

114TH CONGRESS
1ST SESSION

H. R. 3720

To encourage water efficiency.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 8, 2015

Mr. CARTWRIGHT (for himself, Ms. NORTON, Mrs. KIRKPATRICK, Mr. HUFFMAN, Mr. LOWENTHAL, Ms. TSONGAS, Mrs. NAPOLITANO, Mr. HONDA, Mr. TONKO, Ms. BORDALLO, Mr. THOMPSON of California, Mr. BLUMENAUER, Ms. MATSUI, Mr. GARAMENDI, Mr. TED LIEU of California, Mr. PETERS, Mr. CONNOLLY, Mr. PERLMUTTER, and Mrs. TORRES) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committees on Oversight and Government Reform, Armed Services, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To encourage water efficiency.

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 “Water Advanced Tech-
5 nologies for Efficient Resource Use Act of 2015”.

1 **SEC. 2. WATERSENSE.**

2 (a) IN GENERAL.—There is established within the
3 Environmental Protection Agency a WaterSense program
4 to identify and promote water efficient products, buildings
5 and landscapes, and services in order—

6 (1) to reduce water use;

7 (2) to reduce the strain on water, wastewater,
8 and stormwater infrastructure;

9 (3) to conserve energy used to pump, heat,
10 transport, and treat water; and

11 (4) to preserve water resources for future gen-
12 erations,

13 through voluntary labeling of, or other forms of commu-
14 nications about, products, buildings and landscapes, and
15 services that meet the highest water efficiency and per-
16 formance standards.

17 (b) DUTIES.—The Administrator of the Environ-
18 mental Protection Agency shall—

19 (1) promote WaterSense labeled products,
20 buildings and landscapes, and services in the market
21 place as the preferred technologies and services
22 for—

23 (A) reducing water use; and

24 (B) ensuring product and service perform-
25 ance;

1 (2) work to enhance public awareness of the
2 WaterSense label through public outreach, edu-
3 cation, water recycling and reuse technology re-
4 search and development, and other means;

5 (3) establish and maintain performance stand-
6 ards so that products, buildings and landscapes, and
7 services labeled with the WaterSense label perform
8 as well or better than their less efficient counter-
9 parts;

10 (4) publicize the importance of proper installa-
11 tion of WaterSense plumbing products by a
12 WaterSense-certified or, if WaterSense certification
13 guidelines do not exist, licensed plumber or mechan-
14 ical contractor, and the installation, maintenance,
15 and audit of WaterSense irrigation systems by a
16 WaterSense-certified irrigation professional to en-
17 sure optimal performance;

18 (5) preserve the integrity of the WaterSense
19 label;

20 (6) regularly review and, when appropriate, up-
21 date WaterSense criteria for categories of products,
22 buildings and landscapes, and services, at least once
23 every four years;

24 (7) to the maximum extent practicable, regu-
25 larly collect and make available to the public sum-

1 mary data on the production and relative market
2 shares of WaterSense labeled products, buildings
3 and landscapes, and services, at least annually;

4 (8) to the maximum extent practicable, regu-
5 larly estimate and make available to the public the
6 water and energy savings attributable to the use of
7 WaterSense labeled products, buildings and land-
8 scapes, and services, at least annually;

9 (9) solicit comments from interested parties and
10 the public prior to establishing or revising a
11 WaterSense category, specification, installation cri-
12 terion, or other criterion (or prior to effective dates
13 for any such category, specification, installation cri-
14 terion, or other criterion);

15 (10) provide reasonable notice to interested par-
16 ties and the public of any changes (including effec-
17 tive dates), on the adoption of a new or revised cat-
18 egory, specification, installation criterion, or other
19 criterion, along with—

20 (A) an explanation of changes; and

21 (B) as appropriate, responses to comments
22 submitted by interested parties;

23 (11) provide appropriate lead time (as deter-
24 mined by the Administrator) prior to the applicable
25 effective date for a new or significant revision to a

1 category, specification, installation criterion, or other
2 criterion, taking into account the timing require-
3 ments of the manufacturing, marketing, training,
4 and distribution process for the specific product,
5 building and landscape, or service category ad-
6 dressed; and

7 (12) identify and, where appropriate, implement
8 other voluntary approaches, such as labeling water-
9 less devices that perform the same function as a
10 water consuming product or encouraging reuse, rec-
11 lamation, and recycling technologies, in commercial,
12 institutional, residential, municipal, and industrial
13 sectors to improve water efficiency or lower water
14 use while meeting the performance standards estab-
15 lished under paragraph (3).

16 (c) AUTHORIZATION OF APPROPRIATIONS.—There
17 are authorized to be appropriated \$7,500,000 for fiscal
18 year 2016, \$10,000,000 for fiscal year 2017, \$20,000,000
19 for fiscal year 2018, and \$50,000,000 for fiscal year 2019
20 and each year thereafter, adjusted for inflation, to carry
21 out this section.

22 **SEC. 3. FEDERAL PROCUREMENT OF WATER EFFICIENT**
23 **PRODUCTS.**

24 (a) DEFINITIONS.—In this section:

1 (1) AGENCY.—The term “agency” has the
2 meaning given that term in section 7902(a) of title
3 5, United States Code.

4 (2) WATERSENSE PRODUCT OR SERVICE.—The
5 term “WaterSense product or service” means a
6 product or service that is rated for water efficiency
7 under the WaterSense program.

8 (3) WATERSENSE PROGRAM.—The term
9 “WaterSense program” means the program estab-
10 lished by section 2 of this Act.

11 (4) FEMP DESIGNATED PRODUCT.—The term
12 “FEMP designated product” means a product that
13 is designated under the Federal Energy Manage-
14 ment Program of the Department of Energy as
15 being among the highest 25 percent of equivalent
16 products for efficiency.

17 (5) PRODUCT AND SERVICE.—The terms “prod-
18 uct” and “service” do not include any water con-
19 suming product or service designed or procured for
20 combat or combat-related missions. The terms also
21 exclude products or services already covered by the
22 Federal procurement regulations established under
23 section 553 of the National Energy Conservation
24 Policy Act (42 U.S.C. 8259b).

1 (b) PROCUREMENT OF WATER EFFICIENT PROD-
2 UCTS.—

3 (1) REQUIREMENT.—To meet the requirements
4 of an agency for a water consuming product or serv-
5 ice, the head of the agency shall, except as provided
6 in paragraph (2), procure—

7 (A) a WaterSense product or service; or

8 (B) a FEMP designated product.

9 A WaterSense plumbing product should preferably,
10 when possible, be installed by a WaterSense-certified
11 or, if WaterSense certification guidelines do not
12 exist, licensed plumber or mechanical contractor,
13 and a WaterSense irrigation system should pref-
14 erably, when possible, be installed, maintained, and
15 audited by a WaterSense-certified irrigation profes-
16 sional to ensure optimal performance.

17 (2) EXCEPTIONS.—The head of an agency is
18 not required to procure a WaterSense product or
19 service or FEMP designated product under para-
20 graph (1) if the head of the agency finds in writing
21 that—

22 (A) a WaterSense product or service or
23 FEMP designated product is not cost-effective
24 over the life of the product, taking current and

1 future energy, water, and wastewater cost sav-
2 ings into account; or

3 (B) no WaterSense product or service or
4 FEMP designated product is reasonably avail-
5 able that meets the functional requirements of
6 the agency.

7 (3) PROCUREMENT PLANNING.—The head of an
8 agency shall incorporate into the specifications for
9 all procurements involving water consuming products
10 and systems, including guide specifications, project
11 specifications, and construction, renovation, and
12 services contracts that include provision of water
13 consuming products and systems, and into the fac-
14 tors for the evaluation of offers received for the pro-
15 curement, criteria used for rating WaterSense prod-
16 ucts and services and FEMP designated products.
17 The head of an agency shall consider, to the max-
18 imum extent practicable, additional measures for re-
19 ducing agency water consumption, including water
20 reuse, reclamation, and recycling technologies, leak
21 detection and repair, and use of waterless products
22 that perform similar functions to existing water-con-
23 suming products.

24 (c) LISTING OF WATER EFFICIENT PRODUCTS IN
25 FEDERAL CATALOGS.—WaterSense products and services

1 and FEMP designated products shall be clearly identified
2 and prominently displayed in any inventory or listing of
3 products by the General Services Administration or the
4 Defense Logistics Agency. The General Services Adminis-
5 tration and the Defense Logistics Agency shall supply only
6 WaterSense products or FEMP designated products for
7 all product categories covered by the WaterSense program
8 or the Federal Energy Management Program, except in
9 cases where the agency ordering a product specifies in
10 writing that no WaterSense product or FEMP designated
11 product is available to meet the buyer’s functional require-
12 ments, or that no WaterSense product or FEMP des-
13 ignated product is cost-effective for the intended applica-
14 tion over the life of the product, taking energy, water, and
15 wastewater cost savings into account.

16 (d) REGULATIONS.—Not later than 180 days after
17 the date of enactment of this Act, the Administrator of
18 the Environmental Protection Agency shall issue regula-
19 tions to carry out this section.

20 **SEC. 4. EARLY ADOPTER WATER EFFICIENT PRODUCTS IN-**
21 **CENTIVE PROGRAMS.**

22 (a) DEFINITIONS.—In this section:

23 (1) ADMINISTRATOR.—The term “Adminis-
24 trator” means the Administrator of the Environ-
25 mental Protection Agency.

1 (2) ELIGIBLE ENTITY.—The term “eligible enti-
2 ty” means a State government, local or county gov-
3 ernment, tribal government, wastewater or sewage
4 utility, municipal water authority, energy utility,
5 water utility, or nonprofit organization that meets
6 the requirements of subsection (b).

7 (3) INCENTIVE PROGRAM.—The term “incentive
8 program” means a program for administering finan-
9 cial incentives for consumer purchase and installa-
10 tion of residential water efficient products and serv-
11 ices as described in subsection (b)(1).

12 (4) RESIDENTIAL WATER EFFICIENT PRODUCT
13 OR SERVICE.—

14 (A) IN GENERAL.—The term “residential
15 water efficient product or service” means a
16 product or service for a single-family or multi-
17 family residence or its landscape that is rated
18 for water efficiency and performance—

19 (i) by the WaterSense program; or

20 (ii) by an incentive program and ap-
21 proved by the Administrator.

22 Categories of water efficient products and serv-
23 ices may include faucets, irrigation technologies
24 and services, point-of-use water treatment de-

1 vices, reuse, reclamation, and recycling tech-
2 nologies, toilets, and showerheads.

3 (B) THIRD-PARTY CERTIFICATION.—A
4 product shall not be treated as a residential
5 water efficient product until after the product—

6 (i) is tested by an accredited third-
7 party certifying body or laboratory in ac-
8 cordance with the WaterSense program;

9 (ii) is certified by such body or labora-
10 tory as meeting the performance and effi-
11 ciency requirements of such program; and

12 (iii) is authorized by such program to
13 use its label.

14 (5) STATE.—The term “State” means each of
15 the several States of the United States, the District
16 of Columbia, Puerto Rico, the United States Virgin
17 Islands, Guam, American Samoa, and the Common-
18 wealth of the Northern Mariana Islands.

19 (6) WATERSENSE PROGRAM.—The term
20 “WaterSense program” means the program estab-
21 lished by section 2 of this Act.

22 (b) ELIGIBLE ENTITIES.—An entity shall be eligible
23 to receive an allocation under subsection (c) if the entity—

24 (1) establishes (or has established) an incentive
25 program to provide rebates, vouchers, other financial

1 incentives, or direct installs to consumers for the
2 purchase and installation of residential water effi-
3 cient products or services;

4 (2) submits an application for the allocation at
5 such time, in such form, and containing such infor-
6 mation as the Administrator may require; and

7 (3) provides assurances satisfactory to the Ad-
8 ministrator that the entity will use the allocation to
9 supplement, but not supplant, funds made available
10 to carry out the incentive program.

11 (c) AMOUNT OF ALLOCATIONS.—For each fiscal year,
12 the Administrator shall determine the amount to allocate
13 to each eligible entity to carry out subsection (d) taking
14 into consideration—

15 (1) the population served by the eligible entity
16 in the most recent calendar year for which data are
17 available;

18 (2) the targeted population of the eligible enti-
19 ty's incentive program, such as general households,
20 low-income households, or first-time homeowners,
21 and the probable effectiveness of the incentive pro-
22 gram for that population;

23 (3) for existing programs, the effectiveness of
24 the incentive program in encouraging the adoption
25 of water efficient products and services; and

1 (4) any prior year's allocation to the eligible en-
2 tity that remains unused.

3 (d) USE OF ALLOCATED FUNDS.—Funds allocated to
4 an entity under subsection (c) may be used to pay up to
5 50 percent of the cost of establishing and carrying out
6 an incentive program.

7 (e) FIXTURE RECYCLING.—Entities are encouraged
8 to promote or implement fixture recycling programs to
9 manage the disposal of older fixtures replaced due to the
10 incentive program under this section.

11 (f) ISSUANCE OF REBATES.—Financial incentives
12 may be provided to consumers that meet the requirements
13 of the incentive program. The entity may issue all finan-
14 cial incentives directly to consumers or, with approval of
15 the Administrator, delegate some or all financial incentive
16 administration to other organizations including, but not
17 limited to, local governments, municipal water authorities,
18 and water utilities. The amount of a financial incentive
19 shall be determined by the entity, taking into consider-
20 ation—

21 (1) the amount of the allocation to the entity
22 under subsection (c);

23 (2) the amount of any Federal, State, or other
24 organization's tax or financial incentive available for

1 the purchase of the residential water efficient prod-
 2 uct or service;

3 (3) the amount necessary to change consumer
 4 behavior to purchase water efficient products and
 5 services; and

6 (4) the consumer expenditures for onsite prepa-
 7 ration, assembly, and original installation of the
 8 product.

9 (g) AUTHORIZATION OF APPROPRIATIONS.—There
 10 are authorized to be appropriated to the Administrator to
 11 carry out this section \$50,000,000 for fiscal year 2016,
 12 \$100,000,000 for fiscal year 2017, \$150,000,000 for fis-
 13 cal year 2018, \$100,000,000 for fiscal year 2019, and
 14 \$50,000,000 for fiscal year 2020.

15 **SEC. 5. EARLY ADOPTER WATER EFFICIENT PRODUCTS IN-**
 16 **CENTIVE PROGRAMS.**

17 (a) IN GENERAL.—Part III of subchapter B of chap-
 18 ter 1 of the Internal Revenue Code of 1986 is amended
 19 by inserting before section 140 the following new section:

20 **“SEC. 139F. EARLY ADOPTER WATER EFFICIENT PRODUCTS**
 21 **INCENTIVE PROGRAMS.**

22 “(a) IN GENERAL.—In the case of an individual,
 23 gross income does not include any amount received under
 24 an incentive program under section 4 of the Water Ad-

1 vanced Technologies for Efficient Resource Use Act of
2 2015.

3 “(b) DENIAL OF DOUBLE BENEFIT.—Notwith-
4 standing any other provision of this subtitle, no deduction
5 or credit shall be allowed for, or by reason of, any expendi-
6 ture to the extent of the amount excluded under sub-
7 section (a) for any amount which was provided with re-
8 spect to such expenditure. The adjusted basis of any prop-
9 erty shall be reduced by the amount excluded under sub-
10 section (a) which was provided with respect to such prop-
11 erty.”.

12 (b) CONFORMING AMENDMENT.—The table of sec-
13 tions for part III of subchapter B of chapter 1 of such
14 Code is amended by inserting before the item relating to
15 section 140 the following new item:

“Sec. 139F. Early adopter water efficient products incentive programs.”.

16 (c) EFFECTIVE DATE.—The amendments made by
17 this Act shall apply to taxable years beginning after the
18 date of the enactment of this Act.

