

115TH CONGRESS  
1ST SESSION

# H. R. 3248

To encourage water efficiency.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 14, 2017

Mr. CARTWRIGHT (for himself, Mr. BLUMENAUER, Ms. BORDALLO, Ms. BROWNLEY of California, Mr. CONNOLLY, Ms. ESHOO, Mr. GRIJALVA, Ms. LOFGREN, Mr. LOWENTHAL, Mr. MCGOVERN, Ms. NORTON, Mr. PETERS, Ms. PINGREE, Mr. POLIS, Ms. SLAUGHTER, Mr. TAKANO, Mr. THOMPSON of California, Mr. TONKO, Ms. TSONGAS, Ms. VELÁZQUEZ, Mr. WELCH, Mr. LANGEVIN, Mr. TED LIEU of California, and Mr. HUFFMAN) 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

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## 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 2017”.

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 six years;

24          (7) to the reasonable extent practicable, regu-  
25 larly estimate and make available to the public the

1 estimated aggregate production, aggregate market  
2 penetration, and savings of water, energy, and cap-  
3 ital costs of water, wastewater, and stormwater at-  
4 tributable to the use of WaterSense-labeled products,  
5 buildings, landscapes, facilities, processes, and serv-  
6 ices, at least annually;

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

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

18 (A) an explanation of changes; and

19 (B) as appropriate, responses to comments  
20 submitted by interested parties;

21 (10) provide appropriate lead time (as deter-  
22 mined by the Administrator) prior to the applicable  
23 effective date for a new or significant revision to a  
24 category, specification, installation criterion, or other  
25 criterion, taking into account the timing require-

1       ments of the manufacturing, marketing, training,  
2       and distribution process for the specific product,  
3       building and landscape, or service category ad-  
4       dressed; and

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

14 **SEC. 3. FEDERAL PROCUREMENT OF WATER EFFICIENT**  
15 **PRODUCTS.**

16       (a) DEFINITIONS.—In this section:

17               (1) AGENCY.—The term “agency” has the  
18       meaning given that term in section 7902(a) of title  
19       5, United States Code.

20               (2) WATERSENSE PRODUCT OR SERVICE.—The  
21       term “WaterSense product or service” means a  
22       product or service that is rated for water efficiency  
23       under the WaterSense program.

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

4           (4) FEMP DESIGNATED PRODUCT.—The term  
5 “FEMP designated product” means a product that  
6 is designated under the Federal Energy Manage-  
7 ment Program of the Department of Energy as  
8 being among the highest 25 percent of equivalent  
9 products for efficiency.

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

18          (b) PROCUREMENT OF WATER EFFICIENT PROD-  
19 UCTS.—

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

24                   (A) a WaterSense product or service; or

25                   (B) a FEMP designated product.

1 A WaterSense plumbing product should preferably,  
2 when possible, be installed by a WaterSense-certified  
3 or, if WaterSense certification guidelines do not  
4 exist, licensed plumber or mechanical contractor,  
5 and a WaterSense irrigation system should pref-  
6 erably, when possible, be installed, maintained, and  
7 audited by a WaterSense-certified irrigation profes-  
8 sional to ensure optimal performance.

9 (2) EXCEPTIONS.—The head of an agency is  
10 not required to procure a WaterSense product or  
11 service or FEMP designated product under para-  
12 graph (1) if the head of the agency finds in writing  
13 that—

14 (A) a WaterSense product or service or  
15 FEMP designated product is not cost-effective  
16 over the life of the product, taking current and  
17 future energy, water, and wastewater cost sav-  
18 ings into account; or

19 (B) no WaterSense product or service or  
20 FEMP designated product is reasonably avail-  
21 able that meets the functional requirements of  
22 the agency.

23 (3) PROCUREMENT PLANNING.—The head of an  
24 agency shall incorporate into the specifications for  
25 all procurements involving water consuming products

1 and systems, including guide specifications, project  
2 specifications, and construction, renovation, and  
3 services contracts that include provision of water  
4 consuming products and systems, and into the fac-  
5 tors for the evaluation of offers received for the pro-  
6 curement, criteria used for rating WaterSense prod-  
7 ucts and services and FEMP designated products.  
8 The head of an agency shall consider, to the max-  
9 imum extent practicable, additional measures for re-  
10 ducing agency water consumption, including water  
11 reuse, reclamation, and recycling technologies, leak  
12 detection and repair, and use of waterless products  
13 that perform similar functions to existing water-con-  
14 suming products.

15 (c) LISTING OF WATER EFFICIENT PRODUCTS IN  
16 FEDERAL CATALOGS.—WaterSense products and services  
17 and FEMP designated products shall be clearly identified  
18 and prominently displayed in any inventory or listing of  
19 products by the General Services Administration or the  
20 Defense Logistics Agency. The General Services Adminis-  
21 tration and the Defense Logistics Agency shall supply only  
22 WaterSense products or FEMP designated products for  
23 all product categories covered by the WaterSense program  
24 or the Federal Energy Management Program, except in  
25 cases where the agency ordering a product specifies in



1 writing that no WaterSense product or FEMP designated  
2 product is available to meet the buyer’s functional require-  
3 ments, or that no WaterSense product or FEMP des-  
4 ignated product is cost-effective for the intended applica-  
5 tion over the life of the product, taking energy, water, and  
6 wastewater cost savings into account.

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

11 **SEC. 4. EARLY ADOPTER WATER EFFICIENT PRODUCTS IN-**  
12 **CENTIVE PROGRAMS.**

13 (a) DEFINITIONS.—In this section:

14 (1) ADMINISTRATOR.—The term “Adminis-  
15 trator” means the Administrator of the Environ-  
16 mental Protection Agency.

17 (2) ELIGIBLE ENTITY.—The term “eligible enti-  
18 ty” means a State government, local or county gov-  
19 ernment, tribal government, wastewater or sewage  
20 utility, municipal water authority, energy utility,  
21 water utility, or nonprofit organization that meets  
22 the requirements of subsection (b).

23 (3) INCENTIVE PROGRAM.—The term “incentive  
24 program” means a program for administering finan-  
25 cial incentives for consumer purchase and installa-

1       tion of residential water efficient products and serv-  
2       ices as described in subsection (b)(1).

3               (4) RESIDENTIAL WATER EFFICIENT PRODUCT  
4       OR SERVICE.—

5               (A) IN GENERAL.—The term “residential  
6       water efficient product or service” means a  
7       product or service for a single-family or multi-  
8       family residence or its landscape that is rated  
9       for water efficiency and performance—

10              (i) by the WaterSense program; or

11              (ii) by an incentive program and ap-  
12              proved by the Administrator.

13       Categories of water efficient products and serv-  
14       ices may include faucets, irrigation technologies  
15       and services, point-of-use water treatment de-  
16       vices, reuse, reclamation, and recycling tech-  
17       nologies, toilets, and showerheads.

18              (B) THIRD-PARTY CERTIFICATION.—A  
19       product shall not be treated as a residential  
20       water efficient product until after the product—

21              (i) is tested by an accredited third-  
22              party certifying body or laboratory in ac-  
23              cordance with the WaterSense program;

1 (ii) is certified by such body or labora-  
2 tory as meeting the performance and effi-  
3 ciency requirements of such program; and

4 (iii) is authorized by such program to  
5 use its label.

6 (5) STATE.—The term “State” means each of  
7 the several States of the United States, the District  
8 of Columbia, Puerto Rico, the United States Virgin  
9 Islands, Guam, American Samoa, and the Common-  
10 wealth of the Northern Mariana Islands.

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

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

16 (1) establishes (or has established) an incentive  
17 program to provide rebates, vouchers, other financial  
18 incentives, or direct installs to consumers for the  
19 purchase and installation of residential water effi-  
20 cient products or services;

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

24 (3) provides assurances satisfactory to the Ad-  
25 ministrator that the entity will use the allocation to

1 supplement, but not supplant, funds made available  
2 to carry out the incentive program.

3 (c) AMOUNT OF ALLOCATIONS.—For each fiscal year,  
4 the Administrator shall determine the amount to allocate  
5 to each eligible entity to carry out subsection (d) taking  
6 into consideration—

7 (1) the population served by the eligible entity  
8 in the most recent calendar year for which data are  
9 available;

10 (2) the targeted population of the eligible enti-  
11 ty's incentive program, such as general households,  
12 low-income households, or first-time homeowners,  
13 and the probable effectiveness of the incentive pro-  
14 gram for that population;

15 (3) for existing programs, the effectiveness of  
16 the incentive program in encouraging the adoption  
17 of water efficient products and services; and

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

20 (d) USE OF ALLOCATED FUNDS.—Funds allocated to  
21 an entity under subsection (c) may be used to pay up to  
22 50 percent of the cost of establishing and carrying out  
23 an incentive program.

24 (e) FIXTURE RECYCLING.—Entities are encouraged  
25 to promote or implement fixture recycling programs to

1 manage the disposal of older fixtures replaced due to the  
2 incentive program under this section.

3 (f) ISSUANCE OF REBATES.—Financial incentives  
4 may be provided to consumers that meet the requirements  
5 of the incentive program. The entity may issue all finan-  
6 cial incentives directly to consumers or, with approval of  
7 the Administrator, delegate some or all financial incentive  
8 administration to other organizations including, but not  
9 limited to, local governments, municipal water authorities,  
10 and water utilities. The amount of a financial incentive  
11 shall be determined by the entity, taking into consider-  
12 ation—

13 (1) the amount of the allocation to the entity  
14 under subsection (c);

15 (2) the amount of any Federal, State, or other  
16 organization's tax or financial incentive available for  
17 the purchase of the residential water efficient prod-  
18 uct or service;

19 (3) the amount necessary to change consumer  
20 behavior to purchase water efficient products and  
21 services; and

22 (4) the consumer expenditures for onsite prepa-  
23 ration, assembly, and original installation of the  
24 product.

1 (g) AUTHORIZATION OF APPROPRIATIONS.—There  
2 are authorized to be appropriated to the Administrator to  
3 carry out this section \$50,000,000 for fiscal year 2018,  
4 \$100,000,000 for fiscal year 2019, \$150,000,000 for fis-  
5 cal year 2020, \$100,000,000 for fiscal year 2021, and  
6 \$50,000,000 for fiscal year 2022.

7 **SEC. 5. EARLY ADOPTER WATER EFFICIENT PRODUCTS IN-**  
8 **CENTIVE PROGRAMS.**

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

12 **“SEC. 139F. EARLY ADOPTER WATER EFFICIENT PRODUCTS**  
13 **INCENTIVE PROGRAMS.**

14 “(a) IN GENERAL.—In the case of an individual,  
15 gross income does not include any amount received under  
16 an incentive program under section 4 of the Water Ad-  
17 vanced Technologies for Efficient Resource Use Act of  
18 2017.

19 “(b) DENIAL OF DOUBLE BENEFIT.—Notwith-  
20 standing any other provision of this subtitle, no deduction  
21 or credit shall be allowed for, or by reason of, any expendi-  
22 ture to the extent of the amount excluded under sub-  
23 section (a) for any amount which was provided with re-  
24 spect to such expenditure. The adjusted basis of any prop-  
25 erty shall be reduced by the amount excluded under sub-

1 section (a) which was provided with respect to such prop-  
2 erty.”.

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

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

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

○