



October 26, 2015

TO: Members, Subcommittee on Environment and the Economy
FROM: Committee Majority Staff
RE: Subcommittee Markup

I. INTRODUCTION

The Subcommittee on Environment and the Economy will meet in open markup session on Wednesday, October 28, 2015, **15 minutes after the conclusion of the Subcommittee hearing that morning, or 12:00 p.m., whichever is later**, in 2322 Rayburn House Office Building to consider the following:

- S. 611, Grassroots Rural and Small Community Water Systems Assistance Act.

In keeping with Chairman Upton's announced policy, Members must submit any amendments they may have two hours before they are offered during this markup. Members may submit amendments by email to peter.kielty@mail.house.gov. Any information with respect to an amendment's parliamentary standing (e.g., its germaneness) should be submitted at this time as well.

II. BACKGROUND

According to the Census Bureau, approximately twenty-seven percent of the U.S. population lives in a rural area.¹ The smallest water systems (serving fewer than 3,300 persons, many serving small clusters of homes) account for seventy-seven percent of all systems and have a similarly high percentage of systems in significant noncompliance with drinking water regulations.²

Many of these smaller and rural communities -- with populations of 10,000 or less -- face significant challenges in maintaining, replacing, or upgrading aging and obsolete drinking water and wastewater infrastructure.³ Unlike water systems in larger urban markets, these same small and rural communities do not have the rate base to fund the cost of some projects and still maintain affordable rates. Many small and rural communities have limited access to financial markets, restricting their ability to issue bonds to raise capital.⁴ As a result, these communities depend heavily on Federal and State grants and subsidized loan programs to finance their needs.

¹ <http://www.crs.gov/pages/Reports.aspx?PRODCODE=98-64&Source=search>.

² Id.

³ http://gao.gov/products/GAO-13-279SP#mt=e-report&f=/ereport/GAO-13-279SP/data_center/Science_and_the_environment/14._Rural_Water_Infrastructure&ft=0.

⁴ Id.

A major source of financial stress for small and rural drinking water supply systems is compliance with a number of drinking water regulations issued by the Environmental Protection Agency (EPA) under the Safe Drinking Water Act (SDWA), including system monitoring, treatment to remove certain contaminants, and reporting. Even though EPA estimates that regulatory compliance will protect the health of millions of people, as these regulations become more stringent, these communities may need to increase technical staff capacity to help make decisions about upgrading basic systems with more sophisticated equipment, more expensive filtration or capital equipment, and operation and maintenance.⁵

Since many smaller and rural systems lack the resources or access to certain technical professionals, SDWA section 1442(e) provides EPA authority to provide technical assistance to “small public water systems” to enable these systems to achieve and maintain compliance with applicable Federal drinking water regulations, including through “circuit-rider and multi-state regional technical assistance programs, training, and preliminary engineering evaluations.” As an example, in 2012, Government Accountability Office found that preparing additional engineering reports could cost from \$5,000 to \$50,000 and that the cost of a typical environmental analysis could add as little as \$500 to a community’s costs or as much as \$15,000.⁶

III. S. 611, Grassroots Rural and Small Community Water Systems Assistance Act

S. 611 passed the Senate by unanimous consent on June 9, 2015. It is the Senate companion to H.R. 2853 – introduced by Subcommittee Vice-Chair Harper and Ranking Member Tonko.

S. 611 would amend SDWA section 1442(e) to reauthorize the EPA’s program providing technical assistance to small public water systems. S. 611 maintains the existing statutory authorization of \$15 million annually (including three percent for technical assistance to public water systems owned or operated by Indian Tribes), but changes the law to cover funding from fiscal year 2015 through fiscal year 2020.

S. 611 also would authorize EPA to provide technical assistance programs to small public water systems through grants or cooperative agreements made to non-profit organizations. The bill requires preference in awarding grants to non-profits that are most qualified and experienced and that small water systems find most beneficial and effective.

Finally, while S. 611 prevents those grants and cooperative agreements from being used to bring a citizen suit under SDWA, it expands the types of activities eligible to receive a grant or cooperative agreement under this SDWA to include assistance with source water protection plans, monitoring plans, and water security.

⁵ Id.

⁶ http://gao.gov/products/GAO-13-279SP#mt=e-report&f=/ereport/GAO-13-279SP/data_center/Science_and_the_environment/14._Rural_Water_Infrastructure&ft=1.

IV. STAFF CONTACTS

If you have any questions, please contact David McCarthy or Jerry Couri with the Committee Majority staff at (202) 225-2927.