

[COMMITTEE PRINT TO H.R. 720]
[SHOWING THE AMENDMENT ADOPTED BY THE
SUBCOMMITTEE ON WATER RESOURCES AND
ENVIRONMENT]

1 SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

2 (a) IN GENERAL.—This Act may be cited as the
3 “Water Quality Financing Act of 2007”.

4 (b) TABLE OF CONTENTS.—

- Sec. 1. Short title; table of contents.
- Sec. 2. Amendment of Federal Water Pollution Control Act.

TITLE I—TECHNICAL AND MANAGEMENT ASSISTANCE

- Sec. 101. Technical assistance.
- Sec. 102. State management assistance.
- Sec. 103. Watershed pilot projects.

TITLE II—CONSTRUCTION OF TREATMENT WORKS

- Sec. 201. Sewage collection systems.
- Sec. 202. Treatment works defined.
- Sec. 203. Policy on cost effectiveness.

TITLE III—STATE WATER POLLUTION CONTROL REVOLVING FUNDS

- Sec. 301. General authority for capitalization grants.
- Sec. 302. Capitalization grant agreements.
- Sec. 303. Water pollution control revolving loan funds.
- Sec. 304. Allotment of funds.
- Sec. 305. Intended use plan.
- Sec. 306. Annual reports.
- Sec. 307. Technical assistance.
- Sec. 308. Authorization of appropriations.

TITLE IV—GENERAL PROVISIONS

- Sec. 401. Definition of treatment works.
- Sec. 402. Funding for Indian programs.

TITLE V—STUDIES

- Sec. 501. Study of long-term, sustainable, clean water funding.

Sec. 502. Feasibility study of supplemental and alternative clean water funding mechanisms.

1 **SEC. 2. AMENDMENT OF FEDERAL WATER POLLUTION CON-**
2 **TROL ACT.**

3 Except as otherwise expressly provided, whenever in
4 this Act an amendment or repeal is expressed in terms
5 of an amendment to, or repeal of, a section or other provi-
6 sion, the reference shall be considered to be made to a
7 section or other provision of the Federal Water Pollution
8 Control Act (33 U.S.C. 1251 et seq.).

9 **TITLE I—TECHNICAL AND**
10 **MANAGEMENT ASSISTANCE**

11 **SEC. 101. TECHNICAL ASSISTANCE.**

12 (a) TECHNICAL ASSISTANCE FOR RURAL AND SMALL
13 TREATMENT WORKS.—Section 104(b) (33 U.S.C.
14 1254(b)) is amended—

15 (1) by striking “and” at the end of paragraph
16 (6);

17 (2) by striking the period at the end of para-
18 graph (7) and inserting “; and”; and

19 (3) by adding at the end the following:

20 “(8) make grants to nonprofit organizations—

21 “(A) to provide technical assistance to
22 rural and small municipalities for the purpose
23 of assisting, in consultation with the State in
24 which the assistance is provided, such munic-

1 palities in the planning, developing, and acquisi-
2 tion of financing for wastewater infrastructure
3 assistance;

4 “(B) to provide technical assistance and
5 training for rural and small publicly owned
6 treatment works and decentralized wastewater
7 treatment systems to enable such treatment
8 works and systems to protect water quality and
9 achieve and maintain compliance with the re-
10 quirements of this Act; and

11 “(C) to disseminate information to rural
12 and small municipalities and municipalities that
13 meet the affordability criteria established under
14 section 603(i)(2) by the State in which the mu-
15 nicipality is located with respect to planning,
16 design, construction, and operation of publicly
17 owned treatment works and decentralized
18 wastewater treatment systems.”.

19 (b) AUTHORIZATION OF APPROPRIATIONS.—Section
20 104(u) (33 U.S.C. 1254(u)) is amended—

21 (1) by striking “and (6)” and inserting “(6)”;

22 and

23 (2) by inserting before the period at the end the
24 following: “; and (7) not to exceed \$75,000,000 for
25 each of fiscal years 2008 through 2012 for carrying

1 out subsections (b)(3) and (b)(8), except that not
2 less than 20 percent of the amounts appropriated
3 pursuant to this paragraph in a fiscal year shall be
4 used for carrying out subsection (b)(8)”.

5 (c) COMPETITIVE PROCEDURES FOR AWARDING
6 GRANTS.—Section 104 (33 U.S.C. 1254(b)) is amended
7 by adding at the end the following:

8 “(w) COMPETITIVE PROCEDURES FOR AWARDING
9 GRANTS.—The Administrator shall establish procedures
10 that, to the maximum extent practicable, promote com-
11 petition and openness in the award of grants to nonprofit
12 private agencies, institutions, and organizations under this
13 section.”.

14 **SEC. 102. STATE MANAGEMENT ASSISTANCE.**

15 Section 106(a) (33 U.S.C. 1256(a)) is amended—

16 (1) by striking “and” at the end of paragraph
17 (1);

18 (2) by striking the semicolon at the end of
19 paragraph (2) and inserting “; and”; and

20 (3) by inserting after paragraph (2) the fol-
21 lowing:

22 “(3) such sums as may be necessary for each
23 of fiscal years 1991 through 2007, and
24 \$300,000,000 for each of fiscal years 2008 through
25 2012;”.

1 **SEC. 103. WATERSHED PILOT PROJECTS.**

2 (a) PILOT PROJECTS.—Section 122 (33 U.S.C.
3 1274) is amended—

4 (1) in the section heading by striking “**WET**
5 **WEATHER**”; and

6 (2) in subsection (a)—

7 (A) in the matter preceding paragraph (1)
8 by striking “wet weather discharge”;

9 (B) in paragraph (2) by inserting “, in-
10 cluding low-impact development technologies”
11 before the period at the end; and

12 (C) by adding at the end the following:

13 “(3) WATERSHED PARTNERSHIPS.—Efforts of
14 municipalities and property owners to demonstrate
15 cooperative ways to address nonpoint sources of pol-
16 lution to reduce adverse impacts on water quality.”.

17 (b) AUTHORIZATION OF APPROPRIATIONS.—Section
18 122(c)(1) is amended by striking “for fiscal year 2004”
19 and inserting “for each of fiscal years 2004 through
20 2012”.

21 (c) REPORT TO CONGRESS.—Section 122(d) is
22 amended by striking “5 years” and inserting “10 years”.

23 **TITLE II—CONSTRUCTION OF**
24 **TREATMENT WORKS**

25 **SEC. 201. SEWAGE COLLECTION SYSTEMS.**

26 Section 211 (33 U.S.C. 1291) is amended—

1 (1) by striking the section designation and all
2 that follows through “(a) No” and inserting the fol-
3 lowing:

4 **“SEC. 211. SEWAGE COLLECTION SYSTEMS.**

5 “(a) IN GENERAL.—No”;

6 (2) in subsection (b) by inserting “POPULATION
7 DENSITY.—” after “(b)”;

8 (3) by striking subsection (c) and inserting the
9 following:

10 “(c) EXCEPTIONS.—

11 “(1) REPLACEMENT AND MAJOR REHABILITA-
12 TION.—Notwithstanding the requirement of sub-
13 section (a)(1) concerning the existence of a collection
14 system as a condition of eligibility, a project for re-
15 placement or major rehabilitation of a collection sys-
16 tem existing on January 1, 2007, shall be eligible for
17 a grant under this title if the project otherwise
18 meets the requirements of subsection (a)(1) and
19 meets the requirement of paragraph (3).

20 “(2) NEW SYSTEMS.—Notwithstanding the re-
21 quirement of subsection (a)(2) concerning the exist-
22 ence of a community as a condition of eligibility, a
23 project for a new collection system to serve a com-
24 munity existing on January 1, 2007, shall be eligible
25 for a grant under this title if the project otherwise

1 meets the requirements of subsection (a)(2) and
2 meets the requirement of paragraph (3).

3 “(3) REQUIREMENT.—A project meets the re-
4 quirement of this paragraph if the purpose of the
5 project is to accomplish the objectives, goals, and
6 policies of this Act by addressing an adverse envi-
7 ronmental condition existing on the date of enact-
8 ment of this paragraph.”.

9 **SEC. 202. TREATMENT WORKS DEFINED.**

10 Section 212(2)(A) (33 U.S.C. 1292(2)(A)) is amend-
11 ed—

12 (1) by striking “any works, including site”;

13 (2) by striking “is used for ultimate” and in-
14 sserting “will be used for ultimate”; and

15 (3) by inserting before the period at the end the
16 following: “and acquisition of other lands, and inter-
17 ests in lands, which are necessary for construction”.

18 **SEC. 203. POLICY ON COST EFFECTIVENESS.**

19 Section 218(a) (33 U.S.C. 1298(a)) is amended by
20 striking “combination of devices and systems” and all that
21 follows through the period at the end and inserting “treat-
22 ment works that meets the requirements of this Act. The
23 system may include water efficiency measures and de-
24 vices.”.

1 **TITLE III—STATE WATER POLLU-**
2 **TION CONTROL REVOLVING**
3 **FUNDS**

4 **SEC. 301. GENERAL AUTHORITY FOR CAPITALIZATION**
5 **GRANTS.**

6 Section 601(a) (33 U.S.C. 1381(a)) is amended by
7 striking “for providing assistance” and all that follows
8 through the period at the end and inserting the following:
9 “to accomplish the objectives, goals, and policies of this
10 Act by providing assistance for projects and activities
11 identified in section 603(c).”.

12 **SEC. 302. CAPITALIZATION GRANT AGREEMENTS.**

13 (a) REPORTING INFRASTRUCTURE ASSETS.—Section
14 602(b)(9) (33 U.S.C. 1382(b)(9)) is amended by striking
15 “standards” and inserting “standards, including stand-
16 ards relating to the reporting of infrastructure assets”.

17 (b) ADDITIONAL REQUIREMENTS.—Section 602(b)
18 (33 U.S.C. 1382(b)) is amended—

19 (1) by striking “and” at the end of paragraph
20 (9);

21 (2) by striking the period at the end of para-
22 graph (10) and inserting a semicolon; and

23 (3) by adding at the end the following:

24 “(11) the State will establish, maintain, invest,
25 and credit the fund with repayments, such that the

1 fund balance will be available in perpetuity for pro-
2 viding financial assistance in accordance with this
3 title;

4 “(12) any fees charged by the State to recipi-
5 ents of assistance will be used for the purpose of fi-
6 nancing the cost of administering the fund or fi-
7 nancing projects or activities eligible for assistance
8 from the fund;

9 “(13) beginning in fiscal year 2009, the State
10 will include as a condition of providing assistance to
11 a municipality or intermunicipal, interstate, or State
12 agency that the recipient of such assistance certify,
13 in a manner determined by the Governor of the
14 State, that the recipient—

15 “(A) has studied and evaluated the cost
16 and effectiveness of innovative and alternative
17 processes, materials, techniques, and tech-
18 nologies for carrying out the proposed project
19 or activity for which assistance is sought under
20 this title, and has selected, to the extent prac-
21 ticable, a project or activity that may result in
22 greater environmental benefits or equivalent en-
23 vironmental benefits when compared to stand-
24 ard processes, materials, techniques, and tech-

1 nologies and more efficiently uses energy and
2 natural and financial resources; and

3 “(B) has considered the cost and effective-
4 ness of alternative management and financing
5 approaches for carrying out a project or activity
6 for which assistance is sought under this title,
7 taking into account the cost of operating and
8 maintaining the project or activity over its life,
9 as well as the cost of constructing the project
10 or activity;

11 “(14) the State will use at least 15 percent of
12 the amount of each capitalization grant received by
13 the State under this title after September 30, 2007,
14 to provide assistance to municipalities of fewer than
15 10,000 individuals that meet the affordability cri-
16 teria established by the State under section
17 603(i)(2) for activities included on the State’s pri-
18 ority list established under section 603(g), to the ex-
19 tent that there are sufficient applications for such
20 assistance;

21 “(15) treatment works eligible under section
22 603(c)(1) which will be constructed in whole or in
23 part with funds made available under section
24 205(m) or by a State water pollution control revolv-
25 ing fund under this title, or both, will meet the re-

1 requirements of, or otherwise be treated (as deter-
2 mined by the Governor of the State) under sections
3 204(b)(1), 211, 218, and 511(c)(1) in the same
4 manner as treatment works constructed with assist-
5 ance under title II of this Act;

6 “(16) a contract to be carried out using funds
7 directly made available by a capitalization grant
8 under this title for program management, construc-
9 tion management, feasibility studies, preliminary en-
10 gineering, design, engineering, surveying, mapping,
11 or architectural related services shall be negotiated
12 in the same manner as a contract for architectural
13 and engineering services is negotiated under chapter
14 11 of title 40, United States Code, or an equivalent
15 State qualifications-based requirement (as deter-
16 mined by the Governor of the State); and

17 “(17) the requirements of section 513 will apply
18 to the construction of treatment works carried out in
19 whole or in part with assistance made available by
20 a State water pollution control revolving fund as au-
21 thorized under this title, or with assistance made
22 available under section 205(m), or both, in the same
23 manner as treatment works for which grants are
24 made under this Act.”.

1 **SEC. 303. WATER POLLUTION CONTROL REVOLVING LOAN**
2 **FUNDS.**

3 (a) PROJECTS AND ACTIVITIES ELIGIBLE FOR AS-
4 SISTANCE.—Section 603(c) (33 U.S.C. 1383(c)) is amend-
5 ed to read as follows:

6 “(c) PROJECTS AND ACTIVITIES ELIGIBLE FOR AS-
7 SISTANCE.—The amounts of funds available to each State
8 water pollution control revolving fund shall be used only
9 for providing financial assistance—

10 “(1) to any municipality or intermunicipal,
11 interstate, or State agency for construction of pub-
12 licly owned treatment works;

13 “(2) for the implementation of a management
14 program established under section 319;

15 “(3) for development and implementation of a
16 conservation and management plan under section
17 320;

18 “(4) for the implementation of lake protection
19 programs and projects under section 314;

20 “(5) for repair or replacement of decentralized
21 wastewater treatment systems that treat domestic
22 sewage;

23 “(6) for measures to manage or reduce munic-
24 ipal stormwater runoff;

25 “(7) to any municipality or intermunicipal,
26 interstate, or State agency for measures to reduce

1 the demand for publicly owned treatment works ca-
2 pacity through water conservation, efficiency, or
3 reuse;

4 “(8) for measures to increase the security of
5 publicly owned treatment works; and

6 “(9) for the development and implementation of
7 watershed projects meeting the criteria set forth in
8 section 122.”.

9 (b) EXTENDED REPAYMENT PERIOD.—Section
10 603(d)(1) (33 U.S.C. 1383(d)(1)) is amended—

11 (1) in subparagraph (A) by striking “20 years”
12 and inserting “the lesser of 30 years or the design
13 life of the project to be financed with the proceeds
14 of the loan”; and

15 (2) in subparagraph (B) by striking “not later
16 than 20 years after project completion” and insert-
17 ing “upon the expiration of the term of the loan”.

18 (c) FISCAL SUSTAINABILITY PLAN.—Section
19 603(d)(1) (33 U.S.C. 1383(d)(1)) is further amended—

20 (1) by striking “and” at the end of subpara-
21 graph (C);

22 (2) by inserting “and” at the end of subpara-
23 graph (D); and

24 (3) by adding at the end the following:

1 “(E) for any portion of a treatment works
2 proposed for repair, replacement, or expansion,
3 and eligible for assistance under section
4 603(c)(1), the recipient of a loan will develop
5 and implement a fiscal sustainability plan that
6 includes—

7 “(i) an inventory of critical assets
8 that are a part of that portion of the treat-
9 ment works;

10 “(ii) an evaluation of the condition
11 and performance of inventoried assets or
12 asset groupings; and

13 “(iii) a plan for maintaining, repair-
14 ing, and, as necessary, replacing that por-
15 tion of the treatment works and a plan for
16 funding such activities.”.

17 (d) ADMINISTRATIVE EXPENSES.—Section 603(d)(7)
18 (33 U.S.C. 1383(d)(7)) is amended by inserting before the
19 period at the end the following: “, \$400,000 per year, or
20 $\frac{1}{5}$ percent per year of the current valuation of the fund,
21 whichever amount is greatest, plus the amount of any fees
22 collected by the State for such purpose regardless of the
23 source”.

1 (e) TECHNICAL AND PLANNING ASSISTANCE FOR
2 SMALL SYSTEMS.—Section 603(d) (33 U.S.C. 1383(d)) is
3 amended—

4 (1) by striking “and” at the end of paragraph
5 (6);

6 (2) by striking the period at the end of para-
7 graph (7) and inserting “; and”; and

8 (3) by adding at the end the following:

9 “(8) to provide owners and operators of treat-
10 ment works that serve a population of 10,000 or
11 fewer with technical and planning assistance and as-
12 sistance in financial management, user fee analysis,
13 budgeting, capital improvement planning, facility op-
14 eration and maintenance, equipment replacement,
15 repair schedules, and other activities to improve
16 wastewater treatment plant management and oper-
17 ations; except that such amounts shall not exceed 2
18 percent of grant awards to such fund under this
19 title.”.

20 (f) ADDITIONAL SUBSIDIZATION.—Section 603 (33
21 U.S.C. 1383) is amended by adding at the end the fol-
22 lowing:

23 “(i) ADDITIONAL SUBSIDIZATION.—

24 “(1) IN GENERAL.—In any case in which a
25 State provides assistance to a municipality or inter-

1 municipal, interstate, or State agency under sub-
2 section (d), the State may provide additional sub-
3 sidization, including forgiveness of principal and
4 negative interest loans—

5 “(A) to benefit a municipality that—

6 “(i) meets the State’s affordability
7 criteria established under paragraph (2);
8 or

9 “(ii) does not meet the State’s afford-
10 ability criteria if the recipient—

11 “(I) seeks additional subsidiza-
12 tion to benefit individual ratepayers in
13 the residential user rate class;

14 “(II) demonstrates to the State
15 that such ratepayers will experience a
16 significant hardship from the increase
17 in rates necessary to finance the
18 project or activity for which assistance
19 is sought; and

20 “(III) ensures, as part of an as-
21 sistance agreement between the State
22 and the recipient, that the additional
23 subsidization provided under this
24 paragraph is directed through a user

1 charge rate system (or other appro-
2 priate method) to such ratepayers; or
3 “(B) to implement an innovative or alter-
4 native process, material, technique, or tech-
5 nology (including nonstructural protection of
6 surface waters, a new or improved method of
7 waste treatment, and pollutant trading) that
8 may result in greater environmental benefits, or
9 equivalent environmental benefits at reduced
10 cost, when compared to a standard process, ma-
11 terial, technique, or technology.

12 “(2) AFFORDABILITY CRITERIA.—

13 “(A) ESTABLISHMENT.—On or before Sep-
14 tember 30, 2008, and after providing notice
15 and an opportunity for public comment, a State
16 shall establish affordability criteria to assist in
17 identifying municipalities that would experience
18 a significant hardship raising the revenue nec-
19 essary to finance a project or activity eligible
20 for assistance under section 603(c)(1) if addi-
21 tional subsidization is not provided. Such cri-
22 teria shall be based on income data, population
23 trends, and other data determined relevant by
24 the State.

1 “(B) EXISTING CRITERIA.—If a State has
2 previously established, after providing notice
3 and an opportunity for public comment, afford-
4 ability criteria that meet the requirements of
5 subparagraph (A), the State may use the cri-
6 teria for the purposes of this subsection. For
7 purposes of this Act, any such criteria shall be
8 treated as affordability criteria established
9 under this paragraph.

10 “(C) INFORMATION TO ASSIST STATES.—
11 The Administrator may publish information to
12 assist States in establishing affordability cri-
13 teria under subparagraph (A).

14 “(3) PRIORITY.—A State may give priority to a
15 recipient for a project or activity eligible for funding
16 under section 603(c)(1) if the recipient meets the
17 State’s affordability criteria.

18 “(4) SET-ASIDE.—

19 “(A) IN GENERAL.—In any fiscal year in
20 which the Administrator has available for obli-
21 gation more than \$1,000,000,000 for the pur-
22 poses of this title, a State shall provide addi-
23 tional subsidization under this subsection in the
24 amount specified in subparagraph (B) to eligi-
25 ble entities described in paragraph (1) for

1 projects and activities identified in the State's
2 intended use plan prepared under section
3 606(c) to the extent that there are sufficient
4 applications for such assistance.

5 “(B) AMOUNT.—In a fiscal year described
6 in subparagraph (A), a State shall set aside for
7 purposes of subparagraph (A) an amount not
8 less than 25 percent of the difference be-
9 tween—

10 “(i) the total amount that would have
11 been allotted to the State under section
12 604 for such fiscal year if the amount
13 available to the Administrator for obliga-
14 tion under this title for such fiscal year
15 had been equal to \$1,000,000,000; and

16 “(ii) the total amount allotted to the
17 State under section 604 for such fiscal
18 year.

19 “(5) LIMITATION.—The total amount of addi-
20 tional subsidization provided under this subsection
21 by a State may not exceed 30 percent of the total
22 amount of capitalization grants received by the State
23 under this title in fiscal years beginning after Sep-
24 tember 30, 2007.”.

1 **SEC. 304. ALLOTMENT OF FUNDS.**

2 (a) IN GENERAL.—Section 604(a) (33 U.S.C.
3 1384(a)) is amended to read as follows:

4 “(a) ALLOTMENTS.—

5 “(1) FISCAL YEARS 2008 AND 2009.—Sums ap-
6 propriated to carry out this title for each of fiscal
7 years 2008 and 2009 shall be allotted by the Admin-
8 istrator in accordance with the formula used to allot
9 sums appropriated to carry out this title for fiscal
10 year 2007.

11 “(2) FISCAL YEAR 2010 AND THEREAFTER.—
12 Sums appropriated to carry out this title for fiscal
13 year 2010 and each fiscal year thereafter shall be al-
14 lotted by the Administrator as follows:

15 “(A) Amounts that do not exceed
16 \$1,350,000,000 shall be allotted in accordance
17 with the formula described in paragraph (1).

18 “(B) Amounts that exceed \$1,350,000,000
19 shall be allotted in accordance with the formula
20 developed by the Administrator under sub-
21 section (d).”.

22 (b) PLANNING ASSISTANCE.—Section 604(b) (33
23 U.S.C. 1384(b)) is amended by striking “1 percent” and
24 inserting “2 percent”.

25 (c) FORMULA.—Section 604 (33 U.S.C. 1384) is
26 amended by adding at the end the following:

1 “(d) FORMULA BASED ON WATER QUALITY
2 NEEDS.—Not later than September 30, 2009, and after
3 providing notice and an opportunity for public comment,
4 the Administrator shall publish an allotment formula
5 based on water quality needs in accordance with the most
6 recent survey of needs developed by the Administrator
7 under section 516(b).”.

8 **SEC. 305. INTENDED USE PLAN.**

9 (a) INTEGRATED PRIORITY LIST.—Section 603(g)
10 (33 U.S.C. 1383(g)) is amended to read as follows:

11 “(g) PRIORITY LIST.—

12 “(1) IN GENERAL.—For fiscal year 2009 and
13 each fiscal year thereafter, a State shall establish or
14 update a list of projects and activities for which as-
15 sistance is sought from the State’s water pollution
16 control revolving fund. Such projects and activities
17 shall be listed in priority order based on the method-
18 ology established under paragraph (2). The State
19 may provide financial assistance from the State’s
20 water pollution control revolving fund only with re-
21 spect to a project or activity included on such list.
22 In the case of projects and activities eligible for as-
23 sistance under section 603(c)(2), the State may in-
24 clude a category or subcategory of nonpoint sources

1 of pollution on such list in lieu of a specific project
2 or activity.

3 “(2) METHODOLOGY.—

4 “(A) IN GENERAL.—Not later than 1 year
5 after the date of enactment of this paragraph,
6 and after providing notice and opportunity for
7 public comment, each State (acting through the
8 State’s water quality management agency and
9 other appropriate agencies of the State) shall
10 establish a methodology for developing a pri-
11 ority list under paragraph (1).

12 “(B) PRIORITY FOR PROJECTS AND AC-
13 TIVITIES THAT ACHIEVE GREATEST WATER
14 QUALITY IMPROVEMENT.—In developing the
15 methodology, the State shall seek to achieve the
16 greatest degree of water quality improvement,
17 taking into consideration the requirements of
18 section 602(b)(5) and section 603(i)(3) and
19 whether such water quality improvements would
20 be realized without assistance under this title.

21 “(C) CONSIDERATIONS IN SELECTING
22 PROJECTS AND ACTIVITIES.—In determining
23 which projects and activities will achieve the
24 greatest degree of water quality improvement,
25 the State shall consider—

1 “(i) information developed by the
2 State under sections 303(d) and 305(b);

3 “(ii) the State’s continuing planning
4 process developed under section 303(e);

5 “(iii) the State’s management pro-
6 gram developed under section 319; and

7 “(iv) conservation and management
8 plans developed under section 320.

9 “(D) NONPOINT SOURCES.—For categories
10 or subcategories of nonpoint sources of pollu-
11 tion that a State may include on its priority list
12 under paragraph (1), the State may consider
13 the cumulative water quality improvements as-
14 sociated with projects or activities in such cat-
15 egories or subcategories.

16 “(E) EXISTING METHODOLOGIES.—If a
17 State has previously developed, after providing
18 notice and an opportunity for public comment,
19 a methodology that meets the requirements of
20 this paragraph, the State may use the method-
21 ology for the purposes of this subsection.”.

22 (b) INTENDED USE PLAN.—Section 606(c) (33
23 U.S.C. 1386(c)) is amended—

24 (1) in the matter preceding paragraph (1) by
25 striking “each State shall annually prepare” and in-

1 serting “each State (acting through the State’s
2 water quality management agency and other appro-
3 priate agencies of the State) shall annually prepare
4 and publish”;

5 (2) by striking paragraph (1) and inserting the
6 following:

7 “(1) the State’s priority list developed under
8 section 603(g);”;

9 (3) in paragraph (4)—

10 (A) by striking “and (6)” and inserting
11 “(6), (15), and (17)”;

12 (B) by striking “and” at the end;

13 (4) by striking the period at the end of para-
14 graph (5) and inserting “; and”;

15 (5) by adding at the end the following:

16 “(6) if the State does not fund projects and ac-
17 tivities in the order of the priority established under
18 section 603(g), an explanation of why such a change
19 in order is appropriate.”.

20 (c) TRANSITIONAL PROVISION.—Before completion
21 of a priority list based on a methodology established under
22 section 603(g) of the Federal Water Pollution Control Act
23 (as amended by this section), a State shall continue to
24 comply with the requirements of sections 603(g) and

1 606(c) of such Act, as in effect on the day before the date
2 of enactment of this Act.

3 **SEC. 306. ANNUAL REPORTS.**

4 Section 606(d) (33 U.S.C. 1386(d)) is amended by
5 inserting “the eligible purpose under section 603(e) for
6 which the assistance is provided,” after “loan amounts,”
7 .

8 **SEC. 307. TECHNICAL ASSISTANCE.**

9 Title VI (33 U.S.C. 1381 et seq.) is amended—

10 (1) by redesignating section 607 as section 608;

11 and

12 (2) by inserting after section 606 the following:

13 **“SEC. 607. TECHNICAL ASSISTANCE.**

14 “(a) SIMPLIFIED PROCEDURES.—Not later than 1
15 year after the date of enactment of this section, the Ad-
16 ministrator shall assist the States in establishing sim-
17 plified procedures for treatment works to obtain assistance
18 under this title.

19 “(b) PUBLICATION OF MANUAL.—Not later than 2
20 years after the date of the enactment of this section, and
21 after providing notice and opportunity for public comment,
22 the Administrator shall publish a manual to assist treat-
23 ment works in obtaining assistance under this title and
24 publish in the Federal Register notice of the availability
25 of the manual.

1 “(c) COMPLIANCE CRITERIA.—At the request of any
2 State, the Administrator, after providing notice and an op-
3 portunity for public comment, shall assist in the develop-
4 ment of criteria for a State to determine compliance with
5 the conditions of funding assistance established under sec-
6 tions 602(b)(13) and 603(d)(1)(E).”.

7 **SEC. 308. AUTHORIZATION OF APPROPRIATIONS.**

8 Section 608 (as redesignated by section 307 of this
9 Act) is amended by striking paragraphs (1) through (5)
10 and inserting the following:

11 “(1) \$2,000,000,000 for fiscal year 2008;

12 “(2) \$3,000,000,000 for fiscal year 2009;

13 “(3) \$4,000,000,000 for fiscal year 2010;

14 “(4) \$5,000,000,000 for fiscal year 2011; and

15 “(5) \$6,000,000,000 for fiscal year 2012.”.

16 **TITLE IV—GENERAL**
17 **PROVISIONS**

18 **SEC. 401. DEFINITION OF TREATMENT WORKS.**

19 Section 502 (33 U.S.C. 1362) is amended by adding
20 at the end the following:

21 “(25) TREATMENT WORKS.—The term ‘treat-
22 ment works’ has the meaning given that term in sec-
23 tion 212.”.

24 **SEC. 402. FUNDING FOR INDIAN PROGRAMS.**

25 Section 518(c) (33 U.S.C. 1377) is amended—

1 (1) by striking “The Administrator” and insert-
2 ing the following:

3 “(1) FISCAL YEARS 1987–2006.—The Adminis-
4 trator”;

5 (2) in paragraph (1) (as so designated)—

6 (A) by inserting “and ending before Octo-
7 ber 1, 2006,” after “1986,”; and

8 (B) by striking the second sentence; and

9 (3) by adding at the end the following:

10 “(2) FISCAL YEAR 2007 AND THEREAFTER.—

11 For fiscal year 2007 and each fiscal year thereafter,
12 the Administrator shall reserve, before allotments to
13 the States under section 604(a), not less than 0.5
14 percent and not more than 1.5 percent of the funds
15 made available to carry out title VI.

16 “(3) USE OF FUNDS.—Funds reserved under
17 this subsection shall be available only for grants for
18 projects and activities eligible for assistance under
19 section 603(c) to serve—

20 “(A) Indian tribes;

21 “(B) former Indian reservations in Okla-
22 homa (as determined by the Secretary of the
23 Interior); and

1 “(C) Native villages (as defined in section
2 3 of the Alaska Native Claims Settlement Act
3 (43 U.S.C. 1602)).”.

4 **TITLE V—STUDIES**

5 **SEC. 501. STUDY OF LONG-TERM, SUSTAINABLE, CLEAN** 6 **WATER FUNDING.**

7 (a) **STUDY.**—Not later than 30 days after the date
8 of enactment of this Act, the Comptroller General shall
9 commence a study of the funding mechanisms and funding
10 sources available to establish a Clean Water Trust Fund.

11 (b) **CONTENTS.**—The study shall include an analysis
12 of potential revenue sources that can be efficiently col-
13 lected, are broad based, are related to water quality, and
14 that support the annual funding levels authorized by the
15 amendments made by this Act.

16 (c) **CONSULTATION.**—In conducting the study, the
17 Comptroller General, at a minimum, shall consult with
18 Federal, State, and local agencies, representatives of busi-
19 ness and industry, representatives of entities operating
20 publicly owned treatment works, and other interested
21 groups.

22 (d) **REPORT.**—Not later than January 1, 2008, the
23 Comptroller General shall submit to the Committee on
24 Transportation and Infrastructure of the House of Rep-
25 resentatives and the Committee on Environment and Pub-

1 lie Works of the Senate a report on the results of the
2 study.

3 **SEC. 502. FEASIBILITY STUDY OF SUPPLEMENTAL AND AL-**
4 **TERNATIVE CLEAN WATER FUNDING MECHA-**
5 **NISMS.**

6 (a) STUDY.—Not later than 30 days after the date
7 of enactment of this Act, the Comptroller General shall
8 commence a study of funding mechanisms and funding
9 sources potentially available for wastewater infrastructure
10 and other water pollution control activities under the Fed-
11 eral Water Pollution Control Act (33 U.S.C. 1251 et seq.).

12 (b) CONTENTS.—The study shall include an analysis
13 of funding and investment mechanisms and revenue
14 sources from other potential supplemental or alternative
15 public or private sources that could be used to fund waste-
16 water infrastructure and other water pollution control ac-
17 tivities under the Federal Water Pollution Control Act.

18 (c) CONSULTATION.—In conducting the study, the
19 Comptroller General, at a minimum, shall consult with
20 Federal, State, and local agencies, representatives of busi-
21 ness, industry, and financial investment entities, rep-
22 resentatives of entities operating treatment works, and
23 other interested groups.

24 (d) REPORT.—Not later than January 1, 2008, the
25 Comptroller General shall submit to the Committee on

1 Transportation and Infrastructure of the House of Rep-
2 resentatives and the Committee on Environment and Pub-
3 lic Works of the Senate a report on the results of the
4 study.