

115TH CONGRESS  
2D SESSION

**S.** \_\_\_\_\_

To amend the Safe Drinking Water Act and the Federal Water Pollution Control Act to establish pilot programs to assist low-income households in maintaining access to sanitation services and drinking water, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

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\_\_\_\_\_ introduced the following bill; which was read twice  
and referred to the Committee on \_\_\_\_\_

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## **A BILL**

To amend the Safe Drinking Water Act and the Federal Water Pollution Control Act to establish pilot programs to assist low-income households in maintaining access to sanitation services and drinking water, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Low-Income Water  
5 Customer Assistance Programs Act of 2018”.

1 **SEC. 2. LOW-INCOME DRINKING WATER ASSISTANCE PILOT**  
2 **PROGRAM.**

3 Part E of the Safe Drinking Water Act (42 U.S.C.  
4 300j et seq.) is amended by adding at the end the fol-  
5 lowing:

6 **“SEC. 1459C. LOW-INCOME DRINKING WATER ASSISTANCE**  
7 **PILOT PROGRAM.**

8 “(a) DEFINITIONS.—In this section:

9 “(1) ELIGIBLE ENTITY.—The term ‘eligible en-  
10 tity’ means—

11 “(A) a community water system; and

12 “(B) 2 or more community water systems  
13 that have entered into a partnership agreement  
14 or a cooperative agreement.

15 “(2) HOUSEHOLD.—The term ‘household’  
16 means any individual or group of individuals who  
17 are living together as 1 economic unit.

18 “(3) LOW-INCOME HOUSEHOLD.—The term  
19 ‘low-income household’ means a household—

20 “(A) in which 1 or more individuals are re-  
21 ceiving—

22 “(i) assistance under a State program  
23 funded under part A of title IV of the So-  
24 cial Security Act (42 U.S.C. 601 et seq.);

1 “(ii) supplemental security income  
2 payments under title XVI of the Social Se-  
3 curity Act (42 U.S.C. 1381 et seq.);

4 “(iii) supplemental nutrition assist-  
5 ance program benefits under the Food and  
6 Nutrition Act of 2008 (7 U.S.C. 2011 et  
7 seq.); or

8 “(iv) payments under—

9 “(I) section 1315, 1521, 1541, or  
10 1542 of title 38, United States Code;  
11 or

12 “(II) section 306 of the Veterans’  
13 and Survivors’ Pension Improvement  
14 Act of 1978 (38 U.S.C. 1521 note;  
15 Public Law 95–588); or

16 “(B) that has an income that, as deter-  
17 mined by the State in which the household is lo-  
18 cated, does not exceed the greater of—

19 “(i) an amount equal to 150 percent  
20 of the poverty level for that State; and

21 “(ii) an amount equal to 60 percent of  
22 the median income for that State.

23 “(4) SMALL COMMUNITY-SERVING ELIGIBLE  
24 ENTITY.—The term ‘small community-serving eligi-  
25 ble entity’ means an eligible entity that provides

1 drinking water services to a city, county, or municipi-  
2 pality with a population of fewer than 10,000 resi-  
3 dents, at least 20 percent of whom are at or below  
4 the Federal poverty level.

5 “(b) ESTABLISHMENT.—

6 “(1) IN GENERAL.—The Administrator shall es-  
7 tablish a pilot program to award grants to not fewer  
8 than 32 eligible entities in accordance with para-  
9 graph (2) to develop and implement programs to as-  
10 sist low-income households in maintaining access to  
11 affordable drinking water.

12 “(2) REQUIREMENTS.—

13 “(A) IN GENERAL.—The Administrator  
14 shall award grants under the pilot program de-  
15 scribed in paragraph (1) to—

16 “(i) not fewer than 8 eligible entities  
17 that provide drinking water services to a  
18 population of 1,000,000 or more residents;

19 “(ii) not fewer than 8 eligible entities  
20 that provide drinking water services to a  
21 population of 100,000 or more, but fewer  
22 than 1,000,000, residents;

23 “(iii) not fewer than 8 eligible entities  
24 that provide drinking water services to a

1 population of 10,000 or more, but fewer  
2 than 100,000, residents;

3 “(iv) subject, as applicable, to sub-  
4 paragraph (B), not fewer than 8 eligible  
5 entities that provide drinking water serv-  
6 ices to a population of fewer than 10,000  
7 residents; and

8 “(v) not more than 2 eligible entities  
9 in each State.

10 “(B) SMALL COMMUNITY-SERVING ELIGI-  
11 BLE ENTITIES.—To be eligible to receive a  
12 grant under the pilot program under this sub-  
13 section, a small community-serving eligible enti-  
14 ty shall enter into a memorandum of under-  
15 standing with the State in which the small com-  
16 munity-serving eligible entity is located, under  
17 which the State shall—

18 “(i) submit to the Administrator an  
19 application under paragraph (6) on behalf  
20 of the small community-serving eligible en-  
21 tity; and

22 “(ii) on receipt of a grant under the  
23 pilot program, administer the low-income  
24 household assistance program developed by  
25 the small community-serving eligible entity.

1 “(3) LIMITATIONS.—

2 “(A) USE.—A grant awarded under the  
3 pilot program—

4 “(i) shall not be used to replace funds  
5 for any existing similar program; but

6 “(ii) may be used to supplement or  
7 enhance an existing program.

8 “(B) AWARDS.—No eligible entity may re-  
9 ceive more than 1 grant award under the pilot  
10 program.

11 “(4) TERM.—The term of a grant awarded  
12 under the pilot program shall be 5 years.

13 “(5) MINIMUM PROGRAM REQUIREMENTS.—

14 “(A) IN GENERAL.—Not later than 2 years  
15 after the date of enactment of this section, the  
16 Administrator shall develop, in consultation  
17 with all relevant stakeholders, the minimum re-  
18 quirements for a program carried out by an eli-  
19 gible entity (or a State, on behalf of a small  
20 community-serving eligible entity) using a grant  
21 under this subsection.

22 “(B) INCLUSIONS.—The program require-  
23 ments developed under subparagraph (A) may  
24 include—

25 “(i) direct financial assistance;

1 “(ii) a lifeline rate:  
2 “(iii) bill discounting;  
3 “(iv) special hardship provisions;  
4 “(v) a percentage-of-income payment  
5 plan; or

6 “(vi) water efficiency assistance, in-  
7 cluding direct installation of water efficient  
8 fixtures and leak repair, which may be  
9 completed through a contracted third  
10 party.

11 “(C) ASSISTANCE EXEMPT FROM TAX-  
12 ATION.—Notwithstanding any other provision of  
13 law, assistance provided to a low-income house-  
14 hold under a program carried out by an eligible  
15 entity (or a State, on behalf of a small commu-  
16 nity-serving eligible entity) using a grant under  
17 this subsection shall be exempt from income tax  
18 under the Internal Revenue Code of 1986.

19 “(6) APPLICATION.—To receive a grant under  
20 this subsection, an eligible entity (or a State, on be-  
21 half of a small community-serving eligible entity)  
22 shall submit to the Administrator an application  
23 that demonstrates that—

24 “(A) the proposed program of the eligible  
25 entity or small community-serving eligible enti-

1 ty, as applicable, meets the requirements devel-  
2 oped under paragraph (5)(A);

3 “(B) the eligible entity or small commu-  
4 nity-serving eligible entity, as applicable, has a  
5 long-term financial plan to fund the activities  
6 necessary to achieve or maintain compliance  
7 with this Act; and

8 “(C) a grant awarded under this sub-  
9 section would support the efforts of the eligible  
10 entity (or the State, on behalf of a small com-  
11 munity-serving eligible entity) to generate the  
12 necessary funds to achieve or maintain compli-  
13 ance with this Act while mitigating the cost to  
14 low-income households.

15 “(7) PRIORITY.—In awarding grants under this  
16 subsection, the Administrator shall give priority to  
17 eligible entities or small community-serving eligible  
18 entities, as applicable—

19 “(A) that are affected by consent decrees  
20 relating to compliance with the Federal Water  
21 Pollution Control Act (33 U.S.C. 1251 et seq.);

22 “(B) the residential customers of which  
23 have experienced rate or fee increases for drink-  
24 ing water, wastewater, or stormwater services  
25 greater than or equal to 30 percent during the

1 period beginning on the date that is 3 years be-  
2 fore the date of enactment of this section;

3 “(C) that—

4 “(i) develop an equivalent program, as  
5 determined by the Administrator, that is  
6 administered separately by the eligible en-  
7 tity or small community-serving eligible en-  
8 tity, as applicable; or

9 “(ii) provide matching funds equal to  
10 or greater than the amount of the grant  
11 from—

12 “(I) the applicable State or unit  
13 of local government; or

14 “(II) a State-sponsored nonprofit  
15 organization or private entity; or

16 “(D) that are described in subsection  
17 (a)(1)(B).

18 “(8) LOWER INCOME LIMIT.—For purposes of  
19 this section, an eligible entity (or a State, on behalf  
20 of a small community-serving eligible entity) may  
21 adopt an income limit that is lower than the limit  
22 described in subsection (a)(3)(B), except that the el-  
23 igible entity or State, respectively, may not exclude  
24 a household from eligibility in a fiscal year based

1 solely on household income if that income is less  
2 than 110 percent of the poverty level for the State.

3 “(9) REPORTING REQUIREMENTS.—

4 “(A) IN GENERAL.—In addition to any  
5 other applicable Federal or agency-specific  
6 grant reporting requirements, as a condition of  
7 receiving a grant under this subsection, an eli-  
8 gible entity (or a State, on behalf of a small  
9 community-serving eligible entity) shall submit  
10 to the Administrator an annual report that  
11 summarizes, in a manner determined by the  
12 Administrator, the low-income household assist-  
13 ance program developed by the eligible entity or  
14 small community-serving eligible entity, as ap-  
15 plicable, using the grant, including—

16 “(i) key features;

17 “(ii) sources of funding;

18 “(iii) eligibility criteria;

19 “(iv) participation rates;

20 “(v) the monetary benefit per partici-  
21 pant;

22 “(vi) program costs;

23 “(vii) the demonstrable impacts of the  
24 program on arrearage and service dis-

1 connection for residential customers, to the  
2 maximum extent practicable; and

3 “(viii) other relevant information re-  
4 quired by the Administrator.

5 “(B) PUBLICATION.—The Administrator  
6 shall publish each report submitted under sub-  
7 paragraph (A).

8 “(c) TECHNICAL ASSISTANCE.—The Administrator  
9 shall provide technical assistance to each eligible entity,  
10 and each State, on behalf of a small community-serving  
11 eligible entity, that receives a grant under this section to  
12 ensure—

13 “(1) full implementation of the pilot program;  
14 and

15 “(2) maximum enrollment of low-income house-  
16 holds.

17 “(d) REPORT.—Not later than 2 years after the date  
18 on which grant funds are first disbursed to an eligible enti-  
19 ty (or a State, on behalf of a small community-serving eli-  
20 gible entity) under this section, and every year thereafter  
21 for the duration of the terms of the grants, the Adminis-  
22 trator shall submit to Congress a report on the results  
23 of the pilot program established under this section.”.

1 **SEC. 3. LOW-INCOME WASTEWATER ASSISTANCE PILOT**  
2 **PROGRAM.**

3 Title I of the Federal Water Pollution Control Act  
4 (33 U.S.C. 1251 et seq.) is amended by adding at the end  
5 the following:

6 **“SEC. 124. LOW-INCOME WASTEWATER ASSISTANCE PILOT**  
7 **PROGRAM.**

8 “(a) DEFINITIONS.—In this section:

9 “(1) ELIGIBLE ENTITY.—The term ‘eligible en-  
10 tity’ means—

11 “(A) a municipality or public entity that  
12 owns or operates—

13 “(i) a publicly owned treatment  
14 works;

15 “(ii) a municipal wastewater treat-  
16 ment system; or

17 “(iii) a municipal separate stormwater  
18 sewer system; and

19 “(B) 2 or more municipalities or public en-  
20 tities described in subparagraph (A) that have  
21 entered into a partnership agreement or a coop-  
22 erative agreement.

23 “(2) HOUSEHOLD.—The term ‘household’  
24 means any individual or group of individuals who  
25 are living together as 1 economic unit.



1                   “(i) an amount equal to 150 percent  
2                   of the poverty level for that State; and

3                   “(ii) an amount equal to 60 percent of  
4                   the median income for that State.

5                   “(4) SMALL COMMUNITY-SERVING ELIGIBLE  
6                   ENTITY.—The term ‘small community-serving eligi-  
7                   ble entity’ means an eligible entity that provides  
8                   wastewater or municipal stormwater services to a  
9                   city, county, or municipality with a population of  
10                  fewer than 10,000 residents, at least 20 percent of  
11                  whom are at or below the Federal poverty level.

12                  “(b) ESTABLISHMENT.—

13                  “(1) IN GENERAL.—The Administrator shall es-  
14                  tablish a pilot program to award grants to not fewer  
15                  than 32 eligible entities in accordance with para-  
16                  graph (2) to develop and implement programs to as-  
17                  sist low-income households in maintaining access to  
18                  affordable wastewater or municipal stormwater serv-  
19                  ices.

20                  “(2) REQUIREMENTS.—

21                  “(A) IN GENERAL.—The Administrator  
22                  shall award grants under the pilot program de-  
23                  scribed in paragraph (1) to—

1 “(i) not fewer than 8 eligible entities  
2 that provide drinking water services to a  
3 population of 1,000,000 or more residents;

4 “(ii) not fewer than 8 eligible entities  
5 that provide drinking water services to a  
6 population of 100,000 or more, but fewer  
7 than 1,000,000, residents;

8 “(iii) not fewer than 8 eligible entities  
9 that provide drinking water services to a  
10 population of 10,000 or more, but fewer  
11 than 100,000, residents;

12 “(iv) subject, as applicable, to sub-  
13 paragraph (B), not fewer than 8 eligible  
14 entities that provide drinking water serv-  
15 ices to a population of fewer than 10,000  
16 residents; and

17 “(v) not more than 2 eligible entities  
18 in each State.

19 “(B) SMALL COMMUNITY-SERVING ELIGI-  
20 BLE ENTITIES.—To be eligible to receive a  
21 grant under the pilot program under this sub-  
22 section, a small community-serving eligible enti-  
23 ty shall enter into a memorandum of under-  
24 standing with the State in which the small com-

1 community-serving eligible entity is located, under  
2 which the State shall—

3 “(i) submit to the Administrator an  
4 application under paragraph (6) on behalf  
5 of the small community-serving eligible en-  
6 tity; and

7 “(ii) on receipt of a grant under the  
8 pilot program, administer the low-income  
9 household assistance program developed by  
10 the small community-serving eligible entity.

11 “(3) LIMITATIONS.—

12 “(A) USE.—A grant awarded under the  
13 pilot program shall not be used to replace funds  
14 for any existing similar program.

15 “(B) AWARDS.—No eligible entity may re-  
16 ceive more than 1 grant award under the pilot  
17 program.

18 “(4) TERM.—The term of a grant awarded  
19 under the pilot program shall be 5 years.

20 “(5) MINIMUM PROGRAM REQUIREMENTS.—

21 “(A) IN GENERAL.—Not later than 2 years  
22 after the date of enactment of this section, the  
23 Administrator shall develop, in consultation  
24 with all relevant stakeholders, the minimum re-  
25 quirements for a program to be carried out by

1 an eligible entity (or a State, on behalf of a  
2 small community-serving eligible entity) using a  
3 grant under this subsection.

4 “(B) INCLUSIONS.—The program require-  
5 ments developed under subparagraph (A) may  
6 include—

7 “(i) direct financial assistance;

8 “(ii) a lifeline rate;

9 “(iii) bill discounting;

10 “(iv) special hardship provisions;

11 “(v) a percentage-of-income payment  
12 plan; or

13 “(vi) water efficiency assistance, in-  
14 cluding direct installation of water efficient  
15 fixtures and leak repair, which may be  
16 completed through a contracted third  
17 party.

18 “(C) ASSISTANCE EXEMPT FROM TAX-  
19 ATION.—Notwithstanding any other provision of  
20 law, assistance provided to a low-income house-  
21 hold under a program carried out by an eligible  
22 entity (or a State, on behalf of a small commu-  
23 nity-serving eligible entity) using a grant under  
24 this subsection shall be exempt from income tax  
25 under the Internal Revenue Code of 1986.

1           “(6) APPLICATION.—To receive a grant under  
2 this subsection, an eligible entity (or a State, on be-  
3 half of a small community-serving eligible entity)  
4 shall submit to the Administrator an application  
5 that demonstrates that—

6           “(A) the proposed program of the eligible  
7 entity or small community-serving eligible enti-  
8 ty, as applicable, meets the requirements devel-  
9 oped under paragraph (5)(A);

10           “(B) the eligible entity or small commu-  
11 nity-serving eligible entity, as applicable, has a  
12 long-term financial plan to fund the activities  
13 necessary to achieve or maintain compliance  
14 with this Act; and

15           “(C) a grant awarded under this sub-  
16 section would support the efforts of the eligible  
17 entity (or the State, on behalf of a small com-  
18 munity-serving eligible entity) to generate the  
19 necessary funds to achieve or maintain compli-  
20 ance with this Act while mitigating the cost to  
21 low-income households.

22           “(7) PRIORITY.—In awarding grants under this  
23 subsection, the Administrator shall give priority to  
24 eligible entities or small community-serving eligible  
25 entities, as applicable—

1           “(A) that are affected by consent decrees  
2 relating to compliance with this Act;

3           “(B) the residential customers of which  
4 have experienced rate or fee increases for  
5 wastewater, stormwater, or drinking water serv-  
6 ices greater than or equal to 30 percent during  
7 the period beginning on the date that is 3 years  
8 before the date of enactment of this section;

9           “(C) that—

10           “(i) develop an equivalent program, as  
11 determined by the Administrator, that is  
12 administered separately by the eligible en-  
13 tity or small community-serving eligible en-  
14 tity, as applicable; or

15           “(ii) provide matching funds equal to  
16 or greater than the amount of the grant  
17 from—

18           “(I) the applicable State or unit  
19 of local government; or

20           “(II) a State-sponsored nonprofit  
21 organization or private entity; or

22           “(D) that are described in subsection  
23 (a)(1)(B).

24           “(8) LOWER INCOME LIMIT.—For purposes of  
25 this section, an eligible entity (or a State, on behalf

1 of a small community-serving eligible entity) may  
2 adopt an income limit that is lower than the limit  
3 described in subsection (a)(3)(B), except that the el-  
4 ible entity or State, respectively, may not exclude  
5 a household from eligibility in a fiscal year based  
6 solely on household income if that income is less  
7 than 110 percent of the poverty level for the State.

8 “(9) REPORTING REQUIREMENTS.—

9 “(A) IN GENERAL.—In addition to any  
10 other applicable Federal or agency-specific  
11 grant reporting requirements, as a condition of  
12 receiving a grant under this subsection, an eli-  
13 gible entity (or a State, on behalf of a small  
14 community-serving eligible entity) shall submit  
15 to the Administrator an annual report that  
16 summarizes, in a manner determined by the  
17 Administrator, the low-income household assist-  
18 ance program developed by the eligible entity or  
19 small community-serving eligible entity, as ap-  
20 plicable, using the grant amount, including—

21 “(i) key features;

22 “(ii) sources of funding;

23 “(iii) eligibility criteria;

24 “(iv) participation rates;

1 “(v) the monetary benefit per partici-  
2 pant;

3 “(vi) program costs;

4 “(vii) the demonstrable impacts of the  
5 program on arrearage and service dis-  
6 connection for residential customers, to the  
7 maximum extent practicable; and

8 “(viii) other relevant information re-  
9 quired by the Administrator.

10 “(B) PUBLICATION.—The Administrator  
11 shall publish each report submitted under sub-  
12 paragraph (A).

13 “(c) TECHNICAL ASSISTANCE.—The Administrator  
14 shall provide technical assistance to each eligible entity  
15 and each State, on behalf of a small community-serving  
16 eligible entity, that receives a grant under this section to  
17 ensure—

18 “(1) full implementation of the pilot program;

19 and

20 “(2) maximum enrollment of low-income house-  
21 holds.

22 “(d) REPORT.—Not later than 2 years after the date  
23 on which grant funds are first disbursed to an eligible enti-  
24 ty (or a State, on behalf of a small community-serving eli-  
25 gible entity) under this section, and every year thereafter

1 for the duration of the terms of the grants, the Adminis-  
2 trator shall submit to Congress a report on the results  
3 of the pilot program established under this section.”.

4 **SEC. 4. NEEDS ASSESSMENT FOR NATIONWIDE RURAL AND**  
5 **URBAN LOW-INCOME COMMUNITY WATER AS-**  
6 **SISTANCE PROGRAM.**

7 (a) DEFINITIONS.—In this section:

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

11 (2) LOW-INCOME HOUSEHOLD.—The term  
12 “low-income household” means a household—

13 (A) in which 1 or more individuals are re-  
14 ceiving—

15 (i) assistance under a State program  
16 funded under part A of title IV of the So-  
17 cial Security Act (42 U.S.C. 601 et seq.);

18 (ii) supplemental security income pay-  
19 ments under title XVI of the Social Secu-  
20 rity Act (42 U.S.C. 1381 et seq.);

21 (iii) supplemental nutrition assistance  
22 program benefits under the Food and Nu-  
23 trition Act of 2008 (7 U.S.C. 2011 et  
24 seq.); or

25 (iv) payments under—

1 (I) section 1315, 1521, 1541, or  
2 1542 of title 38, United States Code;  
3 or

4 (II) section 306 of the Veterans'  
5 and Survivors' Pension Improvement  
6 Act of 1978 (38 U.S.C. 1521 note;  
7 Public Law 95–588); or

8 (B) that has an income that, as deter-  
9 mined by the State in which the household is lo-  
10 cated, does not exceed the greater of—

11 (i) an amount equal to 150 percent of  
12 the poverty level for that State; and

13 (ii) an amount equal to 60 percent of  
14 the median income for that State.

15 (b) STUDY; REPORT.—

16 (1) IN GENERAL.—Not later than 2 years after  
17 the date of enactment of this Act, the Administrator  
18 shall conduct, and submit to Congress a report de-  
19 scribing the results of, a study regarding the preva-  
20 lence throughout the United States of low-income  
21 households that do not have access to—

22 (A) affordable and functional centralized  
23 or onsite wastewater services that protect the  
24 health of individuals in the households;

1 (B) affordable municipal stormwater serv-  
2 ices; or

3 (C) affordable public drinking water serv-  
4 ices to meet household needs.

5 (2) INCLUSIONS.—The report under paragraph  
6 (1) shall include—

7 (A) recommendations of the Administrator  
8 regarding the best methods to increase access  
9 to affordable and functional centralized and on-  
10 site wastewater, stormwater, and drinking  
11 water services;

12 (B) a description of the cost of each meth-  
13 od described in subparagraph (A);

14 (C) with respect to the development of the  
15 report, a consultation with all relevant stake-  
16 holders; and

17 (D) a description of the results of the  
18 study with respect to low-income renters who do  
19 not receive bills for wastewater, stormwater,  
20 and drinking water services but pay for the  
21 services indirectly through rent payments.