

ALTERNATIVE WATER SOURCES ACT OF 2000

MAY 2, 2000.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. SHUSTER, from the Committee on Transportation and Infrastructure, submitted the following

R E P O R T

[To accompany H.R. 1106]

[Including cost estimate of the Congressional Budget Office]

The Committee on Transportation and Infrastructure, to whom was referred the bill (H.R. 1106) to authorize the Administrator of the Environmental Protection Agency to make grants to State agencies with responsibility for water source development for the purpose of maximizing available water supply and protecting the environment through the development of alternative water sources, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Alternative Water Sources Act of 2000”.

SEC. 2. GRANTS FOR ALTERNATIVE WATER SOURCE PROJECTS.

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

“SEC. 220. GRANTS FOR ALTERNATIVE WATER SOURCE PROJECTS.

“(a) **IN GENERAL.**—The Administrator may make grants to State, interstate, and intrastate water resource development agencies (including water management districts and water supply authorities), local government agencies, private utilities, and nonprofit entities for alternative water source projects to meet critical water supply needs.

“(b) **ELIGIBLE ENTITY.**—The Administrator may make grants under this section to an entity only if the entity has authority under State law to develop or provide water for municipal, industrial, and agricultural uses in an area of the State that is experiencing critical water supply needs.

“(c) **SELECTION OF PROJECTS.**—

“(1) **LIMITATION.**—A project that has received funds under the reclamation and reuse program conducted under the Reclamation Projects Authorization and

Adjustment Act of 1992 (43 U.S.C. 390h et seq.) shall not be eligible for grant assistance under this section.

“(2) ADDITIONAL CONSIDERATION.—In making grants under this section, the Administrator shall consider whether the project is located within the boundaries of a State or area referred to in section 1 of the Reclamation Act of June 17, 1902 (32 Stat. 385), and within the geographic scope of the reclamation and reuse program conducted under the Reclamation Projects Authorization and Adjustment Act of 1992 (43 U.S.C. 390h et seq.).

“(d) COMMITTEE RESOLUTION PROCEDURE.—

“(1) IN GENERAL.—No appropriation shall be made for any alternative water source project under this section, the total Federal cost of which exceeds \$3,000,000, if such project has not been approved by a resolution adopted by the Committee on Transportation and Infrastructure of the House of Representatives or the Committee on Environment and Public Works of the Senate.

“(2) REQUIREMENTS FOR SECURING CONSIDERATION.—For purposes of securing consideration of approval under paragraph (1), the Administrator shall provide to a committee referred to in paragraph (1) such information as the committee requests and the non-Federal sponsor shall provide to the committee information on the costs and relative needs for the alternative water source project.

“(e) USES OF GRANTS.—Amounts from grants received under this section may be used for engineering, design, construction, and final testing of alternative water source projects designed to meet critical water supply needs. Such amounts may not be used for planning, feasibility studies or for operation, maintenance, replacement, repair, or rehabilitation.

“(f) COST SHARING.—The Federal share of the eligible costs of an alternative water source project carried out using assistance made available under this section shall not exceed 50 percent.

“(g) REPORTS.—

“(1) REPORTS TO ADMINISTRATOR.—Each recipient of a grant under this section shall submit to the Administrator, not later than 18 months after the date of receipt of the grant and biennially thereafter until completion of the alternative water source project funded by the grant, a report on eligible activities carried out by the grant recipient using amounts from the grant.

“(2) REPORT TO CONGRESS.—On or before September 30, 2005, the Administrator shall transmit to Congress a report on the progress made toward meeting the critical water supply needs of the grant recipients under this section.

“(h) DEFINITIONS.—In this section, the following definitions apply:

“(1) ALTERNATIVE WATER SOURCE PROJECT.—The term ‘alternative water source project’ means a project designed to provide municipal, industrial, and agricultural water supplies in an environmentally sustainable manner by conserving, managing, reclaiming, or reusing water or wastewater or by treating wastewater.

“(2) CRITICAL WATER SUPPLY NEEDS.—The term ‘critical water supply needs’ means existing or reasonably anticipated future water supply needs that cannot be met by existing water supplies, as identified in a comprehensive statewide or regional water supply plan or assessment projected over a planning period of at least 20 years.

“(i) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$75,000,000 for each of fiscal years 2000 through 2004. Such sums shall remain available until expended.”

SUMMARY AND PURPOSE

The purpose of H.R. 1106, the “Alternative Water Sources Act of 2000,” is to authorize the Environmental Protection Agency (EPA) to provide grants for alternative water source projects to meet critical water supply needs.

BACKGROUND AND NEED FOR LEGISLATION

In recent years, there has been increasing interest by communities across the nation and Congress in ensuring the availability of water sources to meet future water supply needs. Growth in population and increasing environmental awareness are causing many communities to explore alternative water supplies through rec-

lamation, reuse, conservation and the like. While Clean Water Act construction grants (before fiscal year 1991) and state revolving loan funds (since fiscal year 1989) have been available for such activities, most expenditures to date have been for more traditional wastewater projects, and not for enhancing water supplies.

The Reclamation Projects Authorization and Adjustment Act of 1992 authorized the Bureau of Reclamation (the Bureau) to conduct appraisal investigations, feasibility studies, and research regarding water reclamation and reuse projects, and to construct, operate, and maintain cooperative demonstration projects for water reclamation and water reuse projects (with a 75 to 50 percent non-federal cost share). This program is limited to 17 western states and four territories. There is no authorization for assistance from the Bureau for water reclamation and reuse in the remaining 33 states, or the District of Columbia and Puerto Rico. Over the past few years, funds for certain water source development projects in Florida and other states facing significant water supply needs have been provided in annual appropriations bills, through the EPA State and Tribal Assistance Grants account.

H.R. 1106, as reported, would authorize the EPA to provide grants (\$75 million a year for fiscal years 2000 through 2004), on a cost-shared basis, for alternative water source projects. It would also prohibit a project that has received funds under the Bureau of Reclamation's water reclamation and reuse program from receiving funding under the EPA program. In addition, the EPA Administrator would be required to take into account the eligibility of a project for funding under the existing Bureau of Reclamation program when selecting projects for funding under this new, nationwide program. Adequate consideration should be given to selecting and funding projects in areas not eligible for assistance under the Bureau of Reclamation's program.

DISCUSSION OF COMMITTEE BILL AND SECTION-BY-SECTION ANALYSIS

Section 1. Short title

This Act may be cited as the "Alternative Water Sources Act of 2000."

Section 2. Grants for Alternative Water Source Projects

This section amends the Clean Water Act by adding a new section 220, "Grants for Alternative Water Source Projects." The new section has the following subsections:

(a) In General.—Subsection (a) authorizes EPA to make grants for alternative water source projects to meet critical water supply needs.

(b) Eligible Entity.—Subsection (b) specifies that eligibility for grants is restricted to those entities with authority under State law to develop or provide water for municipal and industrial, or agricultural uses in areas that are experiencing critical water supply needs.

(c) Selection of Projects.—Subsection (c)(1) prohibits a project that has received funds under the Bureau of Reclamation's water

reclamation and reuse program from being eligible for grant assistance under this section.

Subsection (c)(2) requires the EPA Administrator to consider whether a project is eligible under the Bureau of Reclamation's water reclamation and reuse program when selecting projects for grants under this section.

(d) Committee Resolution Procedure.—Subsection (d)(1) prohibits the appropriation of funds for a project with a federal cost greater than \$3 million if the project has not been approved by a resolution adopted by either the House or Senate authorizing committee of jurisdiction.

In order to secure the appropriate authorizing committee's consideration of a committee resolution for a proposed project, subsection (d)(2) requires the EPA Administrator and the non-Federal sponsor for the proposed project to provide to the committee the required information on the project, including project costs, and area water supply needs.

(e) Uses of Grants.—Subsection (e) provides that grant funding received under this section may be used for engineering, design, construction, and final testing of alternative water source projects designed to meet critical water supply needs. Such grant funding may not be used for operation, maintenance, replacement, repair or rehabilitation of such projects.

(f) Cost Sharing.—Subsection (f) provides that the federal cost-share for a project receiving assistance under this section shall not exceed fifty percent of the eligible costs.

(g) Reports.—Subsection (g)(1) requires that each recipient of a grant under this section submit a report to the EPA Administrator on the eligible activities carried out by the recipient using grant funding. This report shall be submitted to the EPA Administrator no later than 18 months after the date the recipient receives grant funding and every two years thereafter, until the alternative water source project funded by the grant is complete.

Subsection (g)(2) requires the EPA Administrator to submit a report to Congress on the progress made toward meeting the critical water supply needs of the grant recipients under this section. This report is to be transmitted to Congress on or before September 30, 2005.

(h) Definitions.—For the purposes of this section, subsection (h) provides the following definitions: (1) "Alternative Water Source Project" means a project designed to provide municipal, industrial, and agricultural water supplies in an environmentally sustainable manner by conserving, managing, reclaiming, or reusing water or wastewater or by treating wastewater. These projects fall within the definition of treatment works. The Committee intends that all such projects, including wastewater treatment projects, be designed to provide water supplies in an environmentally sustainable manner. (2) "Critical Water Supply Needs" means existing or reasonably anticipated future water supply needs that cannot be met by existing water supplies, as identified in a comprehensive statewide or regional water supply plan or assessment projected over a planning period of at least 20 years.

(i) Authorization of Appropriations.—To carry out this section, subsection (i) authorizes \$75 million for each of fiscal years 2000 through 2004. These funds are to remain available until expended.

HEARINGS AND LEGISLATIVE HISTORY

On April 22, 1998, the Water Resources and Environment Subcommittee held hearings on water resources projects and policies, including alternative water sources. Testimony was given by Representatives Thurman, Fowler, Mica, and Corrine Brown on H.R. 3243, the predecessor to H.R. 1106 that had been introduced in the 105th Congress.

COMMITTEE CONSIDERATION

On April 5, 2000, the Water Resources and Environment Subcommittee approved by voice vote, H.R. 1106, with an amendment in the nature of a substitute. The substitute amendment (a) redrafted this authorization as an amendment to title II of the Clean Water Act; (b) made technical and clarifying changes; (c) expanded the geographic scope of the program; (d) clarified that a project that has received funds under the reclamation and reuse programs of the Bureau of Reclamation is not eligible for funding under the EPA grant program; and (e) instructed the EPA Administrator to take into account the eligibility of a project for funding under the Bureau of Reclamation's reclamation and reuse program when selecting projects for funding under the EPA program.

On Tuesday, April 11, 2000, the Committee on Transportation and Infrastructure met in open session and ordered the bill reported to the House by voice vote.

ROLLCALL VOTES

Clause 3(b) of rule XIII of the House of Representatives requires each committee report to include the total number of votes cast for and against on each rollcall vote on a motion to report and on any amendment offered to the measure or matter, and the names of those members voting for and against. There were no rollcall votes in the Committee.

COMMITTEE OVERSIGHT FINDINGS

With respect to the requirements of clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee's oversight findings and recommendations are reflected in this report.

COST OF LEGISLATION

Clause 3(d)(2) of rule XIII of the Rules of the House of Representatives does not apply where a cost estimate and comparison prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act of 1974 has been timely submitted prior to the filing of the report and is included in the report. Such a cost estimate is included in this report.

COMPLIANCE WITH HOUSE RULE XIII

1. With respect to the requirement of clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, and 308(a) of the Congressional Budget Act of 1974, the Committee references the report of the Congressional Budget Office included below.

2. With respect to the requirement of clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee has received no report of oversight findings and recommendations from the Committee on Government Reform and Oversight on the subject of H.R. 1106.

3. With respect to the requirement of clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 402 of the Congressional Budget Act of 1974, the Committee has received the following cost estimate for H.R. 1106 from the Director of the Congressional Budget Office.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, April 19, 2000.

Hon. BUD SHUSTER,
*Chairman, Committee on Transportation and Infrastructure,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 1106, the Alternative Water Sources Act of 2000.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Susanne S. Mehlman (for federal costs) and Victoria Heid Hall (for the state and local impact).

Sincerely,

BARRY B. ANDERSON
(For Dan L. Crippen).

Enclosure.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

H.R. 1106—Alternative Water Sources Act of 2000

Summary: H.R. 1106 would authorize the appropriation of \$75 million for each of fiscal years 2000 through 2004 for a new water supply program to be administered by the Environmental Protection Agency (EPA). It would authorize grants to state agencies for the planning, construction, and testing of projects designed to meet critical water supply needs, subject to certain conditions. Projects that have already received funding under the Reclamation Projects Authorization and Adjustment Act would not be eligible for grants under this bill. CBO estimates that implementing this legislation would cost \$256 million over the 2000–2005 period, assuming appropriation of the authorized amounts.

The bill would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply. H.R. 1106 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

Estimated cost to the Federal Government: For purposes of this estimate, CBO assumes that the amounts authorized will be appropriated for each fiscal year and that outlays will follow the pattern of past appropriations for similar projects. The estimated impact of H.R. 1106 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and the environment).

	By fiscal year, in millions of dollars—					
	2000	2001	2002	2003	2004	2005
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Authorization level	75	75	75	75	75	0
Estimated outlays	2	17	38	60	71	68

Pay-as-you-go considerations: None.

Intergovernmental and private-sector impact: H.R. 1106 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no cost on state, local, or tribal governments. Enacting the bill would benefit state and local governments by authorizing grants and any costs to match grant funds would be incurred voluntarily.

Estimate prepared by: Federal costs: Susanne S. Mehlman; impact on State, local, and tribal governments: Victoria Heid Hall; impact on the private sector: Jean Wooster.

Estimate approved by: Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to clause (3)(d)(1) of rule XIII of the Rules of the House of Representatives, committee reports on a bill or joint resolution of a public character shall include a statement citing the specific powers granted to the Congress in the Constitution to enact the measure. The Committee on Transportation and Infrastructure finds that Congress has the authority to enact this measure pursuant to its powers granted under article I, section 8 of the Constitution.

FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act. (Public Law 104–4.)

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

APPLICABILITY TO THE LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act. (Public Law 104–1.)

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (new matter is printed in italic and existing law in which no change is proposed is shown in roman):

**SECTION 220 OF THE FEDERAL WATER POLLUTION
CONTROL ACT**

SEC. 220. GRANTS FOR ALTERNATIVE WATER SOURCE PROJECTS.

(a) *IN GENERAL.*—*The Administrator may make grants to State, interstate, and intrastate water resource development agencies (including water management districts and water supply authorities), local government agencies, private utilities, and nonprofit entities for alternative water source projects to meet critical water supply needs.*

(b) *ELIGIBLE ENTITY.*—*The Administrator may make grants under this section to an entity only if the entity has authority under State law to develop or provide water for municipal, industrial, and agricultural uses in an area of the State that is experiencing critical water supply needs.*

(c) *SELECTION OF PROJECTS.*—

(1) *LIMITATION.*—*A project that has received funds under the reclamation and reuse program conducted under the Reclamation Projects Authorization and Adjustment Act of 1992 (43 U.S.C. 390h et seq.) shall not be eligible for grant assistance under this section.*

(2) *ADDITIONAL CONSIDERATION.*—*In making grants under this section, the Administrator shall consider whether the project is located within the boundaries of a State or area referred to in section 1 of the Reclamation Act of June 17, 1902 (32 Stat. 385), and within the geographic scope of the reclamation and reuse program conducted under the Reclamation Projects Authorization and Adjustment Act of 1992 (43 U.S.C. 390h et seq.).*

(d) *COMMITTEE RESOLUTION PROCEDURE.*—

(1) *IN GENERAL.*—*No appropriation shall be made for any alternative water source project under this section, the total Federal cost of which exceeds \$3,000,000, if such project has not been approved by a resolution adopted by the Committee on Transportation and Infrastructure of the House of Representatives or the Committee on Environment and Public Works of the Senate.*

(2) *REQUIREMENTS FOR SECURING CONSIDERATION.*—*For purposes of securing consideration of approval under paragraph (1), the Administrator shall provide to a committee referred to in paragraph (1) such information as the committee requests and the non-Federal sponsor shall provide to the committee information on the costs and relative needs for the alternative water source project.*

(e) *USES OF GRANTS.*—*Amounts from grants received under this section may be used for engineering, design, construction, and final testing of alternative water source projects designed to meet critical*

water supply needs. Such amounts may not be used for planning, feasibility studies or for operation, maintenance, replacement, repair, or rehabilitation.

(f) COST SHARING.—The Federal share of the eligible costs of an alternative water source project carried out using assistance made available under this section shall not exceed 50 percent.

(g) REPORTS.—

(1) REPORTS TO ADMINISTRATOR.—Each recipient of a grant under this section shall submit to the Administrator, not later than 18 months after the date of receipt of the grant and biennially thereafter until completion of the alternative water source project funded by the grant, a report on eligible activities carried out by the grant recipient using amounts from the grant.

(2) REPORT TO CONGRESS.—On or before September 30, 2005, the Administrator shall transmit to Congress a report on the progress made toward meeting the critical water supply needs of the grant recipients under this section.

(h) DEFINITIONS.—In this section, the following definitions apply:

(1) ALTERNATIVE WATER SOURCE PROJECT.—The term “alternative water source project” means a project designed to provide municipal, industrial, and agricultural water supplies in an environmentally sustainable manner by conserving, managing, reclaiming, or reusing water or wastewater or by treating wastewater.

(2) CRITICAL WATER SUPPLY NEEDS.—The term “critical water supply needs” means existing or reasonably anticipated future water supply needs that cannot be met by existing water supplies, as identified in a comprehensive statewide or regional water supply plan or assessment projected over a planning period of at least 20 years.

(i) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$75,000,000 for each of fiscal years 2000 through 2004. Such sums shall remain available until expended.