

H.R. _____, THE “WATER QUALITY PROTECTION AND JOB CREATION ACT OF 2011”

H.R. _____, the Water Quality Protection and Job Creation Act of 2011”, renews the Federal commitment to addressing our nation’s substantial needs for wastewater infrastructure by investing \$13.8 billion over five years in wastewater infrastructure through the State Revolving Fund and other efforts to improve water quality. The bill would also authorize two additional options for long-term, alternative financing mechanisms to provide several billion in supplementary funds for clean water infrastructure.

H.R.____ will create thousands of new, domestic jobs in the construction and wastewater-support sectors through increased investment in wastewater infrastructure, reduces the cost of constructing and maintaining that infrastructure, and promotes energy-efficiency and water-efficiency improvements to publicly owned treatment works to reduce the potential long-term operation and maintenance costs of the facility.

Title I – Water Quality Financing

- Authorizes \$13.8 billion in Federal appropriations over five years to capitalize Clean Water State Revolving Funds (“Clean Water SRFs”). These funds provide low-interest loans and additional loan subsidizations (e.g., principal forgiveness and negative interest loans) to communities for wastewater infrastructure.
- Authorizes technical assistance to rural, small and tribal communities to assist them in gaining access to financing wastewater infrastructure. Also provides additional options for States and local communities to reduce the overall cost of financing wastewater infrastructure, including extended repayment periods, long-term asset management planning, and the ability to waive the State match during periods of economic uncertainty.
- Provides additional subsidies, including principal forgiveness and negative interest loans under the Clean Water SRFs, for communities that meet a state’s affordability criteria, for individual ratepayers that will experience significant hardship from potential rate increases, and for projects that will achieve water-efficiency goals, energy-efficiency goals, stormwater runoff mitigation, or environmentally sensitive project planning, design, and construction.
- Includes economic incentives to encourage the adoption of energy- and water-efficient technologies and practices to maximize the potential for efficient water use, reuse, and conservation, and energy conservation, and realize the potential corresponding cost-savings for water treatment.
- Establishes water quality benefits as the primary criterion for determining which projects receive funding, and encourages watershed approaches to solving water quality problems.

- Ensures the continued application of Federal prevailing wage protections (Davis-Bacon) and establishes Buy America provisions for the construction of treatment works projects funded pursuant to the Clean Water Act.

Title II – Alternative Water Source Projects

- Authorizes \$250 million in grants over five years for alternative water sources projects under section 220 of the Clean Water Act.

Title III – Sewer Overflow Control Grants

- Authorizes \$2.5 billion over five years for sewer overflow control grants under section 221 of the Clean Water Act.

Title IV – Clean Water Trust Fund

- Establishes a Clean Water Trust Fund that will be used to primarily provide capitalization grants for the Clean Water SRFs, while encouraging projects that utilize green infrastructure approaches, energy- or water- efficiency improvements, and/or the implementation of best management practices or measures identified in an approved nonpoint source management program under Section 319.
- Authorizes Clean Water Trust Fund proceeds to be utilized to: (1) facilitate the award of direct loans and guaranteeing obligations under the new clean water infrastructure loan guarantee program established in Title V; (2) assist states, tribes and interstate agencies to establish and maintain State Clean Water programs under section 106 of the Clean Water Act; and (3) fund Clean Water implementation grants under section 104 of the Act
- Directs the Congressional Budget Office to undertake a study of potential funding mechanisms and revenue sources to capitalize the trust fund in order to provide annual funding levels of \$10 billion a year for the activities mentioned above.

Title V – The Water Pollution Control Investment Act

- Authorizes the use of direct Federal loans and loan guarantees to finance the construction of water-related infrastructure, modeled after financing mechanisms for the construction of surface transportation projects through the Transportation Infrastructure Finance and Innovation Act (TIFIA) program.
- Authorizes the Administrator to make direct loans to existing State infrastructure financing authorities to be used to finance wastewater infrastructure projects for the same purposes and in the same manner as projects funded under the existing Clean Water SRF.

- Loans to existing State authorities are based on the existing Clean Water Act allotment formula, and may be made for a period of 35 years. Individual borrowers must demonstrate that they will have the revenue stream necessary to ensure loan repayment.
- Authorizes the Administrator to manage a supplemental infrastructure loan guarantee program what would leverage additional investment from the private sector (in the form of low interest loans) to support large, public water infrastructure projects that are often of national or regional importance, but have difficulty accessing Clean Water SRF monies because of their cost.
- Ensures that contractors that carry out clean water infrastructure projects funded either through a direct loan or loan guarantee are paid at prevailing wage rates, as determined under the Davis-Bacon Act.