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(Original Signature of Member)

115TH CONGRESS  
1ST SESSION

# H. R.

To encourage water efficiency.

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## IN THE HOUSE OF REPRESENTATIVES

Mr. CARTWRIGHT introduced the following bill; which was referred to the  
Committee on \_\_\_\_\_

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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”.

6 **SEC. 2. WATERSENSE.**

7 (a) IN GENERAL.—There is established within the  
8 Environmental Protection Agency a WaterSense program  
9 to identify and promote water efficient products, buildings  
10 and landscapes, and services in order—

1 (1) to reduce water use;

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

4 (3) to conserve energy used to pump, heat,  
5 transport, and treat water; and

6 (4) to preserve water resources for future gen-  
7 erations,

8 through voluntary labeling of, or other forms of commu-  
9 nications about, products, buildings and landscapes, and  
10 services that meet the highest water efficiency and per-  
11 formance standards.

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

14 (1) promote WaterSense labeled products,  
15 buildings and landscapes, and services in the market  
16 place as the preferred technologies and services  
17 for—

18 (A) reducing water use; and

19 (B) ensuring product and service perform-  
20 ance;

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

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

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

14          (5) preserve the integrity of the WaterSense  
15          label;

16          (6) regularly review and, when appropriate, up-  
17          date WaterSense criteria for categories of products,  
18          buildings and landscapes, and services, at least once  
19          every six years;

20          (7) to the reasonable extent practicable, regu-  
21          larly estimate and make available to the public the  
22          estimated aggregate production, aggregate market  
23          penetration, and savings of water, energy, and cap-  
24          ital costs of water, wastewater, and stormwater at-  
25          tributable to the use of WaterSense-labeled products,

1 buildings, landscapes, facilities, processes, and serv-  
2 ices, at least annually;

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

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

14 (A) an explanation of changes; and

15 (B) as appropriate, responses to comments  
16 submitted by interested parties;

17 (10) provide appropriate lead time (as deter-  
18 mined by the Administrator) prior to the applicable  
19 effective date for a new or significant revision to a  
20 category, specification, installation criterion, or other  
21 criterion, taking into account the timing require-  
22 ments of the manufacturing, marketing, training,  
23 and distribution process for the specific product,  
24 building and landscape, or service category ad-  
25 dressed; and

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

10 **SEC. 3. FEDERAL PROCUREMENT OF WATER EFFICIENT**  
11 **PRODUCTS.**

12           (a) DEFINITIONS.—In this section:

13           (1) AGENCY.—The term “agency” has the  
14           meaning given that term in section 7902(a) of title  
15           5, United States Code.

16           (2) WATERSENSE PRODUCT OR SERVICE.—The  
17           term “WaterSense product or service” means a  
18           product or service that is rated for water efficiency  
19           under the WaterSense program.

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

23           (4) FEMP DESIGNATED PRODUCT.—The term  
24           “FEMP designated product” means a product that  
25           is designated under the Federal Energy Manage-

1       ment Program of the Department of Energy as  
2       being among the highest 25 percent of equivalent  
3       products for efficiency.

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

12      (b) PROCUREMENT OF WATER EFFICIENT PROD-  
13      UCTS.—

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

18           (A) a WaterSense product or service; or

19           (B) a FEMP designated product.

20      A WaterSense plumbing product should preferably,  
21      when possible, be installed by a WaterSense-certified  
22      or, if WaterSense certification guidelines do not  
23      exist, licensed plumber or mechanical contractor,  
24      and a WaterSense irrigation system should pref-  
25      erably, when possible, be installed, maintained, and

1        audited by a WaterSense-certified irrigation profes-  
2        sional to ensure optimal performance.

3            (2) EXCEPTIONS.—The head of an agency is  
4        not required to procure a WaterSense product or  
5        service or FEMP designated product under para-  
6        graph (1) if the head of the agency finds in writing  
7        that—

8            (A) a WaterSense product or service or  
9        FEMP designated product is not cost-effective  
10       over the life of the product, taking current and  
11       future energy, water, and wastewater cost sav-  
12       ings into account; or

13           (B) no WaterSense product or service or  
14       FEMP designated product is reasonably avail-  
15       able that meets the functional requirements of  
16       the agency.

17           (3) PROCUREMENT PLANNING.—The head of an  
18       agency shall incorporate into the specifications for  
19       all procurements involving water consuming products  
20       and systems, including guide specifications, project  
21       specifications, and construction, renovation, and  
22       services contracts that include provision of water  
23       consuming products and systems, and into the fac-  
24       tors for the evaluation of offers received for the pro-  
25       curement, criteria used for rating WaterSense prod-

1       ucts and services and FEMP designated products.  
2       The head of an agency shall consider, to the max-  
3       imum extent practicable, additional measures for re-  
4       ducing agency water consumption, including water  
5       reuse, reclamation, and recycling technologies, leak  
6       detection and repair, and use of waterless products  
7       that perform similar functions to existing water-con-  
8       suming products.

9       (c) LISTING OF WATER EFFICIENT PRODUCTS IN  
10      FEDERAL CATALOGS.—WaterSense products and services  
11      and FEMP designated products shall be clearly identified  
12      and prominently displayed in any inventory or listing of  
13      products by the General Services Administration or the  
14      Defense Logistics Agency. The General Services Adminis-  
15      tration and the Defense Logistics Agency shall supply only  
16      WaterSense products or FEMP designated products for  
17      all product categories covered by the WaterSense program  
18      or the Federal Energy Management Program, except in  
19      cases where the agency ordering a product specifies in  
20      writing that no WaterSense product or FEMP designated  
21      product is available to meet the buyer’s functional require-  
22      ments, or that no WaterSense product or FEMP des-  
23      ignated product is cost-effective for the intended applica-  
24      tion over the life of the product, taking energy, water, and  
25      wastewater cost savings into account.

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

5 **SEC. 4. EARLY ADOPTER WATER EFFICIENT PRODUCTS IN-**  
6 **CENTIVE PROGRAMS.**

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) ELIGIBLE ENTITY.—The term “eligible enti-  
12 ty” means a State government, local or county gov-  
13 ernment, tribal government, wastewater or sewage  
14 utility, municipal water authority, energy utility,  
15 water utility, or nonprofit organization that meets  
16 the requirements of subsection (b).

17 (3) INCENTIVE PROGRAM.—The term “incentive  
18 program” means a program for administering finan-  
19 cial incentives for consumer purchase and installa-  
20 tion of residential water efficient products and serv-  
21 ices as described in subsection (b)(1).

22 (4) RESIDENTIAL WATER EFFICIENT PRODUCT  
23 OR SERVICE.—

24 (A) IN GENERAL.—The term “residential  
25 water efficient product or service” means a

1 product or service for a single-family or multi-  
2 family residence or its landscape that is rated  
3 for water efficiency and performance—

4 (i) by the WaterSense program; or

5 (ii) by an incentive program and ap-  
6 proved by the Administrator.

7 Categories of water efficient products and serv-  
8 ices may include faucets, irrigation technologies  
9 and services, point-of-use water treatment de-  
10 vices, reuse, reclamation, and recycling tech-  
11 nologies, toilets, and showerheads.

12 (B) THIRD-PARTY CERTIFICATION.—A  
13 product shall not be treated as a residential  
14 water efficient product until after the product—

15 (i) is tested by an accredited third-  
16 party certifying body or laboratory in ac-  
17 cordance with the WaterSense program;

18 (ii) is certified by such body or labora-  
19 tory as meeting the performance and effi-  
20 ciency requirements of such program; and

21 (iii) is authorized by such program to  
22 use its label.

23 (5) STATE.—The term “State” means each of  
24 the several States of the United States, the District  
25 of Columbia, Puerto Rico, the United States Virgin

1 Islands, Guam, American Samoa, and the Common-  
2 wealth of the Northern Mariana Islands.

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

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

8 (1) establishes (or has established) an incentive  
9 program to provide rebates, vouchers, other financial  
10 incentives, or direct installs to consumers for the  
11 purchase and installation of residential water effi-  
12 cient products or services;

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

16 (3) provides assurances satisfactory to the Ad-  
17 ministrator that the entity will use the allocation to  
18 supplement, but not supplant, funds made available  
19 to carry out the incentive program.

20 (c) AMOUNT OF ALLOCATIONS.—For each fiscal year,  
21 the Administrator shall determine the amount to allocate  
22 to each eligible entity to carry out subsection (d) taking  
23 into consideration—

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

4           (2) the targeted population of the eligible enti-  
5           ty's incentive program, such as general households,  
6           low-income households, or first-time homeowners,  
7           and the probable effectiveness of the incentive pro-  
8           gram for that population;

9           (3) for existing programs, the effectiveness of  
10          the incentive program in encouraging the adoption  
11          of water efficient products and services; and

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

14          (d) USE OF ALLOCATED FUNDS.—Funds allocated to  
15          an entity under subsection (c) may be used to pay up to  
16          50 percent of the cost of establishing and carrying out  
17          an incentive program.

18          (e) FIXTURE RECYCLING.—Entities are encouraged  
19          to promote or implement fixture recycling programs to  
20          manage the disposal of older fixtures replaced due to the  
21          incentive program under this section.

22          (f) ISSUANCE OF REBATES.—Financial incentives  
23          may be provided to consumers that meet the requirements  
24          of the incentive program. The entity may issue all finan-  
25          cial incentives directly to consumers or, with approval of

1 the Administrator, delegate some or all financial incentive  
2 administration to other organizations including, but not  
3 limited to, local governments, municipal water authorities,  
4 and water utilities. The amount of a financial incentive  
5 shall be determined by the entity, taking into consider-  
6 ation—

7 (1) the amount of the allocation to the entity  
8 under subsection (c);

9 (2) the amount of any Federal, State, or other  
10 organization's tax or financial incentive available for  
11 the purchase of the residential water efficient prod-  
12 uct or service;

13 (3) the amount necessary to change consumer  
14 behavior to purchase water efficient products and  
15 services; and

16 (4) the consumer expenditures for onsite prepa-  
17 ration, assembly, and original installation of the  
18 product.

19 (g) AUTHORIZATION OF APPROPRIATIONS.—There  
20 are authorized to be appropriated to the Administrator to  
21 carry out this section \$50,000,000 for fiscal year 2018,  
22 \$100,000,000 for fiscal year 2019, \$150,000,000 for fis-  
23 cal year 2020, \$100,000,000 for fiscal year 2021, and  
24 \$50,000,000 for fiscal year 2022.

1 **SEC. 5. EARLY ADOPTER WATER EFFICIENT PRODUCTS IN-**  
2 **CENTIVE PROGRAMS.**

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

6 **“SEC. 139F. EARLY ADOPTER WATER EFFICIENT PRODUCTS**  
7 **INCENTIVE PROGRAMS.**

8 “(a) IN GENERAL.—In the case of an individual,  
9 gross income does not include any amount received under  
10 an incentive program under section 4 of the Water Ad-  
11 vanced Technologies for Efficient Resource Use Act of  
12 2017.

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

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

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

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