carry out a grant program for the purpose of accelerating the development and deployment of innovative water technologies that address pressing drinking water supply, quality, treatment, or security challenges of public water systems, areas served by private wells, or source waters.
(c) Grants. -- In carrying out the program under subsection (b), the Administrator shall make grants to eligible entities-- (1) to develop, test, and deploy innovative water technologies; or (2) to provide technical assistance to deploy demonstrated innovative water technologies.
(h) Partnerships. -- Grants awarded under this program may include projects that are carried out by an eligible entity in cooperation with a private entity, including a farmer, farmer cooperative, or manufacturer of water technologies.
(i) Authorization of Appropriations. -- There is authorized to be appropriated to carry out this section $10,000,000 for each of fiscal years 2019 and 2020.

Section 2010 ADDITIONAL CONSIDERATIONS FOR COMPLIANCE
(A) Authority. -- A State with primary enforcement responsibility or the Administrator (if the State does not have primary enforcement responsibility) may require the owner or operator of a public water system to assess options for consolidation, or transfer of ownership of the system, as described in paragraph (1), or other actions expected to achieve compliance with national primary drinking water regulations described in clause (i)(I). (C) Approved entities. -- An assessment conducted pursuant to subparagraph (A) may be conducted by an entity approved by the State requiring such assessment (or the Administrator, if the State does not have primary enforcement responsibility), which may include such State (or the Administrator, as applicable), the public water system, or a third party.

Section 2013 COMMUNITY WATER SYSTEM RISK AND RESILIENCE
(1) In general. -- Each community water system serving a population of greater than 3,300 persons shall conduct an assessment of the risks to, and resilience of, its system.
(2) Authority to recognize. -- Consistent with section 12(d) of the National Technology Transfer and Advancement Act of 1995, the Administrator shall recognize technical standards that are developed or adopted by third-party organizations or voluntary consensus standards bodies that carry out the objectives or activities required by this section as a means of satisfying the requirements under subsection (a) or (b).
(5) Grants for small systems. -- For each fiscal year, the Administrator may use not more than $10,000,000 from the funds made available to carry out this subsection to make grants to community water systems serving a population of less than 3,300 persons, or nonprofit organizations receiving assistance under section 1442(e), for activities and projects undertaken in accordance with the guidance provided to such systems under subsection (e) of this section.

Section 4103 TECHNICAL ASSISTANCE FOR TREATMENT WORKS
(a) Technical Assistance.--Section 104 of the Federal Water Pollution Control Act (33 U.S.C. 1254) is amended-- (1) in subsection (b) -- (A) by striking ``and'' at the end of paragraph (6); (B) by striking the period at the end of paragraph (7) and inserting ``; and''; and (C) by adding at the end the following: ``(8) make grants to nonprofit organizations-- `(A) to provide technical assistance to rural, small, and tribal municipalities for the purpose of assisting, in consultation with the State in which the assistance is provided, such municipalities and tribal governments in the planning, developing, and acquisition of financing for eligible projects and activities described in section 603(c); `(B) to provide technical assistance and training for rural, small, and tribal publicly owned treatment works and decentralized wastewater treatment systems to enable such treatment works and systems to protect water quality and achieve and maintain compliance with the requirements of this Act; and `(C) to disseminate information to rural, small, and tribal municipalities and municipalities that meet the affordability criteria established under section 603(i)(2) by the State in which the municipality is located with respect to planning, design, construction, and operation of publicly owned treatment works and decentralized wastewater treatment systems.''; and (2) by adding at the end the following: `(w) Nonprofit Organization.--For purposes of subsection (b)(8), the term `nonprofit organization' means a nonprofit organization that the Administrator determines, after consultation with the States regarding what small publicly owned treatment works in the State find to be most beneficial and effective, is qualified and experienced in providing on-site training and technical assistance to small publicly owned treatment works.''.

(b) Authorization of Appropriations. --Section 104(u) of the Federal Water Pollution Control Act (33 U.S.C. 1254(u)) is amended-- (1) by striking ``and (6)'' and inserting ``(6)''; and (2) by inserting before the period at the end the following: ``(7) not to exceed $25,000,000 for each of fiscal years 2019 through 2023 for carrying out subsections (b)(3), (b)(8), and (g)''.

Section 2006 VOLUNTARY SCHOOL & CHILD CARE LEAD TESTING

(C) Technical assistance. -- In carrying out the grant program under subparagraph (A), beginning not later than 1 year after the date of enactment of America's Water Infrastructure Act of 2018, the Administrator shall provide technical assistance to recipients of grants under this subsection-- `(i) to assist in identifying the source of lead contamination in drinking water at schools and child care programs under the jurisdiction of the grant recipient; `(ii) to assist in identifying and applying for other Federal and State grant programs that may assist the grant recipient in eliminating lead contamination described in clause (i); `(iii) to provide information on other financing options in eliminating lead contamination described in clause (i); and `(iv) to connect grant recipients with nonprofit and other organizations that may be able to assist with the elimination of lead contamination described in clause (i).''; (2) by redesignating paragraphs (4) through (7) as paragraphs (5) through (8), respectively; (3) by inserting after paragraph (3) the following paragraph: `(4) Priority.--In making grants under this subsection, the Administrator shall give priority to States and local educational agencies that will assist in voluntary testing for lead contamination in drinking water at schools and child care programs that are in low-income areas.
Consistency with NRWA Priority Policies

At the September 2017 annual NRWA conference in Reno, Nevada, the NRWA Regulatory Committee approved a motion “to raise principled concerns in opposition to the “Mandatory Consolidation” provision in the U.S. House of Representatives’ legislation, H.R. 3387 (the House passed version of the AWIA SDWA Title). The Regulatory Committee identified several principled concerns including: current state authorities for condemnation and emergency authorities, limitations on due process for local governments, usurpation of local government authority, and respect for local democratic policies and processes. In addition to the “Mandatory Consolidation” provision, the Regulatory Committee also raised concerns with specific provisions in the earlier drafts of the legislation including:

- Additional reporting of Consumer Confidence Reports (CCRs).
- Expansion of unregulated contaminant monitoring regulation (UCMR) to small communities.
- Requirements in funding applications designed to favor use of plastic pipe (PVC).

All of these rural water concerns were raised with the U.S. Senate Committee negotiating the final version of the legislation with the House of Representatives’ Committee. The final/enacted version of the legislation was consistent with all rural water positions.

Mandatory Consolidation: The final agreement (bill) eliminated the House provision for “Mandatory Consolidation,” and included a compromise approach to require that state agencies have discretionary authority to require an assessment of compliance options (including but not limited to consolidation) for certain communities in noncompliance. Section 2010 of the Act requires states to have discretionary authority to require an “assessment” of compliance options (including “consolidation, or transfer of ownership of the water system”) to a very limited category of communities. The new law does not provide states with the authority to mandate a community consolidate with another community after having completed the assessment, or take any particular action to achieve compliance identified in the assessment.

The final version of the bill reflects NRWA’s “Fletcher” principle that local communities (governments) should retain authority to choose when to merge, consolidate or enter into any type of privatization arrangement. The principle was articulated by NRWA President Steve Fletcher on May 19, 2017 during the House Subcommittee on Environment hearing regarding the legislation (video).

An earlier version of the legislation (H.R. 3387) did include “mandatory consolidation” authority which NRWA opposed. The “mandatory” authority was not included in the final legislation because Mississippi, Illinois, and New York Rural Water Associations conducted grassroots advocacy campaigns to persuade the three top U.S. Representatives leading the bill through Congress (Representatives Harper of MS, Shimkus of IL and Tonko of NY)
to change the provision to help their states’ small and rural communities. There were powerful interests arguing to retain the provision in the final bill.

Under the new law, the compliance “assessment” that a state “may” require is not limited to consolidation in its plenary review of all “actions expected to achieve compliance.” The law does not expose all communities in SDWA noncompliance with the potential assessment. The universe of exposed communities is limited to communities that meet the following criteria:

Have repeatedly violated one or more SDWA regulations and the repeated violations are likely to adversely affect human health; and is unable or unwilling to take feasible and affordable compliance actions (or have already undertaken compliance actions without achieving compliance).

The terms “repeatedly,” “likely to adversely affect human health,” “unable or unwilling,” and “feasible and affordable” are all undefined in the new law. The future interpretations of these terms could result in greater use of variances and exemptions as compliance alternatives. Also beneficial is the new law’s requirement that assessments be tailored to the size, type, and characteristics of the community, that state rural water associations may conduct the assessments (with state approval), and that the assessments should not be overly burdensome in accordance with Congressional directive. The Environmental Protection Agency has 2 years to promulgate regulations to implement the new assessment provision.

**Consumer Confidence Reports (CCRs):** The final agreement (bill) exempted small communities from the new requirement to publish CCRs biannually. According to the U.S. House of Representatives’ Energy and Commerce Committee (115th Congress, House of Representatives Report 115-380, Drinking Water System Improvement Act of 2017):

> “Section 2 requires as part of the rule revision to the requirements of SDWA section 1414(c)(4)(A) that community water systems serving 10,000 or more persons be obligated to provide, by mail, electronic means, or other methods permitted by the Administrator, a CCR to each customer of the system at least biannually. The Committee expects that when issuing these regulations, EPA will include feasible implementation options that reduce the burden on community water systems, States, and other relevant parties subject to the new requirements while maintaining the quality and availability of information for community water system customers.”

**Expansion of UCMR to Small Communities:** The final agreement (bill) does expand UCMR monitoring on smaller communities serving from 3,300 – 10,000 persons (which had previously been exempted). However, the law requires that the federal government pay for the cost of the monitoring for this class of small communities. According to the U.S. House of Representatives’ Energy and Commerce Committee (115th Congress,

“The bill would impose a mandate by requiring the EPA to expand the number of small public water systems (those serving fewer than 10,000 people) that must monitor drinking water for unregulated contaminants… The bill would authorize the appropriation of $15 million per year to cover the costs of laboratory analysis of samples. However, systems would incur costs to collect samples and to train staff. Based on information from public water systems and state water agencies about the costs of sample collection under current requirements, CBO estimates that systems selected for monitoring would spend, in the aggregate, $2 million to $3 million each year to comply with those requirements… The Committee is aware of the compliance burden that new monitoring could create for many smaller public water systems, especially since utilities subject to monitoring as part of a representative sample have their mailing and testing costs paid for by the Federal government. The Committee took care to protect against this burden in two ways. First, section 9(b) does not affect the intent and operation of SDWA sections 1445(a)(2)(H) and 1452(o)--but extends the authorization in SDWA section 1445(a)(2)(H) through fiscal year 2022--and section 9(a) adds an additional authorization of $15,000,000 in appropriations for this purpose. Second, to avoid systems’ non-compliance due to their inability to afford it without Federal aid, the Committee conditioned the requirement on EPA, in proposed SDWA section 1445(j)(1), to require monitoring for systems serving between 3,300 and 10,000 on the availability of appropriations. If the appropriations are not available to address the burdens to EPA and water systems, the Committee intends that EPA revert to its existing practice of using a representative sample for systems serving a population of 10,000 or fewer.”

Provision to Favor Use of Plastic Pipe (PVC) in SRF Funded Water Projects: The House passed provision (section 10 of H.R. 3387) required an evaluation of “the cost and effectiveness of relevant processes, materials, techniques, and technologies” used for projects fund by the drinking water state revolving fund (DWSRF). The provision was eliminated in the final agreement (bill).

New Risk Assessments and Emergency Response Plans: The enacted legislation includes a new requirement that community water systems serving more than 3,300 persons revise their Vulnerability Assessments and Emergency Response Plan. The new “risk and resilience” assessments are broader in scope than the 2001 Vulnerability Assessments (see Chapter 6). However, the requirement is limited to mandating that eligible community water systems “submit to the Administrator a certification that the system has conducted an assessment….” Similar to the 2001 Vulnerability Assessments’ law, EPA is limited from reviewing the content of the assessments in order to provide maximum flexibility and prevent unnecessary federal regulation.
Good Morning Chairman Shimkus and Ranking Member Tonko and members of the Subcommittee. Rural Illinois, New York and the rest of America thank you for this opportunity to testify on drinking water infrastructure. And I would especially like to thank you, Congressmen Shimkus and Tonko, for your visits to your local communities in your districts to tour and help with specific communities’ water issues. This has been very much appreciated in those communities.

I am Steve Fletcher from a very rural part of Illinois in Washington County. I am representing all small and rural community water and wastewater supplies today through my association with both the Illinois and National Rural Water Associations. Our member communities have the very important public responsibility of complying with all applicable regulations and for supplying the public with safe drinking water and sanitation every second of every day. Most all water supplies in the U.S. are small; 92% of the country’s 50,366 drinking water supplies serve communities with fewer than 10,000 persons, and 80% of the country’s 16,255 wastewater supplies serve fewer than 10,000 persons.

I am the general manager of the Washington County Water Company which is a non-profit rural water district started by a group of farmers in the 1980s. These farmers organized and built the water district using funding from the federal government that allowed these mainly farm families to receive safe, piped drinking water for the first time. Without the financial help from the federal government, we could have never afforded to have safe public water or even a public water utility.

We are governed by elected, volunteer board members that live in our service area. Before the development of the rural water districts, rural households, including mine, relied on cisterns and private wells that were contaminated with nitrates so we couldn’t drink the water. We also relied on steel tanks that would catch the rain water off the roof and run it though some rocks to filter out sediment – and some farms were using water from their ponds with only some rudimentary treatment. None of these were good or safe options.

Over the last four decades, our little water district has grown to serve 4700 users through four separate small municipalities that have decided to partner with us for various
reason which I will explain in a bit. We expanded project-by-project by laying new lines when we could secure the funding. Every few years we would extend water lines another 50-100 miles, allowing for an additional 200-300 homes to get drinking water for the first time. It took us ten years to grow and extend enough to service the president of the water district.

Appropriate Partnerships

We also partner with our neighboring town of Egypt which decided to get out of managing their own small water utility and gave the management responsibilities to us. We assumed all its assets and debts three years ago and now operate and manage Egypt’s drinking water system as a satellite and separate public water system under our governance.

I wanted to highlight our various forms of partnerships with our neighboring communities including outright ownership of the town of Egypt, to selling wholesale water to the villages of Okawville and Radom, to providing partial operations to the Village of Ashley, and to our partnership with the Village of DuBois where we provide the operations, maintenance and compliance testing to the Village while it retains full local governmental control.

I note these partnerships to make the point that regionalization and consolidation of small communities’ water systems are occurring and there is no current legal or structural impediment for this to occur. We support the concept and encourage these partnerships when it makes local economic sense because growing economies of scale result in lower cost to the consumer than operating independent water utilities. In the 1990s, it became apparent to the villages of Ashly and Okawville that it would be more economical to purchase water from us than what it would cost to upgrade their treatment plants – so they chose to partner with us.

The key ingredient in any successful consolidation is local support for the consolidation – and local control of when and how they choose consolidation. Rural Water has led or assisted in more communities consolidating their water supplies than any program, policy or organization. Again, when communities believe consolidation will benefit them, they eagerly agree with these partnerships. However, if communities are coerced to consolidate, one can almost guarantee future controversy. We urge you to allow local governments the authority to choose when to merge, consolidate or enter into a partnership. If a community is out of compliance with the Safe Drinking Water Act, civil enforcement can drive a community to a compliance solution. However, they should be able to choose their preferred compliance solution whether it be new treatment, regionalization, technical assistance, governmental changes, etc. We would be very concerned if the federal government expanded its regulatory reach into this traditionally local governmental authority.
“Drinking Water System Improvement Act of 2017”

We appreciate the Subcommittee’s efforts to make modifications to the Safe Drinking Water Act to assist local governments with drinking water infrastructure funding and other forms of assistance in your legislation, the “Drinking Water System Improvement Act of 2017.” We are pleased to endorse the bill for the following reasons and make some comments if the Subcommittee makes any modifications to the bill:

1. First, small and rural communities support the use of these existing federal infrastructure initiatives as the primary delivery mechanisms for any new federal water infrastructure initiative. These initiatives all have specific authorizing provisions that recognize that most water utilities are small and have more difficulty affording public water service due lack of population density and lack of economies of scale and have some targeting or prioritization of federal water subsidies based on need. The state revolving loans achieve this principled objective by requiring that federal subsidies be targeted to the communities most in need based on their economic challenges combined with the public health necessity of the project. If rural and small town America is not specifically targeted in the legislation that would authorize and fund new water infrastructure initiatives, the funding will bypass rural America and be absorbed by large metropolitan water developments. The “Drinking Water System Improvement Act of 2017” accomplishes this objective by including targeting to disadvantaged communities and small communities with minimum set-asides, and prioritization of projects with the greatest environmental and economic need.

2. Second, we support the extended maximum loan duration up to 40 years. This extension can make the difference in a community being able to afford a project by lowering the repayment amounts to a level where the community can afford to service the debt. This change also makes the Drinking Water SRF consistent with other maximum loan terms in federal programs.

3. Third, we support the increase to 35 percent of the amount of additional subsidization to include forgiveness of principal that can be used in disadvantaged communities. Commonly, low income or disadvantaged communities do not have the ability to pay back a loan, even with very low interest rates, and require some portion of grant or principal forgiveness funding to make a project affordable to the ratepayers.

4. Fourth, the “Drinking Water System Improvement Act of 2017” includes no additional regulatory burden or new unfunded mandates on small and rural communities. Enhancing drinking water quality in small communities is more of a resource issue than a regulatory problem. Most small community non-compliance with the Safe Drinking Water Act and Clean Water Act can be quickly remedied by on-site technical assistance and education. The current EPA regulatory structure is often misapplied to small and rural communities because every community wants to provide safe water and meet all drinking water standards. After all, local water
supplies are operated and governed by people whose families drink the water every day and people who are locally elected.

When Congressman Tonko’s “ASSISTANCE, QUALITY, AND AFFORDABILITY ACT,” or AQUA legislation, was first introduced in 2010, we testified in favor of that legislation. We think some of the positive targeting contained in the AQUA bill has been included in the “Drinking Water System Improvement Act of 2017” and we appreciate that and thank you, Representative Tonko, for your continued efforts to make sure federal water funding is targeted to communities most in need.

We urge you to consider two additional provisions to the legislation that we believe would make it more effective in reaching and assisting communities facing some of the most challenging water infrastructure situations. For the past few years, the Interior Appropriations Subcommittee has been mandating in the EPA appropriations bill that states must use 20 percent of their drinking water SRF grant for making grants to disadvantaged communities. Please consider codifying this policy in the Safe Drinking Water Act to make it permanent and please consider increasing the 20 percent to a higher level to ensure grants are available to make the most necessary water projects in the most economically disadvantaged communities possible. Also, please consider authorizing a technical assistance initiative dedicated to helping under-resourced communities with the application process. Many communities simply have difficulty completing the necessary paperwork and working through the engineering process to successfully obtain funding from the available federal funding sources. Authorizing a technical assistance provision that would fund one person with expertise in grant writing and project completion in each state would allow all communities access to this shared resource that no single community could afford to employ full-time. We think such a program would cost approximately $6.5 million and should be implemented with similar authority through the Grassroots Rural and Small Community Water Systems Assistance Act.


TITLE II – ENVIRONMENTAL PROTECTION AGENCY
State And Tribal Assistance Grants
Provided further, ...20 percent of the funds made available under this title to each State for Drinking Water State Revolving Fund capitalization grants shall be used by the State to provide additional subsidy to eligible recipients in the form of forgiveness of principal, negative interest loans, or grants (or any combination of these), and shall be so used by the State only where such funds are provided as initial financing for an eligible recipient or to buy, refinance, or restructure the debt obligations of eligible recipients where such debt was incurred on or after the date of enactment of this Act...

Example of Challenging Water Infrastructure Situation
The Village of Neponset in Bureau County, Illinois, only has a population of 473 persons. It was already carrying a lot of debt for its water utility infrastructure when it was mandated to upgrade its wastewater utility, install new treatment to comply with the federal drinking water standard for radium, and finance the refurbishing of their water tower (approximately $1.5 million). The community had to raise their rates by $15 a month to approximately a total of $100 monthly. Community leaders are concerned the high cost of water service will result in more empty homes. All of the main three federal water funding sources have been very helpful in assisting the community and we are hopeful this assistance will keep the community viable. In addition to refinancing their existing debt to a longer loan duration of 30 years, the drinking water SRF funds has provided two loans to Neponset (one each for water and sewer), USDA has provided an additional loan for their sewer upgrade, and they were also able to qualify for a grant from the Community Development Block Grant program. This is a good example of all the various funding agencies working cooperatively to address a small community in dire need.

Unfortunately, we don’t have the magic solution for how to adequately fund the SRFs, increase funding for national water infrastructure, or find feasible ideas for new funding streams other than the traditional federal discretionary appropriations process. However, we are grateful for this committee’s continued advocacy for appropriations for the SRFs each year and continued attention to water infrastructure challenges. We also will be relying on this committee to ensure that any new national infrastructure initiative does not bypass rural and small town America as it progresses in Congress.

**Technical Assistance**

I want to especially thank Congressman Harper, Tonko, and the Subcommittee for passing the Grassroots Rural and Small Community Water Systems Assistance Act into law in the last Congress. Small and rural communities want to provide safe water and meet all drinking water standards – and on-site technical assistance gives them the shared technical resource to achieve it. Most small community non-compliance with the Safe Drinking Water Act and Clean Water Act can be quickly remedied by on-site technical assistance and education. However, the assistance must come from someone they trust (a peer) who is willing to travel directly to the community, has technical expertise to remedy that specific community’s issue with their specific treatment and infrastructure, and be available on-site at any time (nights, weekends, middle of winter, etc.). We have not been able to have that legislation, Public Law 114-98, control all the technical assistance funding in the Environmental Protection Agency (EPA) appropriations bill which is preventing that technical assistance funding from reaching rural Illinois, New York, and other states. Any assistance you can provide to correct this issue with the EPA Appropriations Subcommittee is greatly appreciated. The reason why this authorization and the similar drinking water authorization need to be specifically cited in the appropriations bill is because they contain a critical mandate that the EPA must follow.
Congressional intent and give preference to the type of technical assistance that small communities find to be most beneficial. Again, we would be grateful for any help in getting this message to the EPA Appropriations Subcommittee.

**Small and Rural Community Issues**

When thinking about national water infrastructure proposals, please remember that most water utilities are small and have more difficulty affording public water service due to lack of population density and corresponding lack of economies of scale. The small community paradox in federal water policy is that while we supply water to a minority of the country’s population, small and rural communities often have more difficulty providing safe, affordable drinking water and sanitation due to these very limited economies of scale and lack of technical expertise. Also, while we have fewer resources, we are regulated in the exact same manner as a large community; we outnumber large communities by a magnitude of 10-fold, and federal compliance and water service is often a much higher cost per household. In 2017, there are rural communities in the country that still do not have access to safe drinking water or sanitation due to the lack of population density or lack of funding – some exist in my own county.

Small community water infrastructure projects are more difficult to fund because they are smaller in scale – meaning numerous, very complicated applications have to be completed and approved compared to one large project. This is compounded by the reality that small communities lack the administrative expertise to complete the necessary application process – and perhaps lack the political appeal of some large cities as well.

Because water infrastructure is often less affordable (i.e. a much greater cost per household) in rural America, a water infrastructure project poses a greater financial risk compared to a metropolitan project and, very importantly, requires some portion of a grant, not just a loan, to make the project feasible. The higher the percentage of grants required to make a project work results in less money repaid to the infrastructure funding agency and a correlating diminution of the corpus fund.

**State Revolving Loan Funds (SRFs)**

There is a current misconception among some stakeholders that the SRFs have a limitation on size or scope of a water project and don’t leverage federal dollars. States can currently leverage a smaller amount of water funding to create a much larger available loan portfolio. Similarly, states can use their federal SRF grants to leverage larger loan portfolios. According to the EPA, State SRF programs can increase funds through different types of leveraging such as:

- Using fund assets as collateral to issue tax-exempt revenue bonds;
Using funds from one SRF program to secure the other SRF program against default through cross-collateralization;
Using funds from one SRF program to help cure a default in the other SRF program through a short-term cross-investment; and
Increasing disbursements to incrementally fund multiple projects within a capital improvement plan.

A 2015, Government Accountability Office (GAO) report on the state revolving funds found: “EPA tracks the amount of additional loans that are made because of leveraged bonds. States’ Clean Water SRF programs have issued approximately $31.8 billion in loans with leveraged bonds, and states’ Drinking Water SRF programs have made approximately $5.3 billion in additional loans with leveraged bonds…” [Source: State Revolving Funds, August 2015 GAO-15-567]

Regarding the misconception some stakeholders are advancing that the SRFs have a limitation on size or scope of a water project, there is no size or scope limitation for water projects under the state revolving funds. According to EPA, most SRF funding is allocated to large communities:

- Approximately 72 percent of clean water SRF funding is awarded to large communities (EPA Clean Water State Revolving Fund Annual Review).
- Approximately 62 percent of drinking water SRF funding is awarded to large communities (http://www.epa.gov/ogwdw/dwsrf/nims1/dwcsizeus.pdf).

A simple review of projects funded by the SRFs show numerous projects that cost over 50 million dollars. It appears that the SRFs are used in every large water project in the country. This assertion should be verified by the EPA. The state of New York lists multiple projects funded by the drinking water SRF that cost over one billion dollars.

**Clean Water Financing Proposed Priority System (FY2016) New Jersey Department of Environmental Protection** (link).

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**SRF for Water Pollution Control Federal FY2016 NY DEC** (link).
GREENWOOD LAKE, $62,021,000
SOUTHAMPTON, VILLAGE $30,552,000
CHEEKTOWAGA, TOWN OF $50,000,000
NASSAU COUNTY BAY PARK $50,951,925
NASSAU COUNTY $524,750,000
ONEIDA COUNTY PHASE 2B $59,500,000 ONEIDA COUNTY PHASE 5B $117,000,000
ONEIDA COUNTY PHASE 6A $110,600,000
SUFFOLK COUNTY SW SD #3 $88,572,000
SUFFOLK COUNTY RT 25 $76,230,000
UTICA, CITY OF $105,304,000

Final Intended Use Plan Drinking Water State Revolving Fund October 1, 2015-
September 30, 2016 (link). NEW YORK CITY
Croton Filtration Plant (Phase 11 of 16479), $1,200,000,000
3rd City tunnel and shafts, dist press, $470,000,000
Catskill& Delaware UV Disinfection, Treatment Plant $1,400,000,000

CALIFORNIA, YEAR 2015-2016 Clean Water Revolving Fund Intended Use Plan (link).
Sacramento Regional County Sanitation District Echo Water Project $174,380,875
Sacramento Regional County Sanitation District Echo Water Project $65,426,778
South Coast Water District Tunnel Stabilization & Sewer Rehabilitation $102,560,000
Hi-Desert Water District Wastewater Treatment and Water Reclamation $142,349,314
City of Malibu Civic Center Wastewater Treatment & Recycling Facility $41,900,000
Santa Margarita Water District Trampas Canyon Recycled Water $47,450,000
City of North Valley Regional Recycled Water Program $96,617,856
Monterey Regional Water Pollution Control Agency Groundwater $82,000,000
Eastern Municipal Water District Recycled Water Supply Optimization $114,031,280
Los Angeles, Advanced Water Purification Facility $451,000,000
Sacramento Regional County Sanitation District Echo Water Project $59,408,652
Sacramento Regional County Sanitation District Echo Water Project $711,032,393
City of San Luis Obispo Water Resource Recovery Facility Expansion $68,000,000
Ventura County Waterworks District No. 1 $50,000,000
San Jose, City of Digester and Thickener Facilities $86,350,000
Water Replenishment District of Southern California Groundwater $80,000,000
Upper San Gabriel Valley Municipal Water District Indirect Reuse $65,000,000
Los Angeles, City of Hyperion Treatment Plant Membrane $460,000,000
Palmdale Water District Palmdale Regional Groundwater Recharge $130,000,000
Sacramento Regional County Sanitation District Echo Water Project $484,585,422

Privatization

NRWA has not opposed water supply privatization in principle. However, corporate
water (profit generating companies or companies paying profits to shareholders/investors)
should not be eligible for federal taxpayer subsidies. Private companies argue that they have to comply with the same regulations. However, the distinction in mission between public and private is the core principle that should be considered. Public water utilities were and are created to provide for public welfare (the reason why public water continues to expand to underserved and nonprofitable populations). Any federal subsidy that is provided to a corporate water utility should be separated from subsidizing that company’s profits.

Regarding EPA’s suggestion that public-private partnerships may be a solution for small and rural water utility “challenges,” we urge EPA to limit its policy and initiatives to compliance rather than promote water utility privatization. EPA should leave any decisions regarding privatization to the local citizens’ discretion. The decision for any local governmental to privatize, including incremental privatization, should be determined at the discretion of local citizens. There is nothing inherently more efficient or more economical in the operation of a private water utility versus a public-governmental water utility. As the Government Accountability Office concluded in 2008, “There is no ‘free’ money in public-private partnerships.” This observation is self-evident, along with the observation that private water utilities are inherently no more efficient that public water utilities. While we believe that maximizing profit is a noble virtue, we do not think that federal policy and initiatives should promote privatization of water utilities.

Regarding private or commercial funding as a source for investment in the country’s water infrastructure, please know that there is currently no limitation on private or commercial investments in water utility infrastructure projects. Many water utilities currently rely on commercial or private investors (i.e. a local bank) for certain projects. However, many water infrastructure water projects would become unaffordable, like the communities cited earlier in my testimony, if they were to rely solely on commercial or private financing. This means that the ratepayers would not be able to afford their water bills if the total cost of the project were financed by the ratepayers. This dynamic is especially acute in low-income communities with expensive water utility infrastructure needs.

Congress has determined that there is a federal interest in subsidizing some of these water infrastructure projects based on need – the community’s lack of ability to afford the project combined with the public health or environmental urgency of the project. Congress appropriates finite water funding subsidies and communities compete based on need for these limited federal subsidies.

Under the Clean Water Act and the Safe Drinking Water Act, the state revolving funds’ (SRFs) application processes require the prioritization of funding awards based on a meritorious needs-based evaluation conducted by the states. Under the U.S. Department of Agriculture’s (USDA) water infrastructure funding program, communities must demonstrate they don’t have the ability to obtain commercial credit (the “credit elsewhere” test) and then they are only subsidized by the amount to make the project affordable to that specific
community based on a ratio of water rates and local median household income. There are never enough federal subsidies to fund every project.

We have concerns with proposals to extend new subsidies or tax preferences to the private investment sector to support a new national infrastructure initiative:

- For private or commercial funding instruments to be able make projects more affordable by lowering interest rates, the federal government would have to offer some type of subsidy or tax-break to the private sector. This will have a cost to the federal government in decreased tax revenue or direct appropriations. If this cost is used to support the private sector, it will result in a transfer or circumvention of public (taxpayer) subsidies from the public (local governments under the SRFs, USDA, etc.) to the commercial or corporate sector. We believe that federal water project subsidies should be used for the public/governmental sector water infrastructure projects determined to be a federal priority worthy of public subsidy.

- Private infrastructure financing does not require the prioritization of projects based on need (economical and environmental) like the current government water programs. It is in the interest of the private financing sector to fund the projects that would have the highest return on investments. Therefore, if additional federal subsidies were used to subsidize the private sector, it would have the effect of redirecting federal subsidies from the projects with the greatest need (economical, public health and environmental) to the projects with least need.

Again, there is currently no limitation of commercial or private investment in water infrastructure; our concern is limited to providing a new subsidy to the private or commercial sector that could remain in a public sector dedicated to accomplishing federally identified priorities.
Significant New Mandates and Rulemakings

Section 2008 IMPROVED CONSUMER CONFIDENCE REPORTS
Understandability and frequency: Not later than 24 months after the date of enactment, the Administrator, in consultation with stakeholders, shall issue revisions to the regulations to increase the readability, clarity, and understandability of the information presented in consumer confidence reports; and the accuracy of information presented, and risk communication, in consumer confidence reports.

Section 2010 ADDITIONAL CONSIDERATIONS FOR COMPLIANCE
Regulations: Not later than 2 years after the date of enactment, the Administrator shall promulgate regulations to implement the mandatory assessment authority.

Section 2013 COMMUNITY WATER SYSTEM RISK AND RESILIENCE
Each CWS serving a population of greater than 3,300 persons shall conduct an assessment of the risks to, and resilience of, its system. Each CWS covered shall submit to the Administrator a certification that the system has conducted an assessment by June 30, 2021, in the case of systems serving a population greater than 3,300 but less than 50,000. Each CWS covered shall review the assessment at least once every 5 years and submit to the Administrator a certification of completion. Each CWS serving a population greater than 3,300 shall prepare or revise, where necessary, an emergency response plan that incorporates findings of the assessment and certify to the Administrator no later than 6 months after completion of the assessment.

Section 2015 STATE REVOLVING LOAN FUNDS
The EPA shall collect information from States on administration of SRFs including efforts to streamline the process for applying for assistance through such SRFs; programs in place to assist with the completion of applications for assistance through such SRFs; incentives provided to PWSs that partner with small PWSs to assist with the application process for assistance through such SRFs; practices to ensure that amounts in such SRFs are used to provide loans, loan guarantees, or other authorized assistance in a timely fashion; practices that support effective management of such SRFs; practices and tools to enhance financial management of such SRFs; and key financial measures for use in evaluating SRF operations, including measures of lending capacity, such as current assets and current liabilities or undisbursed loan assistance liability; and measures of growth or sustainability, such as return on net interest; not later than 3 years after the date of enactment.

Section 2021 MONITORING FOR UNREGULATED CONTAMINANTS
The Administrator shall, subject to the availability of appropriations require public water systems serving between 3,300 and 10,000 persons to monitor for unregulated contaminants 3 years after the date of enactment of this subsection.
Text of the Law’s 23 SDWA Provision

TITLE II—DRINKING WATER SYSTEM IMPROVEMENT

SEC. 2001. INDIAN RESERVATION DRINKING WATER PROGRAM.
(a) In General.—Subject to the availability of appropriations, the Administrator of the Environmental Protection Agency shall carry out a program to implement—
(1) 10 eligible projects described in subsection (b) that are within the Upper Missouri River Basin; and
(2) 10 eligible projects described in subsection (b) that are within the Upper Rio Grande Basin.
(b) Eligible Projects.—A project eligible to participate in the program under subsection (a) is a project—
(1) that is on a reservation (as defined in section 3 of the Indian Financing Act of 1974 (25 U.S.C. 1452)) that serves a federally recognized Indian Tribe; and
(2) the purpose of which is to connect, expand, or repair an existing public water system, as defined in section 1401(4) of the Safe Drinking Water Act (42 U.S.C. 300f(4)), in order to improve water quality, water pressure, or water services.
(c) Requirement.—In carrying out the program under subsection (a)(1), the Administrator of the Environmental Protection Agency shall select not less than one eligible project for a reservation that serves more than one federally recognized Indian Tribe.
(d) Authorization Of Appropriations.—There is authorized to be appropriated to carry out the program under subsection (a) $20,000,000 for each of fiscal years 2019 through 2022.

SEC. 2002. CLEAN, SAFE, RELIABLE WATER INFRASTRUCTURE.
Section 1452(k) of the Safe Drinking Water Act (42 U.S.C. 300j–12(k)) is amended—
(1) in paragraph (1)(D), by inserting “and for the implementation of efforts (other than actions authorized under subparagraph (A)) to protect source water in areas delineated pursuant to section 1453” before the period at the end; and
(2) in paragraph (2)(E), by inserting “, and to implement efforts to protect source water,” after “wellhead protection programs”.

SEC. 2003. STUDY ON INTRACTABLE WATER SYSTEMS.
Part E of the Safe Drinking Water Act (42 U.S.C. 300j et seq.) is amended by adding at the end the following:
“SEC. 1459C. STUDY ON INTRACTABLE WATER SYSTEMS.
“(a) Definition Of Intractable Water System.—In this section, the term ‘intractable water system’ means a community water system or a noncommunity water system—
“(1) that serves fewer than 1,000 individuals;
“(2) the owner or operator of which—
“(A) is unable or unwilling to provide safe and adequate service to those individuals;
“(B) has abandoned or effectively abandoned the community water system or noncommunity water system, as applicable;
“(C) has defaulted on a financial obligation relating to the community water system or noncommunity water system, as applicable; or
“(D) fails to maintain the facilities of the community water system or noncommunity water system, as applicable, in a manner so as to prevent a potential public health hazard; and
“(3) that is, as of the date of enactment of America’s Water Infrastructure Act of 2018—
“(A) in significant noncompliance with this Act or any regulation promulgated pursuant to this Act; or
“(B) listed as having a history of significant noncompliance with this title pursuant to section 1420(b)(1).
“(b) Study Required.—
“(1) IN GENERAL.—Not later than 2 years after the date of enactment of this section, the Administrator, in consultation with the Secretary of Agriculture and the Secretary of Health and Human Services, shall complete a study that—
“(A) identifies intractable water systems; and
“(B) describes barriers to delivery of potable water to individuals served by an intractable water system.
“(2) REPORT TO CONGRESS.—Not later than 2 years after the date of enactment of this section, the Administrator shall submit to Congress a report describing findings and recommendations based on the study under this subsection.”

SEC. 2004. SENSE OF CONGRESS RELATING TO ACCESS TO NONPOTABLE WATER. It is the sense of Congress that—
(1) access to nonpotable water sources for industry can relieve the supply and demand challenges for potable water in water-stressed regions throughout the United States; and
(2) water users are encouraged to continue implementing and incentivizing nonpotable water reuse programs that will achieve greater water savings and conservation needs.

SEC. 2005. DRINKING WATER INFRASTRUCTURE RESILIENCE AND SUSTAINABILITY. Section 1459A of the Safe Drinking Water Act (42 U.S.C. 300j–19a) is amended—
(1) by redesignating subsection (j) as subsection (k);
(2) in subsection (k), as redesignated by paragraph (1), by striking “this section” and inserting “subsections (a) through (j) of this section”;
(3) by inserting after subsection (i) the following:
“(j) State Response To Contaminants.—
“(1) IN GENERAL.—The Administrator may, subject to the terms and conditions of this section, issue a grant to a requesting State, on behalf of an underserved community, so the State may assist in, or otherwise carry out, necessary and appropriate activities related to a contaminant—
“(A) that is determined by the State to—
“(i) be present in, or likely to enter into, a public water system serving, or an underground source of drinking water for, such underserved community; and
“(ii) potentially present an imminent and substantial endangerment to the health of persons; and
“(B) with respect to which the State determines appropriate authorities have not acted sufficiently to protect the health of such persons.
“(2) RECOVERY OF FUNDS.—If, subsequent to the Administrator’s award of a grant to a State under this subsection, any person or entity (including an eligible entity), is found by the Administrator or a court of competent jurisdiction to have caused or contributed to contamination that was detected as a result of testing conducted, or treated, with funds provided under this subsection, and such contamination violated a law administered by the Administrator, such person or entity shall, upon issuance of a final judgment or settlement
and the exhaustion of all appellate and administrative remedies—“(A) notify the Administrator in writing not later than 30 days after such issuance of a final judgment or settlement and the exhaustion of all appellate and administrative remedies; and
“(B) promptly pay the Administrator an amount equal to the amount of such funds.”; and
(4) by adding at the end the following:
“(l) Drinking Water Infrastructure Resilience And Sustainability.—
“(1) RESILIENCE AND NATURAL HAZARD.—The terms ‘resilience’ and ‘natural hazard’ have the meaning given such terms in section 1433(h).
“(2) IN GENERAL.—The Administrator may establish and carry out a program, to be known as the Drinking Water System Infrastructure Resilience and Sustainability Program, under which the Administrator, subject to the availability of appropriations for such purpose, shall award grants in each of fiscal years 2019 and 2020 to eligible entities for the purpose of increasing resilience to natural hazards.
“(3) USE OF FUNDS.—An eligible entity may only use grant funds received under this subsection to assist in the planning, design, construction, implementation, operation, or maintenance of a program or project that increases resilience to natural hazards through—
“(A) the conservation of water or the enhancement of water use efficiency;
“(B) the modification or relocation of existing drinking water system infrastructure made, or that is at risk of being, significantly impaired by natural hazards, including risks to drinking water from flooding;
“(C) the design or construction of desalination facilities to serve existing communities;
“(D) the enhancement of water supply through the use of watershed management and source water protection;
“(E) the enhancement of energy efficiency or the use and generation of renewable energy in the conveyance or treatment of drinking water; or
“(F) the development and implementation of measures to increase the resilience of the eligible entity to natural hazards.
“(4) APPLICATION.—To seek a grant under this subsection, the eligible entity shall submit to the Administrator an application that—
“(A) includes a proposal of the program or project to be planned, designed, constructed, implemented, operated, or maintained by the eligible entity;
“(B) identifies the natural hazard risk to be addressed by the proposed program or project;
“(C) provides documentation prepared by a Federal, State, regional, or local government agency of the natural hazard risk to the area where the proposed program or project is to be located;
“(D) includes a description of any recent natural hazard events that have affected the applicable water system;
“(E) includes a description of how the proposed program or project would improve the performance of the system under the anticipated natural hazards; and
“(F) explains how the proposed program or project is expected to enhance the resilience of the system to the anticipated natural hazards.
“(5) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $4,000,000 for each of fiscal years 2019 and 2020.”.
SEC. 2006. VOLUNTARY SCHOOL AND CHILD CARE PROGRAM LEAD TESTING GRANT PROGRAM ENHANCEMENT.
(a) Voluntary School And Child Care Program Lead Testing Grant Program Enhancement.—
Section 1464(d) of the Safe Drinking Water Act (42 U.S.C. 300j–24(d)) is amended—
(1) in paragraph (2), by adding at the end the following:
“(C) TECHNICAL ASSISTANCE.—In carrying out the grant program under subparagraph (A),
beginning not later than 1 year after the date of enactment of America’s Water Infrastructure
Act of 2018, the Administrator shall provide technical assistance to recipients of grants under
this subsection—
“(i) to assist in identifying the source of lead contamination in drinking water at schools and
child care programs under the jurisdiction of the grant recipient;
“(ii) to assist in identifying and applying for other Federal and State grant programs that may
assist the grant recipient in eliminating lead contamination described in clause (i);
“(iii) to provide information on other financing options in eliminating lead contamination
described in clause (i); and
“(iv) to connect grant recipients with nonprofit and other organizations that may be able to
assist with the elimination of lead contamination described in clause (i).”;
(2) by redesignating paragraphs (4) through (7) as paragraphs (5) through (8), respectively;
(3) by inserting after paragraph (3) the following paragraph:
“(4) PRIORITY.—In making grants under this subsection, the Administrator shall give priority
to States and local educational agencies that will assist in voluntary testing for lead
contamination in drinking water at schools and child care programs that are in low-income
areas.”; and
(4) in paragraph (8) (as redesignated by paragraph (2) of this section)—
(A) by striking “is authorized” and inserting “are authorized”; and
(B) by striking “2021” and inserting “2019, and $25,000,000 for each of fiscal years 2020 and
2021”.
(b) Drinking Water Fountain Replacement For Schools.—
(1) IN GENERAL.—Part F of the Safe Drinking Water Act (42 U.S.C. 300j–21 et seq.) is
amended by adding at the end the following:
“SEC. 1465. DRINKING WATER FOUNTAIN REPLACEMENT FOR SCHOOLS.
“(a) Establishment.—Not later than 1 year after the date of enactment of this section, the
Administrator shall establish a grant program to provide assistance to local educational
agencies for the replacement of drinking water fountains manufactured prior to 1988.
“(b) Use Of Funds.—Funds awarded under the grant program—
“(1) shall be used to pay the costs of replacement of drinking water fountains in schools; and
“(2) may be used to pay the costs of monitoring and reporting of lead levels in the drinking
water of schools of a local educational agency receiving such funds, as determined
appropriate by the Administrator.
“(c) Priority.—In awarding funds under the grant program, the Administrator shall give priority
to local educational agencies based on economic need.
“(d) Authorization Of Appropriations.—There are authorized to be appropriated to carry out
this section $5,000,000 for each of fiscal years 2019 through 2021.”.
(2) DEFINITIONS.—Section 1461(5) of the Safe Drinking Water Act (42 U.S.C. 300j–21(5)) is
amended by inserting “or drinking water fountain” after “water cooler” each place it appears.
SEC. 2007. INNOVATIVE WATER TECHNOLOGY GRANT PROGRAM.
(a) Definitions.—In this section:
(1) **ADMINISTRATOR.**—The term “Administrator” means the Administrator of the Environmental Protection Agency.

(2) **ELIGIBLE ENTITY.**—The term “eligible entity” means—
(A) a public water system (as defined under section 1401(4) of the Safe Drinking Water Act (42 U.S.C. 300f(4)));
(B) an institution of higher education;
(C) a research institution or foundation;
(D) a regional water organization; or
(E) a nonprofit organization described in section 1442(e)(8) of the Safe Drinking Water Act (42 U.S.C. 300j–1(e)(8)).

(b) **Grant Program Authorized.**—The Administrator shall carry out a grant program for the purpose of accelerating the development and deployment of innovative water technologies that address pressing drinking water supply, quality, treatment, or security challenges of public water systems, areas served by private wells, or source waters.

(c) **Grants.**—In carrying out the program under subsection (b), the Administrator shall make grants to eligible entities—
(1) to develop, test, and deploy innovative water technologies; or
(2) to provide technical assistance to deploy demonstrated innovative water technologies.

(d) **Selection Criteria.**—In making grants under this section, the Administrator shall—
(1) award grants through a competitive process to eligible entities the Administrator determines are best able to carry out the purpose of the program; and
(2) give priority to projects that have the potential—
(A) to reduce ratepayer or community costs or costs of future capital investments;
(B) to significantly improve human health or the environment; or
(C) to provide additional drinking water supplies with minimal environmental impact.

(e) **Cost-Sharing.**—The Federal share of the cost of activities carried out using a grant under this section shall be not more than 65 percent.

(f) **Limitation.**—The maximum amount of a grant under this section shall be $5,000,000.

(g) **Report.**—Each year, the Administrator shall submit to Congress and make publicly available on the website of the Administrator a report that describes any advancements during the previous year in development of innovative water technologies made as a result of funding provided under this section.

(h) **Partnerships.**—Grants awarded under this program may include projects that are carried out by an eligible entity in cooperation with a private entity, including a farmer, farmer cooperative, or manufacturer of water technologies.

(i) **Authorization Of Appropriations.**—There is authorized to be appropriated to carry out this section $10,000,000 for each of fiscal years 2019 and 2020.

SEC. 2008. IMPROVED CONSUMER CONFIDENCE REPORTS.
Section 1414(c)(4) of the Safe Drinking Water Act (42 U.S.C. 300g–3(c)(4)) is amended—
(1) in the heading for subparagraph (A), by striking “ANNUAL REPORTS” and inserting “REPORTS”;
(2) in subparagraph (A), by inserting “, or provide by electronic means,” after “to mail”;
(3) in subparagraph (B)—
(A) in clause (iv), by striking “the Administrator, and” and inserting “the Administrator, including corrosion control efforts, and”;
(B) by adding at the end the following clause:
“(vii) Identification of, if any—
“(I) exceedances described in paragraph (1)(D) for which corrective action has been required by the Administrator or the State (in the case of a State exercising primary enforcement responsibility for public water systems) during the monitoring period covered by the consumer confidence report; and
“(II) violations that occurred during the monitoring period covered by the consumer confidence report.”; and
(4) by adding at the end the following new subparagraph:
“(F) REVISIONS.—
“(i) UNDERSTANDABILITY AND FREQUENCY.—Not later than 24 months after the date of enactment of America’s Water Infrastructure Act of 2018, the Administrator, in consultation with the parties identified in subparagraph (A), shall issue revisions to the regulations issued under subparagraph (A)—
“(I) to increase—
“(aa) the readability, clarity, and understandability of the information presented in consumer confidence reports; and
“(bb) the accuracy of information presented, and risk communication, in consumer confidence reports; and
“(II) with respect to community water systems that serve 10,000 or more persons, to require each such community water system to provide, by mail, electronic means, or other methods described in clause (ii), a consumer confidence report to each customer of the system at least biannually.
“(ii) ELECTRONIC DELIVERY.—Any revision of regulations pursuant to clause (i) shall allow delivery of consumer confidence reports by methods consistent with methods described in the memorandum ‘Safe Drinking Water Act–Consumer Confidence Report Rule Delivery Options’ issued by the Environmental Protection Agency on January 3, 2013.”.

SEC. 2009. CONTRACTUAL AGREEMENTS.
(a) In General.—Section 1414(h)(1) of the Safe Drinking Water Act (42 U.S.C. 300g–3(h)(1)) is amended—
(1) in subparagraph (B), by striking “or” after the semicolon;
(2) in subparagraph (C), by striking the period at the end and inserting “; or”; and
(3) by adding at the end the following new subparagraph:
“(D) entering into a contractual agreement for significant management or administrative functions of the system to correct violations identified in the plan.”.
(b) Technical Amendment.—Section 1414(i)(1) of the Safe Drinking Water Act (42 U.S.C. 300g–3(i)(1)) is amended by inserting a comma after “1417”.

SEC. 2010. ADDITIONAL CONSIDERATIONS FOR COMPLIANCE.
(a) Mandatory Assessment.—Subsection (h) of section 1414 of the Safe Drinking Water Act (42 U.S.C. 300g–3) is amended by adding at the end the following:
“(3) AUTHORITY FOR MANDATORY ASSESSMENT.—
“(A) AUTHORITY.—A State with primary enforcement responsibility or the Administrator (if the State does not have primary enforcement responsibility) may require the owner or operator of a public water system to assess options for consolidation, or transfer of ownership of the system, as described in paragraph (1), or other actions expected to achieve compliance with national primary drinking water regulations described in clause (i)(I), if—
“(i) the public water system—
“(I) has repeatedly violated one or more national primary drinking water regulations and such repeated violations are likely to adversely affect human health; and
“(II) (aa) is unable or unwilling to take feasible and affordable actions, as determined by the State with primary enforcement responsibility or the Administrator (if the State does not have primary enforcement responsibility), that will result in the public water system complying with the national primary drinking water regulations described in subclause (I), including accessing technical assistance and financial assistance through the State loan fund pursuant to section 1452; or
“(bb) has already undertaken actions described in item (aa) without achieving compliance;
“(ii) such consolidation, transfer, or other action is feasible; and
“(iii) such consolidation, transfer, or other action could result in greater compliance with national primary drinking water regulations.
“(B) TAILORING OF ASSESSMENTS.—Requirements for any assessment to be conducted pursuant to subparagraph (A) shall be tailored with respect to the size, type, and characteristics, of the public water system to be assessed.
“(C) APPROVED ENTITIES.—An assessment conducted pursuant to subparagraph (A) may be conducted by an entity approved by the State requiring such assessment (or the Administrator, if the State does not have primary enforcement responsibility), which may include such State (or the Administrator, as applicable), the public water system, or a third party.
“(D) BURDEN OF ASSESSMENTS.—It is the sense of Congress that any assessment required pursuant to subparagraph (A) should not be overly burdensome on the public water system that is assessed.
“(4) FINANCIAL ASSISTANCE.—Notwithstanding section 1452(a)(3), a public water system undertaking consolidation or transfer of ownership or other actions pursuant to an assessment completed under paragraph (3) may receive a loan described in section 1452(a)(2)(A) to carry out such consolidation, transfer, or other action.
“(5) PROTECTION OF NONRESPONSIBLE SYSTEM.—
“(A) IDENTIFICATION OF LIABILITIES.—
“(i) IN GENERAL.—An owner or operator of a public water system that submits a plan pursuant to paragraph (1) based on an assessment conducted with respect to such public water system under paragraph (3) shall identify as part of such plan—
“(I) any potential and existing liability for penalties and damages arising from each specific violation identified in the plan of which the owner or operator is aware; and
“(II) any funds or other assets that are available to satisfy such liability, as of the date of submission of such plan, to the public water system that committed such violation.
“(ii) INCLUSION.—In carrying out clause (i), the owner or operator shall take reasonable steps to ensure that all potential and existing liabilities for penalties and damages arising from each specific violation identified in the plan are identified.
“(B) RESERVATION OF FUNDS.—A public water system that, consistent with the findings of an assessment conducted pursuant to paragraph (3), has completed the actions under a plan submitted and approved pursuant to this subsection shall not be liable under this title for a violation of this title identified in the plan, except to the extent to which funds or other assets are identified pursuant to subparagraph (A)(i)(II) as available to satisfy such liability.
“(6) REGULATIONS.—Not later than 2 years after the date of enactment of America’s Water Infrastructure Act of 2018, the Administrator shall promulgate regulations to implement paragraphs (3), (4), and (5).”.

(b) Retention Of Primary Enforcement Authority.—
(1) IN GENERAL.—Section 1413(a) of the Safe Drinking Water Act (42 U.S.C. 300g–2(a)) is amended—
(A) in paragraph (5), by striking “; and” and inserting a semicolon;
(B) by redesignating paragraph (6) as paragraph (7); and
(C) by inserting after paragraph (5) the following new paragraph:
“(6) has adopted and is implementing procedures for requiring public water systems to assess options for consolidation or transfer of ownership or other actions in accordance with the regulations issued by the Administrator under section 1414(h)(6); and”.

(2) CONFORMING AMENDMENT.—Section 1413(b)(1) of the Safe Drinking Water Act (42 U.S.C. 300g–2(b)(1)) is amended by striking “of paragraphs (1), (2), (3), and (4)”.

SEC. 2011. IMPROVED ACCURACY AND AVAILABILITY OF COMPLIANCE MONITORING DATA.
Section 1414 of the Safe Drinking Water Act (42 U.S.C. 300g–3) is amended by adding at the end the following new subsection:
“(j) Improved Accuracy And Availability Of Compliance Monitoring Data.—
“(1) STRATEGIC PLAN.—Not later than 1 year after the date of enactment of this subsection, the Administrator, in coordination with States (including States without primary enforcement responsibility under section 1413), public water systems, and other interested stakeholders, shall develop and provide to Congress a strategic plan for improving the accuracy and availability of monitoring data collected to demonstrate compliance with national primary drinking water regulations and submitted—
“(A) by public water systems to States; or
“(B) by States to the Administrator.
“(2) EVALUATION.—In developing the strategic plan under paragraph (1), the Administrator shall evaluate any challenges faced—
“(A) in ensuring the accuracy and integrity of submitted data described in paragraph (1);
“(B) by States and public water systems in implementing an electronic system for submitting such data, including the technical and economic feasibility of implementing such a system; and
“(C) by users of such electronic systems in being able to access such data.
“(3) FINDINGS AND RECOMMENDATIONS.—The Administrator shall include in the strategic plan provided to Congress under paragraph (1)—
“(A) a summary of the findings of the evaluation under paragraph (2); and
“(B) recommendations on practicable, cost-effective methods and means that can be employed to improve the accuracy and availability of submitted data described in paragraph (1).
“(4) CONSULTATION.—In developing the strategic plan under paragraph (1), the Administrator may, as appropriate, consult with States or other Federal agencies that have experience using practicable methods and means to improve the accuracy and availability of submitted data described in such paragraph.”.

SEC. 2012. ASSET MANAGEMENT.
Section 1420 of the Safe Drinking Water Act (42 U.S.C. 300g–9) is amended—
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(1) in subsection (c)(2)—
(A) in subparagraph (D), by striking “; and” and inserting a semicolon;
(B) in subparagraph (E), by striking the period at the end and inserting “; and”; and
(C) by adding at the end the following new subparagraph:
“(F) a description of how the State will, as appropriate—
“(i) encourage development by public water systems of asset management plans that include best practices for asset management; and
“(ii) assist, including through the provision of technical assistance, public water systems in training operators or other relevant and appropriate persons in implementing such asset management plans.”;
(2) in subsection (c)(3), by inserting “, including efforts of the State to encourage development by public water systems of asset management plans and to assist public water systems in training relevant and appropriate persons in implementing such asset management plans” after “public water systems in the State”; and

(3) in subsection (d), by adding at the end the following new paragraph:
“(5) INFORMATION ON ASSET MANAGEMENT PRACTICES.—Not later than 5 years after the date of enactment of this paragraph, and not less often than every 5 years thereafter, the Administrator shall review and, if appropriate, update educational materials, including handbooks, training materials, and technical information, made available by the Administrator to owners, managers, and operators of public water systems, local officials, technical assistance providers (including nonprofit water associations), and State personnel concerning best practices for asset management strategies that may be used by public water systems.”.

SEC. 2013. COMMUNITY WATER SYSTEM RISK AND RESILIENCE.
(a) In General.—Section 1433 of the Safe Drinking Water Act (42 U.S.C. 300i–2) is amended to read as follows:

“SEC. 1433. COMMUNITY WATER SYSTEM RISK AND RESILIENCE.
“(a) Risk And Resilience Assessments.—
“(1) IN GENERAL.—Each community water system serving a population of greater than 3,300 persons shall conduct an assessment of the risks to, and resilience of, its system. Such an assessment—
“(A) shall include an assessment of—
“(i) the risk to the system from malevolent acts and natural hazards;
“(ii) the resilience of the pipes and constructed conveyances, physical barriers, source water, water collection and intake, pretreatment, treatment, storage and distribution facilities, electronic, computer, or other automated systems (including the security of such systems) which are utilized by the system;
“(iii) the monitoring practices of the system;
“(iv) the financial infrastructure of the system;
“(v) the use, storage, or handling of various chemicals by the system; and
“(vi) the operation and maintenance of the system; and
“(B) may include an evaluation of capital and operational needs for risk and resilience management for the system.
“(2) BASELINE INFORMATION.—The Administrator, not later than August 1, 2019, after consultation with appropriate departments and agencies of the Federal Government and with State and local governments, shall provide baseline information on malevolent acts of relevance to community water systems, which shall include consideration of acts that may—
“(A) substantially disrupt the ability of the system to provide a safe and reliable supply of drinking water; or
“(B) otherwise present significant public health or economic concerns to the community served by the system.
“(3) CERTIFICATION.—
“(A) CERTIFICATION.—Each community water system described in paragraph (1) shall submit to the Administrator a certification that the system has conducted an assessment complying with paragraph (1). Such certification shall be made prior to—
“(i) March 31, 2020, in the case of systems serving a population of 100,000 or more;
“(ii) December 31, 2020, in the case of systems serving a population of 50,000 or more but less than 100,000; and
“(iii) June 30, 2021, in the case of systems serving a population greater than 3,300 but less than 50,000.
“(B) REVIEW AND REVISION.—Each community water system described in paragraph (1) shall review the assessment of such system conducted under such paragraph at least once every 5 years after the applicable deadline for submission of its certification under subparagraph (A) to determine whether such assessment should be revised. Upon completion of such a review, the community water system shall submit to the Administrator a certification that the system has reviewed its assessment and, if applicable, revised such assessment.
“(4) CONTENTS OF CERTIFICATIONS.—A certification required under paragraph (3) shall contain only—
“(A) information that identifies the community water system submitting the certification;
“(B) the date of the certification; and
“(C) a statement that the community water system has conducted, reviewed, or revised the assessment, as applicable.
“(5) PROVISION TO OTHER ENTITIES.—No community water system shall be required under State or local law to provide an assessment described in this section (or revision thereof) to any State, regional, or local governmental entity solely by reason of the requirement set forth in paragraph (3) that the system submit a certification to the Administrator.
“(b) Emergency Response Plan.—Each community water system serving a population greater than 3,300 shall prepare or revise, where necessary, an emergency response plan that incorporates findings of the assessment conducted under subsection (a) for such system (and any revisions thereto). Each community water system shall certify to the Administrator, as soon as reasonably possible after the date of enactment of America’s Water Infrastructure Act of 2018, but not later than 6 months after completion of the assessment under subsection (a), that the system has completed such plan. The emergency response plan shall include—
“(1) strategies and resources to improve the resilience of the system, including the physical security and cybersecurity of the system;
“(2) plans and procedures that can be implemented, and identification of equipment that can be utilized, in the event of a malevolent act or natural hazard that threatens the ability of the community water system to deliver safe drinking water;
“(3) actions, procedures, and equipment which can obviate or significantly lessen the impact of a malevolent act or natural hazard on the public health and the safety and supply of drinking water provided to communities and individuals, including the development of
alternative source water options, relocation of water intakes, and construction of flood protection barriers; and
“(4) strategies that can be used to aid in the detection of malevolent acts or natural hazards that threaten the security or resilience of the system.
“(c) Coordination.—Community water systems shall, to the extent possible, coordinate with existing local emergency planning committees established pursuant to the Emergency Planning and Community Right-To-Know Act of 1986 (42 U.S.C. 11001 et seq.) when preparing or revising an assessment or emergency response plan under this section.
“(d) Record Maintenance.—Each community water system shall maintain a copy of the assessment conducted under subsection (a) and the emergency response plan prepared under subsection (b) (including any revised assessment or plan) for 5 years after the date on which a certification of such assessment or plan is submitted to the Administrator under this section.
“(e) Guidance To Small Public Water Systems.—The Administrator shall provide guidance and technical assistance to community water systems serving a population of less than 3,300 persons on how to conduct resilience assessments, prepare emergency response plans, and address threats from malevolent acts and natural hazards that threaten to disrupt the provision of safe drinking water or significantly affect the public health or significantly affect the safety or supply of drinking water provided to communities and individuals.
“(f) Alternative Preparedness And Operational Resilience Programs.—
“(1) SATISFACTION OF REQUIREMENT.—A community water system that is required to comply with the requirements of subsections (a) and (b) may satisfy such requirements by—
“(A) using and complying with technical standards that the Administrator has recognized under paragraph (2); and
“(B) submitting to the Administrator a certification that the community water system is complying with subparagraph (A).
“(2) AUTHORITY TO RECOGNIZE.—Consistent with section 12(d) of the National Technology Transfer and Advancement Act of 1995, the Administrator shall recognize technical standards that are developed or adopted by third-party organizations or voluntary consensus standards bodies that carry out the objectives or activities required by this section as a means of satisfying the requirements under subsection (a) or (b).
“(g) Technical Assistance And Grants.—
“(1) IN GENERAL.—The Administrator shall establish and implement a program, to be known as the Drinking Water Infrastructure Risk and Resilience Program, under which the Administrator may award grants in each of fiscal years 2020 and 2021 to owners or operators of community water systems for the purpose of increasing the resilience of such community water systems.
“(2) USE OF FUNDS.—As a condition on receipt of a grant under this section, an owner or operator of a community water system shall agree to use the grant funds exclusively to assist in the planning, design, construction, or implementation of a program or project consistent with an emergency response plan prepared pursuant to subsection (b), which may include—
“(A) the purchase and installation of equipment for detection of drinking water contaminants or malevolent acts;
“(B) the purchase and installation of fencing, gating, lighting, or security cameras;
“(C) the tamper-proofing of manhole covers, fire hydrants, and valve boxes;
“(D) the purchase and installation of improved treatment technologies and equipment to improve the resilience of the system;
“(E) improvements to electronic, computer, financial, or other automated systems and remote systems;
“(F) participation in training programs, and the purchase of training manuals and guidance materials, relating to security and resilience;
“(G) improvements in the use, storage, or handling of chemicals by the community water system;
“(H) security screening of employees or contractor support services;
“(I) equipment necessary to support emergency power or water supply, including standby and mobile sources; and
“(J) the development of alternative source water options, relocation of water intakes, and construction of flood protection barriers.
“(3) EXCLUSIONS.—A grant under this subsection may not be used for personnel costs, or for monitoring, operation, or maintenance of facilities, equipment, or systems.
“(4) TECHNICAL ASSISTANCE.—For each fiscal year, the Administrator may use not more than $5,000,000 from the funds made available to carry out this subsection to provide technical assistance to community water systems to assist in responding to and alleviating a vulnerability that would substantially disrupt the ability of the system to provide a safe and reliable supply of drinking water (including sources of water for such systems) which the Administrator determines to present an immediate and urgent need.
“(5) GRANTS FOR SMALL SYSTEMS.—For each fiscal year, the Administrator may use not more than $10,000,000 from the funds made available to carry out this subsection to make grants to community water systems serving a population of less than 3,300 persons, or nonprofit organizations receiving assistance under section 1442(e), for activities and projects undertaken in accordance with the guidance provided to such systems under subsection (e) of this section.
“(6) AUTHORIZATION OF APPROPRIATIONS.—To carry out this subsection, there are authorized to be appropriated $25,000,000 for each of fiscal years 2020 and 2021.
“(h) Definitions.—In this section—
“(1) the term ‘resilience’ means the ability of a community water system or an asset of a community water system to adapt to or withstand the effects of a malevolent act or natural hazard without interruption to the asset’s or system’s function, or if the function is interrupted, to rapidly return to a normal operating condition; and
“(2) the term ‘natural hazard’ means a natural event that threatens the functioning of a community water system, including an earthquake, tornado, flood, hurricane, wildfire, and hydrologic changes.”.

(b) Sensitive Information.—
(1) PROTECTION FROM DISCLOSURE.—Information submitted to the Administrator of the Environmental Protection Agency pursuant to section 1433 of the Safe Drinking Water Act, as in effect on the day before the date of enactment of America’s Water Infrastructure Act of 2018, shall be protected from disclosure in accordance with the provisions of such section as in effect on such day.
(2) DISPOSAL.—The Administrator, in partnership with community water systems (as defined in section 1401 of the Safe Drinking Water Act), shall develop a strategy to, in a timeframe
determined appropriate by the Administrator, securely and permanently dispose of, or return to the applicable community water system, any information described in paragraph (1).

SEC. 2014. AUTHORIZATION FOR GRANTS FOR STATE PROGRAMS.
Section 1443(a)(7) of the Safe Drinking Water Act (42 U.S.C. 300j–2(a)(7)) is amended by striking “$100,000,000 for each of fiscal years 1997 through 2003” and inserting “$125,000,000 for each of fiscal years 2020 and 2021”.

SEC. 2015. STATE REVOLVING LOAN FUNDS.
(a) Use Of Funds.—Section 1452(a)(2)(B) of the Safe Drinking Water Act (42 U.S.C. 300j–12(a)(2)(B)) is amended by striking “(including expenditures for planning, design, and associated preconstruction activities, including activities relating to the siting of the facility, but not)” and inserting “(including expenditures for planning, design, siting, and associated preconstruction activities, or for replacing or rehabilitating aging treatment, storage, or distribution facilities of public water systems, but not)”.

(b) Prevailing Wages.—Section 1452(a) of the Safe Drinking Water Act (42 U.S.C. 300j–12(a)) is further amended by adding at the end the following:

“(5) PREVAILING WAGES.—The requirements of section 1450(e) shall apply to any construction project carried out in whole or in part with assistance made available by a State loan fund.”.

(c) Assistance For Disadvantaged Communities.—Section 1452(d)(2) of the Safe Drinking Water Act (42 U.S.C. 300j–12(d)(2)) is amended to read as follows:

“(2) TOTAL AMOUNT OF SUBSIDIES.—For each fiscal year, of the amount of the capitalization grant received by the State for the year, the total amount of loan subsidies made by a State pursuant to paragraph (1)—

“(A) may not exceed 35 percent; and

(B) to the extent that there are sufficient applications for loans to communities described in paragraph (1), may not be less than 6 percent.”.

(d) Types Of Assistance.—Section 1452(f)(1) of the Safe Drinking Water Act (42 U.S.C. 300j–12(f)(1)) is amended—

(1) by redesignating subparagraphs (C) and (D) as subparagraphs (D) and (E), respectively;

(2) by inserting after subparagraph (B) the following new subparagraph:

“(C) each loan will be fully amortized not later than 30 years after the completion of the project, except that in the case of a disadvantaged community (as defined in subsection (d)(3)) a State may provide an extended term for a loan, if the extended term—

“(i) terminates not later than the date that is 40 years after the date of project completion; and

“(ii) does not exceed the expected design life of the project;”; and

(3) in subparagraph (B), by striking “1 year after completion of the project for which the loan was made” and all that follows through “design life of the project;” and inserting “18 months after completion of the project for which the loan was made;”.

(e) Needs Survey.—Section 1452(h) of the Safe Drinking Water Act (42 U.S.C. 300j–12(h)) is amended—

(1) by striking “The Administrator ” and inserting “(1) The Administrator”; and

(2) by adding at the end the following new paragraph:

“(2) Any assessment conducted under paragraph (1) after the date of enactment of America’s Water Infrastructure Act of 2018 shall include an assessment of costs to replace all lead service lines (as defined in section 1459B(a)(4)) of all eligible public water systems in the United States, and such assessment shall describe separately the costs associated with
replacing the portions of such lead service lines that are owned by an eligible public water system and the costs associated with replacing any remaining portions of such lead service lines, to the extent practicable.”.

(f) Other Authorized Activities.—Section 1452(k)(1)(C) of the Safe Drinking Water Act (42 U.S.C. 300j–12(k)(1)(C)) is amended by striking “for fiscal years 1996 and 1997 to delineate and assess source water protection areas in accordance with section 1453” and inserting “to delineate, assess, and update assessments for source water protection areas in accordance with section 1453”.

(g) Best Practices For Administration Of State Revolving Loan Funds.—Section 1452 of the Safe Drinking Water Act (42 U.S.C. 300j–12) is amended by adding after subsection (r) the following:

“(s) Best Practices For State Loan Fund Administration.—The Administrator shall—

“(1) collect information from States on administration of State loan funds established pursuant to subsection (a)(1), including—

“(A) efforts to streamline the process for applying for assistance through such State loan funds;

“(B) programs in place to assist with the completion of applications for assistance through such State loan funds;

“(C) incentives provided to public water systems that partner with small public water systems to assist with the application process for assistance through such State loan funds;

“(D) practices to ensure that amounts in such State loan funds are used to provide loans, loan guarantees, or other authorized assistance in a timely fashion;

“(E) practices that support effective management of such State loan funds;

“(F) practices and tools to enhance financial management of such State loan funds; and

“(G) key financial measures for use in evaluating State loan fund operations, including—

“(i) measures of lending capacity, such as current assets and current liabilities or undisbursed loan assistance liability; and

“(ii) measures of growth or sustainability, such as return on net interest;

“(2) not later than 3 years after the date of enactment of America’s Water Infrastructure Act of 2018, disseminate to the States best practices for administration of such State loan funds, based on the information collected pursuant to this subsection; and

“(3) periodically update such best practices, as appropriate.”.

SEC. 2016. AUTHORIZATION FOR SOURCE WATER PETITION PROGRAMS.

Section 1454(e) of the Safe Drinking Water Act (42 U.S.C. 300j–14(e)) is amended by striking “1997 through 2003” and inserting “2020 through 2021”.

SEC. 2017. REVIEW OF TECHNOLOGIES.

Part E of the Safe Drinking Water Act (42 U.S.C. 300j et seq.) is further amended by adding at the end the following new section:

“SEC. 1459D. REVIEW OF TECHNOLOGIES.

“(a) Review.—The Administrator, after consultation with appropriate departments and agencies of the Federal Government and with State and local governments, shall review (or enter into contracts or cooperative agreements to provide for a review of) existing and potential methods, means, equipment, and technologies (including review of cost, availability, and efficacy of such methods, means, equipment, and technologies) that—

“(1) ensure the physical integrity of community water systems;
“(2) prevent, detect, and respond to any contaminant for which a national primary drinking water regulation has been promulgated in community water systems and source water for community water systems;
“(3) allow for use of alternate drinking water supplies from nontraditional sources; and
“(4) facilitate source water assessment and protection.
“(b) Inclusions.—The review under subsection (a) shall include review of methods, means, equipment, and technologies—
“(1) that are used for corrosion protection, metering, leak detection, or protection against water loss;
“(2) that are intelligent systems, including hardware, software, or other technology, used to assist in protection and detection described in paragraph (1);
“(3) that are point-of-use devices or point-of-entry devices;
“(4) that are physical or electronic systems that monitor, or assist in monitoring, contaminants in drinking water in real-time; and
“(5) that allow for the use of nontraditional sources for drinking water, including physical separation and chemical and biological transformation technologies.
“(c) Availability.—The Administrator shall make the results of the review under subsection (a) available to the public.
“(d) Authorization Of Appropriations.—There is authorized to be appropriated to the Administrator to carry out this section $10,000,000 for fiscal year 2019, which shall remain available until expended.”.

SEC. 2018. SOURCE WATER.
(a) Addressing Source Water Used For Drinking Water.—Section 304 of the Emergency Planning and Community Right-To-Know Act of 1986 (42 U.S.C. 11004) is amended—
(1) in subsection (b)(1), by striking “State emergency planning commission” and inserting “State emergency response commission”; and
(2) by adding at the end the following new subsection:
“(e) Addressing Source Water Used For Drinking Water.—
“(1) APPLICABLE STATE AGENCY NOTIFICATION.—A State emergency response commission shall—
“(A) promptly notify the applicable State agency of any release that requires notice under subsection (a);
“(B) provide to the applicable State agency the information identified in subsection (b)(2); and
“(C) provide to the applicable State agency a written followup emergency notice in accordance with subsection (c).
“(2) COMMUNITY WATER SYSTEM NOTIFICATION.—
“(A) IN GENERAL.—An applicable State agency receiving notice of a release under paragraph (1) shall—
“(i) promptly forward such notice to any community water system the source waters of which are affected by the release;
“(ii) forward to the community water system the information provided under paragraph (1)(B); and
“(iii) forward to the community water system the written followup emergency notice provided under paragraph (1)(C).
“(B) DIRECT NOTIFICATION.—In the case of a State that does not have an applicable State agency, the State emergency response commission shall provide the notices and information
described in paragraph (1) directly to any community water system the source waters of
which are affected by a release that requires notice under subsection (a).

“(3) DEFINITIONS.—In this subsection:

“(A) COMMUNITY WATER SYSTEM.—The term ‘community water system’ has the meaning
given such term in section 1401(15) of the Safe Drinking Water Act.

“(B) APPLICABLE STATE AGENCY.—The term ‘applicable State agency’ means the State
agency that has primary responsibility to enforce the requirements of the Safe Drinking Water
Act in the State.”.

(b) Availability To Community Water Systems.—Section 312(e) of the Emergency Planning
and Community Right-To-Know Act of 1986 (42 U.S.C. 11022(e)) is amended—
(1) in paragraph (1), by striking “State emergency planning commission” and inserting “State
emergency response commission”; and
(2) by adding at the end the following new paragraph:

“(4) AVAILABILITY TO COMMUNITY WATER SYSTEMS.—

“(A) IN GENERAL.—An affected community water system may have access to tier II
information by submitting a request to the State emergency response commission or the local
emergency planning committee. Upon receipt of a request for tier II information, the State
commission or local committee shall, pursuant to paragraph (1), request the facility owner or
operator for the tier II information and make available such information to the affected
community water system.

“(B) DEFINITION.—In this paragraph, the term ‘affected community water system’ means a
community water system (as defined in section 1401(15) of the Safe Drinking Water Act) that
receives supplies of drinking water from a source water area, delineated under section 1453
of the Safe Drinking Water Act, in which a facility that is required to prepare and submit an
inventory form under subsection (a)(1) is located.”.

SEC. 2019. REPORT ON FEDERAL CROSS-CUTTING REQUIREMENTS.

(a) Report.—Not later than 1 year after the date of enactment of this Act, the Comptroller
General shall submit to Congress a report containing the results of a study, to be conducted
in consultation with the Administrator of the Environmental Protection Agency, any State
agency that has primary responsibility to enforce the requirements of the Safe Drinking Water
Act (42 U.S.C. 300f et seq.) in a State, and public water systems, to identify demonstrations
of compliance with a State or local environmental law that may be substantially equivalent to
any demonstration required by the Administrator for compliance with a Federal cross-cutting
requirement.

(b) Definitions.—In this subsection:

(1) FEDERAL CROSS-CUTTING REQUIREMENT.—The term “Federal cross-cutting
requirement” means a requirement of a Federal law or regulation, compliance with which is a
condition on receipt of a loan or loan guarantee pursuant to section 1452 of the Safe Drinking
Water Act (42 U.S.C. 300j–12), that, if applied with respect to projects and activities for which
a public water system receives such a loan or loan guarantee, would be substantially
equivalent to a requirement of an applicable State or local law.

(2) PUBLIC WATER SYSTEM.—The term “public water system” has the meaning given that
term in section 1401 of the Safe Drinking Water Act (42 U.S.C. 300f).

SEC. 2020. ASSISTANCE FOR AREAS AFFECTED BY NATURAL DISASTERS.

(a) Definitions.—In this section:
(1) COMMUNITY WATER SYSTEM.—The term “community water system” has the meaning given such term in section 1401(15) of the Safe Drinking Water Act (42 U.S.C. 300f(15)).

(2) ELIGIBLE STATE.—The term “eligible State” means a State, as defined in section 1401(13)(B) of the Safe Drinking Water Act (42 U.S.C. 300f(13)(B)).

(3) ELIGIBLE SYSTEM.—The term “eligible system” means a community water system—
(A) that serves an area for which, after January 1, 2017, the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.)—
(i) has issued a major disaster declaration; and
(ii) provided disaster assistance; or
(B) that is capable of extending its potable drinking water service into an underserved area.

(4) NATIONAL PRIMARY DRINKING WATER REGULATION.—The term “national primary drinking water regulation” means a national primary drinking water regulation under section 1412 of the Safe Drinking Water Act (42 U.S.C. 300g–1).

(5) UNDERSERVED AREA.—The term “underserved area” means a geographic area in an eligible State that—
(A) is served by a community water system serving fewer than 50,000 persons where delivery of, or access to, potable water is or was disrupted; and
(B) received disaster assistance pursuant to a declaration described in paragraph (3)(A).

(b) State Revolving Loan Fund Assistance.—
(1) IN GENERAL.—An eligible State may use funds provided pursuant to subsection (e)(1) to provide assistance to an eligible system within the eligible State for the purpose of restoring or increasing compliance with national primary drinking water regulations in an underserved area.

(2) INCLUSION.—
(A) ADDITIONAL SUBSIDIZATION.—With respect to assistance provided under paragraph (1), an eligible system shall be eligible to receive loans with additional subsidization (including forgiveness of principal, negative-interest loans, or grants (or any combination thereof)) for the purpose described in paragraph (1).
(B) NONDESIGNATION.—Assistance provided under paragraph (1) may include additional subsidization, as described in subparagraph (A), even if the service area of the eligible system has not been designated by the applicable eligible State as a disadvantaged community pursuant to section 1452(d)(3) of the Safe Drinking Water Act (42 U.S.C. 300j–12(d)(3)).

(c) Exclusion.—Assistance provided under this section shall not include assistance for a project that is financed (directly or indirectly), in whole or in part, with proceeds of any obligation issued after the date of enactment of this Act the interest of which is exempt from the tax imposed under chapter 1 of the Internal Revenue Code of 1986.

(d) Nonduplication Of Work.—An activity carried out pursuant to this section shall not duplicate the work or activity of any other Federal or State department or agency.

(e) Additional Drinking Water State Revolving Fund Capitalization Grants.—
(1) IN GENERAL.—There is authorized to be appropriated to the Administrator of the Environmental Protection Agency $100,000,000 to provide additional capitalization grants pursuant to section 1452 of the Safe Drinking Water Act (42 U.S.C. 300j–12) to eligible States, to be available—
(A) for a period of 24 months beginning on the date on which the funds are made available for the purpose described in subsection (b)(1); and
(B) after the end of such 24-month period, until expended for the purpose described in paragraph (3) of this subsection.

(2) SUPPLEMENTED INTENDED USE PLANS.—

(A) OBLIGATION OF AMOUNTS.—Not later than 30 days after the date on which an eligible State submits to the Administrator a supplemental intended use plan under section 1452(b) of the Safe Drinking Water Act (42 U.S.C. 300j–12(b)), from funds made available under paragraph (1), the Administrator shall obligate to such eligible State such amounts as are appropriate to address the needs identified in such supplemental intended use plan for the purpose described in subsection (b)(1).

(B) PLANS.—A supplemental intended use plan described in subparagraph (A) shall include information regarding projects to be funded using the assistance provided under subsection (b)(1), including, with respect to each such project—

(i) a description of the project;

(ii) an explanation of the means by which the project will restore or improve compliance with national primary drinking water regulations in an underserved area;

(iii) the estimated cost of the project; and

(iv) the projected start date for the project.

(3) UNOBLIGATED AMOUNTS.—Any amounts made available to the Administrator under paragraph (1) that are unobligated on the date that is 24 months after the date on which the amounts are made available shall be available for the purpose of providing additional grants to States to capitalize State loan funds as provided under section 1452 of the Safe Drinking Water Act (42 U.S.C. 300j–12).

(4) APPLICABILITY.—

(A) IN GENERAL.—Except as otherwise provided in this section, all requirements of the Safe Drinking Water Act (42 U.S.C. 300f et seq.) shall apply to funding provided under this section.

(B) INTENDED USE PLANS.—Section 1452(b)(1) of the Safe Drinking Water Act (42 U.S.C. 300j–12(b)(1)) shall not apply to a supplemental intended use plan under paragraph (2).

(C) STATE CONTRIBUTION.—For amounts authorized to be appropriated under paragraph (1), the matching requirements in section 1452(e) of the Safe Drinking Water Act (42 U.S.C. 300j–12(e)) shall not apply to any funds provided to the Commonwealth of Puerto Rico under this section.

SEC. 2021. MONITORING FOR UNREGULATED CONTAMINANTS.

(a) In General.—Section 1445 of the Safe Drinking Water Act (42 U.S.C. 300j–4) is amended by adding at the end the following:

“(j) Monitoring By Certain Systems.—

“(1) IN GENERAL.—Notwithstanding subsection (a)(2)(A), the Administrator shall, subject to the availability of appropriations for such purpose—

“(A) require public water systems serving between 3,300 and 10,000 persons to monitor for unregulated contaminants in accordance with this section; and

“(B) ensure that only a representative sample of public water systems serving fewer than 3,300 persons are required to monitor.

“(2) EFFECTIVE DATE.—Paragraph (1) shall take effect 3 years after the date of enactment of this subsection.

“(3) LIMITATION.—Paragraph (1) shall take effect unless the Administrator determines that there is not sufficient laboratory capacity to accommodate the analysis necessary to carry out monitoring required under such paragraph.
“(4) LIMITATION ON ENFORCEMENT.—The Administrator may not enforce a requirement to monitor pursuant to paragraph (1) with respect to any public water system serving fewer than 3,300 persons, including by subjecting such a public water system to any civil penalty.

“(5) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $15,000,000 in each fiscal year for which monitoring is required to be carried out under this subsection for the Administrator to pay the reasonable cost of such testing and laboratory analysis as are necessary to carry out monitoring required under this subsection.”.


(c) Inclusion In Data Base.—Section 1445(g)(7) of the Safe Drinking Water Act (42 U.S.C. 300j–4(g)(7)) is amended by—

(1) striking “and” at the end of subparagraph (B);

(2) redesignating subparagraph (C) as subparagraph (D); and

(3) inserting after subparagraph (B) the following:

“(C) if applicable, monitoring information collected by public water systems pursuant to subsection (j) that is not duplicative of monitoring information included in the data base under subparagraph (B) or (D); and”.

SEC. 2022. AMERICAN IRON AND STEEL PRODUCTS.

Section 1452(a)(4)(A) of the Safe Drinking Water Act (42 U.S.C. 300j–12(a)(4)(A)) is amended by striking “fiscal year 2017” and inserting “fiscal years 2019 through 2023”.

SEC. 2023. AUTHORIZATION FOR CAPITALIZATION GRANTS TO STATES FOR STATE DRINKING WATER TREATMENT REVOLVING LOAN FUNDS.

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

(1) by striking the first sentence and inserting the following:

“(1) There are authorized to be appropriated to carry out the purposes of this section—

“(A) $1,174,000,000 for fiscal year 2019;

“(B) $1,300,000,000 for fiscal year 2020; and

“(C) $1,950,000,000 for fiscal year 2021.”;

(2) by striking “To the extent amounts authorized to be” and inserting the following:

“(2) To the extent amounts authorized to be”; and

(3) by striking “(prior to the fiscal year 2004)”. 