

## **NATIONAL WATER RECYCLING AND RECLAMATION ACT**

**SEC. 1. Short title** - This Act may be cited as the “National Water Recycling and Reclamation Act.”

### **SEC. 2. Program Establishment**

There is established within the United States Environmental Protection Agency (EPA) the National Water Recycling and Reclamation Program to distribute funds appropriated pursuant to this Act as discretionary grants to be awarded to eligible entities on a competitive basis for water recycling and reclamation projects.

### **SEC. 3. Definitions**

1. **ELIGIBLE PROJECT COSTS.** - The term "eligible project costs" means amounts substantially all of which are paid by, or for the account of, an eligible entity in connection with a project, including the cost of -
  - A. development phase activities, including planning, feasibility analysis, revenue forecasting, environmental review, permitting, preliminary engineering and design work, and other preconstruction activities;
  - B. construction, reconstruction, rehabilitation, replacement, and acquisition of real property (including land related to the project and improvements to land), environmental mitigation, construction contingencies, and acquisition of equipment;
  - C. capitalized interest necessary to meet market requirements, reasonably required reserve funds, capital issuance expenses, and other carrying costs during construction; and,
  - D. reimbursement for eligible project costs incurred prior to the enactment of this Act.
2. **ELIGIBLE ENTITIES.** -The term “eligible entities” means a corporation, partnership, joint venture, trust, public or investor-owned utility, private entity, governmental entity, agency, or instrumentality, or any other reclamation and reuse entity.
3. **PROJECT.** - The term "project" means a project carried out by the EPA and an eligible entity for water recycling or water.
4. **EPA** - The term “EPA” means the Environmental Protection Agency of the United States.

#### **SEC. 4. Determination of eligibility and project selection**

- a. ELIGIBILITY. - To be eligible to receive financial assistance under this Act, a project shall meet the following criteria:
  1. APPLICATION. - An eligible water reclamation and reuse entity undertaking the project shall submit a project application to the EPA.
  2. MINIMUM ELIGIBLE PROJECT COSTS. - To be eligible for assistance under this Act, a project shall have eligible total project costs that are reasonably anticipated to exceed \$1,000,000.
  3. DEDICATED REVENUE SOURCES. - To be eligible for assistance under this Act, a project shall have a demonstrated source of non-Federal revenues to satisfy the non-Federal share.
- b. SELECTION AMONG ELIGIBLE PROJECTS. -
  1. ESTABLISHMENT. - The EPA shall establish criteria for selecting among projects that meet the eligibility requirements specified in subsection (a).
  2. SELECTION CRITERIA. -
    - A. IN GENERAL. - The selection criteria shall include the following:
      - i. The extent to which the project addresses near and long term water demand and supplies, protects the environment, increases water supply, or otherwise enhances the overall water reclamation and reuse system
      - ii. The extent to which the project enhances the return on the Federal investment through the production of new, highly renewable water supplies.
      - iii. The likelihood that assistance under this Act would enable the project to proceed at an earlier date than the project would otherwise be able to proceed.
      - iv. The extent to which the project uses measures and that enhance the efficiency of the project.
      - v. The amount of budget authority required to fund the Federal credit instrument made available under this Act.
    - B. TIMING. -The EPA shall (1) publish criteria on which to base the competition for any grants awarded under this Act not later than 90 days after enactment of this Act; (2) require applications for funding to be submitted not later than 180 days after publication of such criteria; and, (3) announce all projects selected to be funded

from such funds not later than one year after enactment of this Act.

#### **SEC. 5. Federal Share**

In recognition of the return on investment of a project through the production of new, highly renewable water supplies, the Federal share shall be 80 percent of the reasonable anticipated eligible project costs.

#### **SEC. 6. Regulations**

The EPA may issue such regulations as the EPA determines appropriate to carry out this Act.

#### **SEC. 7. Funding**

a. FUNDING. -

1. IN GENERAL. - There is authorized to be appropriated \$500 million for each of FY16-20 to carry out this Act.
2. AVAILABILITY. - Amounts made available to carry out this Act shall remain available until expended.
3. ADMINISTRATIVE COSTS. - From funds made available to carry out this Act, the EPA may use, for the administration of this Act, not more than 2 percent for each year.

#### **SEC. 8. Funding Offset**

- a. SUBMISSION OF PROJECT LIST.- On or before October 1, 2015, the EPA shall submit to Congress a list of recycled water projects or separable elements of such projects that have been authorized but that have received no obligations during the 5 full fiscal years preceding the submission of that list.
- b. ADDITIONAL NOTIFICATION. - On submission of the list under subparagraph (A) to Congress, the EPA shall notify -
  1. Each Senator in whose State and each Member of the House of Representatives in whose district a project (including any part of a project) on that list would be located; and,
  2. Each applicable non-Federal interest associated with a project (including any part of a project) on that list.
- c. DEAUTHORIZATION. - A project or separable element included in the list under subparagraph (A) is not authorized after the last date of the fiscal year following

the fiscal year in which the list is submitted to Congress, if funding has not been obligated for the planning design, or construction of the project or element of the project during that period.

#### **SEC. 9. Reports to Congress**

On October 1, 2016, and every 2 years thereafter, the EPA shall submit to Congress a report summarizing the financial performance of the projects that are receiving, or have received, assistance under this Act.