

CLEAN WATER TRUST ACT OF 2005

SEC. 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the “Clean Water Trust Act of 2005.”

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Section 1. Short Title and Table of Contents.

Section 2. Findings and Purpose.

TITLE I. ESTABLISHMENT AND FUNDING OF THE CLEAN WATER TRUST FUND.

Section 101. Establishment of the Clean Water Trust Fund.

Section 102. Revenue.

TITLE II.—AMENDMENTS TO THE FEDERAL WATER POLLUTION CONTROL ACT.

Section 201. Authorization of Appropriations from the Clean Water Trust Fund.

Section 202. Activities Eligible for Assistance.

Section 203. Full Funding of the State Revolving Fund.

Section 204. High Priority Partnership Grants.

Section 205. Program Improvements.

Section 206. Critical Regional Waters.

TITLE III—TECHNOLOGY, MANAGEMENT, AND RESEARCH.

Section 301. National Water Infrastructure Technology Development Program.

Section 302. National Center for Utility Management.

Section 303. Technical Assistance for Small Rural Communities.

Section 304. Research.

TITLE IV—FISHERIES AND WETLANDS.

Section 401. Fisheries Habitat Protection, Restoration, and Enhancement

Section 402. State Wetlands Program Grants

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds the following:

1 (1) It is national policy that Federal financial assistance should be made available
2 to achieve the goals of restoring and maintaining the chemical, physical, and biological
3 integrity of the Nation's waters.

4 (2) According to studies by the U.S. Environmental Protection Agency, the
5 Government Accountability Office, the Congressional Budget Office, and the Water
6 Infrastructure Network (WIN), there will be a huge gap between the level of Federal
7 financial assistance that is available for investments in water infrastructure and the level
8 that is necessary to meet national water quality needs. The Water Infrastructure Network
9 estimates the gap for wastewater systems at \$12 billion a year from 2000 to 2019.

10 (3) This gap not only will prevent the achievement of national water quality goals,
11 but also will erode progress that has been made to date.

12 (4) The protection of wastewater infrastructure is critical to homeland security.
13 The President has urged measures for "increasing security at water treatment ... plants,"
14 and the Environmental Protection Agency has said that "it is essential that government
15 agencies, water utilities, state and local water agencies, public health organizations,
16 emergency and follow-up responders, academia, and the private sector from across the
17 country be ready to protect our water infrastructure," including "protecting wastewater
18 treatment and collection systems."

19 (5) Given the current level of the Federal budget deficit, it is highly unlikely that
20 all of the necessary financial assistance will come from the conventional sources, such as
21 funds appropriated from general revenues under the existing programs of the Federal
22 Water Pollution Control Act.

1 (6) In other cases where there has been a huge gap between available assistance
2 and public infrastructure needs, Congress has established trust funds, funded by
3 dedicated revenue sources, as an appropriate way to meet the Nation's needs. Prominent
4 examples are the Highway Trust Fund and the Airport and Airways Trust Fund.

5 (7) An appropriate source of revenue is a combination of a tax on "flushable
6 products"—consumer goods that are typically introduced directly into wastewater
7 following use, thereby contributing to the treatment burden faced by wastewater utilities,
8 and a reinstatement of the corporate environmental income tax, which applies broadly to
9 larger corporations.

10 (8) Significant further progress requires that investments be quickly focused on
11 high priority projects that address the most pressing needs.

12 (9) The Federal Government will not be able to provide sufficient new funding to
13 address all of the wastewater problems using current technologies. As a result,
14 significant further progress also requires the development of new wastewater
15 technologies, improved management techniques, and intensified research.

16 (10) Significant further progress also requires additional efforts to address the
17 specific water quality problems of critical regional waters, including but not limited to the
18 Chesapeake Bay, the Great Lakes, Long Island Sound, and the Gulf of Mexico.

19 (11) Significant further progress also requires a greater effort to provide for the
20 protection and propagation of fish, shellfish, and wildlife through a renewed commitment
21 and sustained effort to protect and restore fisheries habitat and to improve public access
22 to fisheries resources, and this can be accomplished through voluntary programs that

1 combine Federal assistance with planning and implementation by local, regional, and
2 State entities.

3 (b) PURPOSE.—The purpose of this Act is to make dramatic progress towards the
4 achievement of the Nation’s water quality goals by establishing and providing funding
5 for a Clean Water Trust Fund, which will provide for increased investment in critical
6 water infrastructure; improvements in technology, management, and research; greater
7 funding for critical regional programs; and increased attention to fisheries habitat.

8 **TITLE I—ESTABLISHMENT AND FUNDING** 9 **OF THE CLEAN WATER TRUST FUND**

10 **SEC. 101. ESTABLISHMENT OF THE CLEAN WATER TRUST FUND.**

11 (a) ESTABLISHMENT OF FUND.—Subchapter A of Chapter 98 of the Internal Revenue
12 Code of 1986 (26 U.S.C. 9500 et seq.) is amended by adding at the end the following
13 new section—
14

15 **“SEC. 9511. CLEAN WATER TRUST FUND.**

16 “(a) ESTABLISHMENT.—There is established in the Treasury of the United States a
17 trust fund to be known as the “Clean Water Trust Fund.”

18 “(b) TRANSFERS TO THE TRUST FUND.—There are hereby appropriated to the
19 Clean Water Trust Fund amounts equivalent to the taxes received in the Treasury
20 under sections 59A and 4171 of this Act.

21 “(c) EXPENDITURES FROM THE TRUST FUND.—Amounts in the Trust Fund are
22 available, as provided by appropriations acts, for—

23 “(1) grants to states pursuant to section 601 of the Federal Water Pollution
24 Control Act (33 U.S.C. 1381);

1 “(2) funding under section 122 of the Federal Water Pollution Control Act
2 (Critical Regional Waters);

3 “(3) grants to States under section 106(a) of the Federal Water Pollution
4 Control Act (33 U.S.C. 1256)(State programs);

5 “(4) grants under the following programs established under the Clean
6 Water Trust Act of 2005:

7 “(A) the National Clean Water Technology Development
8 Program (section 301),

9 “(B) the National Center for Utility Management program (section
10 302),

11 “(C) the Technical Assistance for Small Rural Communities
12 program (section 303); and

13 “(D) the State Wetlands Restoration Program (section 402).”.

14 “(5) funding under section 104 of the Federal Water Pollution Control Act
15 (33 U.S.C. 1254 (water pollution control research);

16 “(6) grants to States under section 319 of the Federal Water Pollution
17 Control Act (33 U.S.C. 1329)(nonpoint source management programs); d

18 “(7) grants to States under Section 321 of the Federal Water Pollution
19 Control Act (Fisheries Habitat Protection, Restoration, and
20 Enhancement).”.

21 (b) BUDGETARY TREATMENT OF THE FUND.—Notwithstanding any other provision of law,
22 the receipts and disbursements of the Clean Water Trust Fund—

1 (1) shall not be counted as new budget authority, outlays, receipts, or deficit or
2 surplus for purposes of—

3 (A) the budget of the United States submitted by the President;

4 (B) the congressional budget (including allocations of budget authority
5 and outlays provided therein); or

6 (C) the Balanced Budget and Emergency Deficit Control Act of 1985; and

7 (2) shall be exempt from any general budget limitation imposed by statute on
8 expenditures and net lending (budget outlays) of the United States Government.

9 **SECTION 102. REVENUE.**

10 (a) REINSTATEMENT OF THE ENVIRONMENTAL TAX.—

11 (1) TAX RATE.—Section 59A(a) of the Internal Revenue Code of 1986 (26 U.S.C.
12 59A(a)) is amended by replacing “0.12 percent” with “0.55 percent.”

13 (2) EFFECTIVE DATE.—Section 59A(e) of the Internal Revenue Code of 1986 is
14 amended to read as follows:

15 “(e) APPLICATION OF TAX.—The tax imposed by this section shall apply to
16 taxable years beginning after the date of the enactment of the Clean Water
17 Trust Fund Act of 2005 and before January 1, 2011.”.

18 (3) TECHNICAL AMENDMENT.—Section 9507(b)(1) of the Internal Revenue Code of
19 1986 (26 U.S.C. 9507) is amended by deleting “59A”.

20 (b) CLEAN WATER TAX.—

21 (1) IN GENERAL.—Chapter 32 of the Internal Revenue Code of 1986 (26 U.S.C. 4061 et
22 seq.) is amended by adding the following new sections:

23 **“SUBCHAPTER E—CLEAN WATER TAX.**

1 **“SEC. 4171. IMPOSITION OF TAX.**

2 “(a) CLEAN WATER EXCISE TAX.—There is hereby imposed on the sale of any flushable
3 product by the manufacturer, producer, or importer thereof a tax equal to 5 percent of the
4 price for which the product is sold.

5 **“SECTION 4172. DEFINITIONS.**—For purposes of this subchapter, the following
6 terms have the following meanings.

7 “(a) FLUSHABLE PRODUCT.—The term ‘flushable product’ means any of the following:
8 soaps and detergents, toiletries, toilet tissue, water softeners, and cooking oils.

9 “(b) SOAPS AND DETERGENTS.—The term ‘soaps and detergents’ means

10 (1) soaps and other detergents, such as laundry detergents and dishwashing

11 detergents;

12 (2) toothpaste gels; and

13 (3) tooth powders,

14 within the meaning of the North American Industry Classification System code

15 325611.

16 “(c) TOILETRIES.—The term ‘toiletries’ means toilet preparations such as perfumes,

17 shaving preparations, hair preparations, face creams, lotions (including sunscreens), and

18 other cosmetic preparations within the meaning of North American Industry

19 Classification System code 325620.

20 “(d) TOILET TISSUE.—The term “toilet tissue” means toilet tissue within the meaning of

21 North American Industry Classification System codes 32229153 or 32229154.

1 “(e) WATER SOFTENERS.—The term ‘water softeners’ means farm, household,
2 commercial, and industrial water softeners within the meaning of North American
3 Industry Classification System codes 333319A116 and 333319A111.

4 “(f) COOKING OILS.—

5 “(1) GENERALLY.—The term ‘cooking oils’ means corn oils within the meaning
6 of North American Industry Classification System code 3112218, soy oils within
7 the meaning of North American Industry Classification System code 3112221,
8 and other vegetable oils within the meaning of North American Industry
9 Classification System code 3112223G.

10 “(2) EXCEPTION.—The term ‘cooking oils’ does not mean a product that the
11 Secretary determines, by regulation, is not typically disposed of, by consumers,
12 directly in wastewater.

13 **“SECTION 4173. SALES TO AFFILIATED ENTITIES.**

14 “The Secretary may promulgate rules for determining a constructive sales price in the
15 case of sales to affiliated entities.”.

16 (2) EFFECTIVE DATE.—This subchapter applies to sales made on or after January 1, 2006.

17 **TITLE II—AMENDMENTS TO THE FEDERAL** 18 **WATER POLLUTION CONTROL ACT**

19 **SEC. 201. AUTHORIZATION OF APPROPRIATIONS FROM THE CLEAN** 20 **WATER TRUST FUND.**

21 (a) GRANTS TO STATE FUNDS.—Section 607 of the Federal Water Pollution Control
22 Act (33 U.S.C. 1387) is amended to read as follows:
23

1 “There is authorized to be appropriated from the Clean Water Trust Fund, for
2 grants to States under section 601(a), \$6,000,000,000 for each of fiscal years 2006
3 through 2010.”.

4 (b) NONPOINT SOURCE MANAGEMENT PROGRAM GRANTS.—Section 319(j) of the
5 Federal Water Pollution Control Act (33 U.S.C. 1329(j)) is amended to read as
6 follows:

7 “There is authorized to be appropriated from the Clean Water Trust Fund, for
8 grants to States under subsections (h) and (i), \$200,000,000 for each of fiscal
9 years 2006 through 2010. Such funds shall remain available until expended.”.

10 (c) STATE ADMINISTRATION OF PROGRAMS.—Section 106(a) of the Federal Water
11 Pollution Control Act (33 U.S.C. 1256(a)) is amended to read as follows:

12 “There is authorized to be appropriated, from the Clean Water Trust Fund,
13 \$200,000,000 for each of fiscal years 2006 through 2010 for grants to States and
14 to interstate agencies to assist them in administering programs for the prevention,
15 reduction, and elimination of pollution, including enforcement directly or through
16 appropriate State law enforcement officers or agencies.”.

17 **SECTION 202. ACTIVITIES ELIGIBLE FOR ASSISTANCE.**

18 Section 603 of the Federal Water Pollution Control Act (33 U.S.C. 1383) is amended by
19 striking subsection (c) and inserting the following:

20 “(c) ACTIVITIES ELIGIBLE FOR ASSISTANCE.—The water pollution control revolving fund
21 of a State shall be used only to provide financial assistance to a municipality or an
22 intermunicipal, interstate, or State agency for the following—

- 1 “(1) construction of publicly owned treatment works (as defined in
2 section 212 of this Act);
- 3 “(2) projects to increase the security of wastewater treatment works (excluding
4 any expenditure for operations or maintenance);
- 5 “(3) implementation of nonpoint source management programs under section
6 319;
- 7 “(4) development and implementation of conservation and management plans
8 under section 320;
- 9 “(5) construction, replacement, or rehabilitation of collection systems and
10 treatment works to monitor intercept, transport, control, or treat municipal
11 combined sewer overflows and sanitary sewer overflows;
- 12 “(6) implementation of measures to control, treat, capture, or re-use municipal
13 stormwater, including measures that provide treatment for or that minimize
14 sewage or stormwater discharges using decentralized or distributed stormwater
15 controls, decentralized wastewater treatment, low-impact development practices,
16 conservation easements, stream buffers, or wetlands restoration;
- 17 “(7) implementation by public entities of water conservation projects or activities
18 the primary purpose of which is the protection, preservation, or enhancement of
19 water quality, including through—
- 20 “(A) piping or lining an irrigation canal,
- 21 “(B) recovery or recycling of wastewater or runoff from irrigation,
- 22 “(C) irrigation scheduling,
- 23 “(D) measurement or metering of water use,

1 “(E) installation of water conservation measures by public utilities,

2 “(F) improving on-field irrigation efficiency, or

3 “(G) measures to enable customers to make more efficient use of

4 treated water;

5 “(8) projects to correct failing residential septic systems or cesspools (in each
6 case, as defined by the Administrator); and

7 “(9) the assessment of water quality pursuant to section 303(d).”.

8 **SEC. 203. FULL FUNDING OF THE STATE REVOLVING FUND.**

9 Of the amount authorized to be appropriated from the Clean Water Trust Fund, for grants
10 to States under section 601(a) of the Federal Water Pollution Control Act (42 U.S.C.
11 1251 et seq.)((\$6,000,000,000 for each of fiscal years 2006 through 2010), 25 percent of
12 the annual amount (\$1,500,000,000) shall be for the purpose of funding the capitalization
13 of State revolving funds for each of fiscal years 2006 through 2010.

14 **SEC. 204. HIGH PRIORITY PARTNERSHIP GRANTS.**

15 (a) GENERALLY.—Title VI of the Federal Water Pollution Control Act is amended by
16 adding at the end the following new section:

17 **“SECTION 608. HIGH PRIORITY PARTNERSHIP GRANTS.**

18 “(a) ESTABLISHMENT OF PROGRAM.—Each state receiving a grant under section 601 shall
19 allocate 75 percent of the funds that it receives each year for grants for projects that are
20 eligible under section 603(c) and are determined to be high priority partnerships under
21 subsection (b).

22 “(b) DETERMINATION OF HIGH PRIORITY PARTNERSHIPS.—

1 “(1) GENERALLY.—In addition to developing its priority list under sections
2 603(g) and 216, each State shall annually publish a plan that identifies the high
3 priority projects for which it intends to make grants under this subsection,
4 including a list of projects that are eligible for high priority partnership grants
5 under this section, the priority assigned to each project and, to the extent
6 known, the expected funding schedule for the project.

7 “(2) CRITERIA.—The plan shall provide, to the maximum extent practicable,
8 that priority for the use of grant funds be given to projects that—

9 “(A) address the most serious water pollution problems;

10 “(B) are necessary to ensure compliance with the requirements of this
11 Act, and

12 “(C) benefit communities with the greatest need (determined on the
13 basis of affordability criteria established by the State).

14 “(3) PUBLIC PARTICIPATION. —

15 “(A) REVIEW COMMITTEE.—Each State shall establish a review
16 committee for the purpose of providing a review of the list of projects,
17 the system for assigning priorities, and the funding schedule. The
18 membership of the committee shall be fairly balanced in terms of the
19 points of view represented and be representative of interests affected
20 by the plan (including tribal, private, public, governmental, and
21 nonprofit interests).

22 “(B) REVIEW OF PLAN.—Before issuing its annual plan, a State shall—

1 “(i) provide a draft plan to the review committee and provide the
2 review committee with at least 60 days to comment on the draft
3 plan pursuant to subparagraph (A), and

4 “(ii) provide public notice of the draft plan and an opportunity for
5 public comment.

6 “(c) ALLOTMENT OF FUNDS.—Sums attributable to grants under this program shall be
7 allotted by the Administrator in accordance with the table in section 205(c)(3)(33 U.S.C.
8 1285(c)(3)).

9 “(d) MATCH.—The amount of grant funds provided for a project under this section may
10 not exceed 65 percent of the project cost.

11 (b) ELIGIBILITY OF INDIAN TRIBES.—Section 518(e) of the Federal Water Pollution
12 Control Act (33 U.S.C. 1377(e)) is amended by striking “and 406” and inserting “406,
13 321, and 608”.

14 (c) TECHNICAL AMENDMENTS.—

15 (1) AMENDMENT TO SECTION 601.—Section 601(a) of the Water Pollution Control
16 Act (33 U.S.C. 1381) is amended by—

17 (A) deleting “and” before “(3);

18 (B) deleting the period at the end and inserting “; and”; and

19 (C) adding the following:

20 “(4) to any municipality, intermunicipal, interstate, or State agency for
21 undertaking high priority water pollution control projects under section
22 608 of this Act.”.

1 (2) AMENDMENT TO SECTION 603.—Section 603(d) of the Water Pollution Control
2 Act (33 U.S.C. 1383) is amended by—

3 (A) deleting the period at the end of paragraph (7) and inserting “; and”;

4 and

5 (B) adding at the end “(8) to make grants for high priority partnership
6 projects under section 608 of this Act.”.

7 (3) AMENDMENT TO SECTION 216.—Section 216 of the Federal Water Pollution
8 Control Act (33 U.S.C. 1296) is amended by adding in the first sentence, after
9 “publicly owned treatment works” the phrase “or other projects or activities
10 authorized under section 603 of this Act”.

11 **SEC. 205. PROGRAM IMPROVEMENTS.**

12 (a) ADDITIONAL FORMS OF FINANCIAL ASSISTANCE.—

13 (1) EXTENDED REPAYMENT PERIODS.—Section 603(d)(1) of the Federal Water
14 Pollution Control Act (33 U.S.C. 1383(d)(1)) is amended—

15 (A) in subparagraph (A), by striking “20 years” and inserting “30 years or
16 the expected life of the project to be financed with the proceeds of the
17 loan”; and

18 (B) in subparagraph (B), by striking “not later than 20 years after project
19 completion” and inserting “on the expiration of the term of the loan”.

20 (2) PRINCIPAL SUBSIDY FOR GREEN TECHNOLOGY PROJECTS.—Section 603 of the
21 Federal Water Pollution Control Act (33 U.S.C. 1383) is amended by adding at
22 the end the following:

23 “(i) PRINCIPAL SUBSIDY.—

1 “(1) IN GENERAL.—A state may provide additional subsidization to selected
2 loan recipients (including forgiveness of principal) to implement alternative
3 processes, materials, and techniques (including non-structural protection of
4 surface waters, new or improved methods of waste treatment, and pollutant
5 trading) that may result in cost savings or increased environmental benefit
6 when compared to standard processes, materials and techniques.

7 “(2) LIMITATION.—For each fiscal year, the total amount of loan subsidies
8 made by a State under this subsection shall not exceed 10 percent of the
9 amount of the capitalization grant received by the State for that fiscal year.”.

10 (3) LOAN GUARANTEES.—Section 603(d) of the Federal Water Pollution Control
11 Act (33 U.S.C. 1383(d)) is amended by striking paragraph (5) and inserting the
12 following:

13 “(5) to provide loan guarantees for--

14 “(A) similar revolving funds established by municipalities
15 or intermunicipal agencies; and

16 “(B) developing and implementing innovative
17 technologies.”.

18 (b) EXPENSES OF ADMINISTERING THE STATE FUND.—Section 603(d)(7) of the Federal
19 Water Pollution Control Act (33 U.S.C. 1383(d)(7)) is amended by inserting before the
20 period at the end the following: “or the greater of \$400,000 per year or an amount equal
21 to 1/2 percent per year of the current valuation of the fund (including amounts that will be
22 distributed as high priority partnership grants under section 608).”.

1 (c) ARCHITECTURAL AND ENGINEERING CONTRACTS.—Section 602(b) (33 U.S.C.
2 1382(b)) is amended—

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

4 (2) by striking the period at the end of paragraph (10) adding at the end the
5 following:

6 “(11) the State will require that each contract and subcontract for program
7 management, construction management, planning studies, feasibility
8 studies, architectural services, preliminary engineering, design,
9 engineering, surveying, mapping, and related services entered into using
10 amounts from the fund will be awarded in the same way that a contract for
11 architectural and engineering services is awarded under chapter 11 of title
12 40, United States Code, except that such an award shall not be construed
13 as conferring a proprietary interest upon the United States, and.”.

14 (d) LIMITATION ON ASSISTANCE.—Section 602(b)(33 U.S.C. 1382(b)) is further amended
15 by adding at the end the following:

16 “(12) the State will not provide financial assistance under this section if
17 the project for which the assistance is provided will provide substantial
18 direct benefits to new communities, new subdivisions, or newly
19 developed urban areas.”.

20 **SEC. 206. CRITICAL REGIONAL WATERS.**

21 Title I of the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.) is amended by
22 adding the following new section—

23 **“SECTION 122. CRITICAL REGIONAL WATERS.**

1 “(a) GENERALLY.—The Administrator may make grants or provide other financial
2 assistance to carry out any of the following:

3 “(1) implementing section 117 of the Federal Water Pollution Control Act, (33
4 U.S.C. 1267)(Chesapeake Bay);

5 “(2) implementing section 118 of the Federal Water Pollution Control Act (33
6 U.S.C. 1268)(Great Lakes);

7 “(3) implementing section 119 of the Federal Water Pollution Control Act (33
8 U.S.C. 1269)(Long Island Sound);

9 “(4) implementing the Action Plan for Reducing Mitigation and Controlling
10 Hypoxia in the Northern Gulf of Mexico (January, 2001), issued pursuant to the
11 Harmful Algal Bloom and Hypoxia Research and Control Act of 1998 (16 U.S.C.
12 1451 note);

13 “(5) implementing other programs to protect and improve water quality in critical
14 regional waters (as defined by the Administrator).

15 “(b) AUTHORIZATION.—There are authorized to be appropriated from the Clean Water
16 Trust Fund, for carrying out this section, \$250,000,000 for each of fiscal years 2006
17 through 2010.”.

18 **TITLE III — TECHNOLOGY,**
19 **MANAGEMENT, AND RESEARCH**

20
21 **SECTION 301. NATIONAL CLEAN WATER TECHNOLOGY DEVELOPMENT**

22 **PROGRAM.**

23 (a) ESTABLISHMENT—

1 (1) IN GENERAL.—As soon as practicable after the date of enactment of this
2 section, the Administrator shall establish a nationwide program of demonstration
3 grants for projects to:

4 (A) promote innovations in technology and alternative approaches to
5 improve water quality;

6 (B) promote innovations in technology and alternative approaches to
7 improve sustainability of long-term water resources; and

8 (C) reduce costs to municipalities incurred in complying with the Federal
9 Water Pollution Control Act (33 U.S.C. 1251 et seq.).

10 (2) SCOPE.—The demonstration program shall consist of 20 projects per year, to
11 be selected by the Administrator under subsection (b).

12 (b) SELECTION OF PROJECTS.—

13 (1) APPLICATION.—An entity that seeks to be selected to participate in the
14 demonstration program shall submit to the Administrator a plan that—

15 (A) is developed in coordination with the agency of the State
16 having jurisdiction over water quality and with interested
17 stakeholders;

18 (B) describes adverse water quality impacts specific to surrounding
19 watersheds;

20 (C) includes a strategy under which the entity, through participation in the
21 demonstration program, can effectively address those impacts and achieve
22 or improve upon the same water quality goals as could be achieved using

1 more traditional methods or methods that are required under the Federal
2 Water Pollution Control Act (33 U.S.C. 1251 et seq); and

3 (D) includes a schedule for achieving water quality goals.

4 (2) TYPES OF PROJECTS.—In carrying out the demonstration program, the
5 Administrator shall select projects which have the greatest potential to
6 advance innovative or alternative approaches to achieve one or more of
7 the following goals—

8 (i) reducing nutrient pollution;

9 (ii) improving the safety and purity of drinking water source
10 waters;

11 (iii) improving methods for water conservation and safe re-use;

12 (iv) improving tools and technologies to rehabilitate and replace
13 water supplies;

14 (v) improving monitoring and data analysis for water distribution
15 systems;

16 (vi) reducing nonpoint source water pollution;

17 (vii) reducing municipal sewage or stormwater pollution;

18 (viii) reducing sanitary sewer overflows;

19 (ix) reducing combined sewer overflows;

20 (x) minimizing the contamination of water supplies by naturally
21 occurring constituents of concern;

22 (xi) reducing erosion, scouring, and siltation of waterbodies; and

1 (xii) developing more effective methods for collecting and treating
2 wastewater (including system design and nonstructural
3 alternatives).

4 (3) RESPONSIBILITIES OF ADMINISTRATOR.—In selecting projects under this
5 subsection, the Administrator shall—

6 (A) give priority to projects that have the greatest potential to
7 improve environmental protection or reduce public health risk;

8 (B) select projects that reflect a broad geographic distribution and
9 nontraditional approaches (including low-impact development
10 technologies) used for the projects;

11 (C) give priority to projects that, if successful, will provide benefits in
12 multiple communities;

13 (D) ensure, to the maximum extent practicable, funding for projects
14 meeting the needs of utilities that serve not more than 10,000 users and are
15 located in a rural area; and

16 (E) ensure that, for each fiscal year, no project receives more than 25
17 percent of the total amount of funds made available for the fiscal year to
18 provide grants under this section.

19 (4) COST SHARING.—The Federal share of the cost of a project carried out under
20 this section may not exceed 80 percent.

21 (5) ELIGIBLE ENTITIES.—In carrying out its functions, the Administrator may
22 make grants to any of the following:

23 (A) a municipal, intermunicipal, interstate, or state agency;

1 (B) a not-for profit association representing wastewater utilities, such as
2 the National Association of Clean Water Agencies and the Water
3 Environment Research Foundation; or
4 (C) an institution of higher education.

5 (c) AUTHORIZATION OF APPROPRIATIONS.—

6 (1) IN GENERAL.--There is authorized to be appropriated to carry out this section,
7 from the Clean Water Trust Fund established in section 101 of this Act,
8 \$195,000,000 for each of fiscal years 2006 through 2010.

9 (2) SET-ASIDE FOR GREEN TECHNOLOGY.—No less than \$50,000,000 of the
10 amount made available under this section shall be for projects that primarily
11 utilize one or more of the following approaches: decentralized or distributed
12 stormwater controls, enhanced decentralized wastewater treatment, low-impact
13 development practices, conservation easements, stream buffers, or wetlands
14 restoration.

15 **Sec. 302. NATIONAL CENTER FOR UTILITY MANAGEMENT.**

16 (a) ESTABLISHMENT OF THE NATIONAL CENTER.—The Administrator shall make a grant
17 to an appropriate not-for-profit organization to establish a National Center for Utility
18 Management, for the purpose of promoting improved management of public wastewater
19 utilities, including the use of best management practices with respect to comprehensive
20 asset management, worker training and flexibility, information systems, financial
21 planning, and financial reporting.

22 (b) FUNCTIONS.—The functions of the National Center for Utility Management shall
23 include:

- 1 (1) developing best practices for utility management;
- 2 (2) coordinating the relevant research conducted at university-based training and
3 technical assistance centers;
- 4 (3) coordinating ongoing and planned initiatives to promote best practices for
5 utility management within and across the wastewater program;
- 6 (4) exploring opportunities to take advantage of best management practices and
7 informational materials developed by other agencies (including the Office of
8 Asset Management in the Federal Highway Administration); and
- 9 (5) strengthening efforts to educate utilities and local government leaders about
10 the optimal use of best practices for utility management, through handbooks,
11 software, workshops, the establishment of a website, and other steps to assure that
12 wastewater utilities, regardless of size, have easy access to information about best
13 practices for utility management; and
- 14 (6) in undertaking these functions, providing appropriate attention to the needs
15 and circumstances of utilities that serve not more than 10,000 users and are
16 located in a rural area.

17 (c) GRANTS.—

- 18 (1) ELIGIBLE ENTITIES.—In carrying out its functions, the National Center for
19 Utility Management may make grants to any of the following:
 - 20 (A) a municipal, intermunicipal, interstate, or state agency;
 - 21 (B) a not-for profit association representing wastewater utilities, such as
22 the National Association of Clean Water Agencies and the Water
23 Environment Research Foundation; or

1 (C) an institution of higher education.

2 (2) MATCH.—The Federal share for any project under paragraph (1) may not
3 exceed 75 percent.

4 (d) AUTHORIZATION.—There is authorized to be appropriated under this section, from the
5 Clean Water Trust Fund established in section 101 of this Act, \$5,000,000 for each of
6 fiscal years 2006 through 2010.

7 **SEC. 303. TECHNICAL ASSISTANCE FOR SMALL RURAL COMMUNITIES.**

8 (a) IN GENERAL.—The Administrator may make grants to qualified nonprofit technical
9 assistance providers to enable those providers to—

- 10 (1) assist rural and small publicly-owned utilities in planning, developing, and
11 obtaining financing for eligible projects described in section 603(c) of the Federal
12 Water Pollution Control Act (33 U.S.C. 1383(c));
- 13 (2) provide technical assistance and training for small rural utilities to enable them
14 to protect water quality and achieve and maintain compliance with the Federal
15 Water Pollution Control Act (33 U.S.C, 1251 et seq);
- 16 (3) disseminate information to small rural municipalities with respect to planning,
17 design, construction, and operation of publicly owned treatment works and
18 decentralized wastewater treatment systems; and
- 19 (4) capitalize revolving loan funds to provide loans, in consultation with the State
20 in which the assistance is provided, to small rural municipalities for
21 predevelopment costs (including costs for planning, design, associated
22 preconstruction, and necessary activities for siting the facility and related
23 elements) associated with wastewater infrastructure projects or short-term costs

1 incurred for equipment replacement that is not part of regular operation and
2 maintenance activities for existing wastewater systems if—

3 (A) any loan from the fund is made at or below market interest rate, for a
4 term not to exceed 10 years;

5 (B) the amount of a single loan does not exceed \$100,000; and

6 (C) all loan repayments are credited to the fund.

7 (b) DEFINITIONS. In this section, the following terms have the following definitions:

8 (1) QUALIFIED NONPROFIT TECHNICAL ASSISTANCE PROVIDER.—The term
9 “qualified nonprofit technical assistance provider” means a qualified nonprofit
10 technical assistance provider of wastewater services to a small rural utility.

11 (2) SMALL RURAL UTILITY.—The term “small rural utility means
12 a treatment works within the meaning of section 212(2)(A) of the Federal Water
13 Pollution Control Act (33 U.S.C. 1292(2)(A)) that serves not more than 10,000
14 users and is located in a rural area.

15 (c) AUTHORIZATION.—There is authorized to be appropriated to carry out this section,
16 from the Clean Water Trust Fund established under section 101 of this Act, \$50,000,000
17 for each of fiscal years 2006 through 2010.

18 **SEC 304. RESEARCH.**

19 (a) WATER POLLUTION REDUCTION AND CONTROL RESEARCH.—Section 104(u) of the
20 Federal Water Pollution Control Act (33 U.S.C. 1254(u)) is amended—

21 (1) by striking the “and” before “(6)” and

1 (2) by inserting before the period at the end the following: “and (7), from the
2 Clean Water Trust Fund, \$100,000,000 for each of fiscal years 2006 through 2010
3 for carrying out the provisions of subsection (b) of this section.”.

4 (b) CONTRACTING WITH EXPERT ENTITIES.—To the extent practicable, the Administrator
5 shall enter into contracts with appropriate not-for-profit entities, including the Water
6 Environment Research Foundation, to carry out the research authorized by this section.

7 **TITLE IV—FISHERIES AND WETLANDS** 8 **PROGRAMS** 9

10 **SECTION 401. FISHERIES HABITAT PROTECTION, RESTORATION, AND** 11 **ENHANCEMENT PROGRAM.**

12 The Federal Water Pollution Control Act (33 U.S.C. 1311 et seq.) is amended by adding
13 the following new subchapter:

14 **“SUBCHAPTER VII—FISHERIES HABITAT PROTECTION,** 15 **RESTORATION, AND ENHANCEMENT**

16 **“SECTION 701. STATE PROGRAMS.**

17 “(a) GENERALLY.—As part of its program to restore and maintain the chemical, physical,
18 and biological integrity of its waters, a State may establish a program for the protection
19 and restoration of fresh water, estuarine, and marine fisheries habitat, and for the
20 enhancement of access for fisheries uses, through the development and approval of
21 watershed plans and the implementation of projects and measures pursuant to those plans.

22 “(b) PROGRAM REQUIREMENTS.—

1 “(1) ADVISORY BOARD.—A State shall establish an advisory board to provide
2 recommendations with respect to the program. The membership of the board
3 shall be balanced fairly in terms of the points of view represented and the
4 functions to be performed, and be representative of interests affected by activities
5 carried out under the program, including tribal, private, public, governmental,
6 scientific, technical, and nonprofit interests.

7 “(2) WATERSHED COUNCILS.—

8 “(A) IN GENERAL.—A State program shall designate one or more watershed
9 councils to carry out the planning functions identified in subsection (b), and
10 shall describe the watershed for which each council has planning
11 responsibility.

12 “(B) CAPABILITIES OF COUNCILS.—A council is eligible for designation if the
13 council—

14 “(i) is a voluntary organization that possesses no direct or indirect
15 regulatory authority;

16 “(ii) is convened by a State or local governing body;

17 “(iii) has a membership that is balanced fairly, in terms of the points of
18 view represented and the functions to be performed, and is
19 representative of all interests within the watershed that may be affected
20 by the activities of the council, including tribal, private, public,
21 governmental, scientific, technical, and nonprofit interests;

22 “(iv) has a specific charter that commits the council to achieving the
23 objectives of this section in a timely manner;

1 “(v) has access to the technical expertise that is necessary to meet the
2 objectives of this section;

3 “(vi) has adopted procedures to ensure public participation in its
4 activities; and

5 “(vii) has authority to ensure proper administration of and accounting
6 for grant funds provided under this section and for other public or
7 private funds that it receives for purposes of implementing projects and
8 measures in a plan.”

9 “(C) PREFERENCE FOR EXISTING COUNCILS.—In designating councils, a State
10 shall give preference to councils that are in existence on the date of
11 enactment of this section.

12 “(D) WATERSHEDS LOCATED IN MORE THAN ONE STATE.—

13 “(i) IN GENERAL.—In the case of a watershed the land and water of
14 which lie within the jurisdiction of more than one State, the States
15 exercising jurisdiction over the watershed May jointly designate a
16 council to carry out planning functions for the watershed.

17 “(ii) ELECTION NOT TO PARTICIPATE.—If a State that shares jurisdiction
18 over a watershed elects not to designate a council as described in clause
19 (i), the remaining State or States with jurisdiction over the watershed
20 may exercise the authority under subparagraph (A) with respect to the
21 portions of the watershed under their respective jurisdictions.

22 “(3) PRIORITY RANKINGS.—The State shall establish a system for assigning
23 priority rankings for recommended projects and measures contained in watershed

1 plans submitted for review under the program. A priority ranking system shall be
2 based primarily on the likelihood that recommended projects and measures will
3 achieve significant progress toward protection or restoration of aquatic habitat or
4 the enhancement of access for recreational fishing.

5 “(4) STATE PROGRAM PROCESS.—The State program shall include—

6 “(A) a process for regular consultation with the advisory board,

7 “(B) a process for regular consultation with the appropriate State fish and
8 wildlife and water quality agencies and with the appropriate federal fish and
9 wildlife and water quality agencies (including the Fish and Wildlife Service
10 and the Environmental Protection Agency);

11 “(C) a process for public notice and comment on significant decisions made
12 pursuant to the program;

13 “(D) a process for judicial review, under state law, of decisions made by the
14 State under the program; and

15 “(E) a process for ensuring proper administration of and accounting for grant
16 funds provided under this section and other public and private funds.

17 “(c) APPROVAL.—The Administrator shall approve a State program if the Administrator
18 finds that—

19 “(1) the program contains the requirements described in subsection (b);

20 “(2) the program will be implemented consistently with the State’s obligations
21 under this Act, including section 303(d); and

22 “(3) the State has the capability to implement the program.

23 “(d) REVIEW.—

1 “(1) GENERALLY.—The Administrator shall conduct an annual review, which
2 includes an opportunity for public comment, of each State program that has been
3 approved under subsection (c), to determine whether the program continues to
4 meet the requirements in subsection (b) and otherwise is being implemented in
5 compliance with this section;

6 “(2) WITHDRAWAL OF APPROVAL.—If the Administrator determines that the State
7 program either no longer meets the requirements described in subsection (b) or
8 otherwise is not being implemented in compliance with this section, the
9 Administrator shall notify the State, provide the State with an opportunity to make
10 corrections, and provide an opportunity for public notice and comment. If the
11 State fails to make the necessary corrections, the Administrator shall withdraw
12 program approval.

13 “(e) REPORT.—Not less frequently than every three years, the Administrator shall submit
14 to Congress a report on the operation of State programs under this section.

15 **“SECTION 702. WATERSHED PLANS.**

16 “(a) PLAN REQUIREMENTS.—

17 “(1) IN GENERAL.—A plan shall include a description of each of the planning
18 elements described in paragraphs (2) through (6).

19 “(2) CHARACTERIZATION OF WATER AND WATERSHEDS.—A plan shall include an
20 analysis of the water of the watershed in terms of—

21 “(A) any fisheries-related indicators and habitat characteristics that have
22 been established by the State fish and wildlife agency or, before the

1 establishment of those indicators and characteristics, any relevant
2 information issued by the Secretary of the Interior;
3 “(B) geomorphological characteristics;
4 “(C) manmade topographic features that govern the quantity or flow of
5 water;
6 “(D) wetlands, channels, meander belts, erosion zones, and low-lying areas
7 of the floodplain (including a description of any historic and present flooding
8 patterns);
9 “(E) watershed soils that are present, including the potential of the soil to
10 erode and measures taken by landowners to prevent runoff and erosion;
11 “(F) land cover and land uses that affect the ability of the watershed to
12 support fishery resources;
13 “(G) existing and potential fisheries-related uses of the watershed (including
14 recreational, subsistence, and economic uses) that are or may be affected by
15 adverse impacts on fisheries habitats or restrictions on public access; and
16 “(H) existing protections for fisheries and other aquatic habitat values.
17 “(3) OBJECTIVES.—A plan shall describe near-term and long-term objectives for
18 the protection and restoration of fisheries habitat and enhancement of access
19 within the watershed, including, as relevant and appropriate, recommendations
20 for—
21 “(A) implementing projects and measures to maintain habitat conditions that
22 will sustain a healthy, resilient, diverse, and productive aquatic system;

1 “(B) implementing projects and measures to produce habitat conditions that
2 will sustain a healthy, resilient, diverse, and productive aquatic system; and
3 “(C) implementing projects and measures to enhance access to fisheries in
4 order to increase public use and enjoyment.

5 “(4) IDENTIFICATION OF EXISTING FACTORS, PROJECTS, AND MEASURES.—

6 “(A) IN GENERAL- The plan shall identify--

7 “(i) the factors causing adverse impacts or threats to fisheries habitat in
8 the watershed;

9 “(ii) restrictions on access for fisheries uses within the watershed; and

10 “(iii) the projects and measures, in the planning and implementation
11 stages, that are designed to address the adverse impacts, threats, or
12 restrictions, including the development of total maximum daily load
13 programs under section 303(d) of this act, and the development of other
14 watershed management plans.

15 “(B) SPECIFIC FACTORS.— At a minimum, a plan shall specifically
16 consider—

17 “(i) the causes of degradation or modification of fisheries habitat (such
18 as channelized streams, erosion sources, reduced or modified in-stream
19 flows, disrupted sediment transport mechanisms, damaged or destroyed
20 riparian vegetation, damaged or destroyed spawning beds, and drained
21 backwater or wetland), including any upland activity that contributes to
22 the degradation or modification;

1 “(ii) the principal categories of point and nonpoint sources of pollution
2 that may adversely affect fisheries habitat;

3 “(iii) flood control measures and other floodplain management factors
4 that may adversely affect fisheries habitat;

5 “(iv) the alteration or reduction of water flows, the timing and
6 magnitude of water-flow management measures, and the acceleration of
7 runoff that may adversely affect fisheries habitat; and

8 “(v) factors causing the destruction, modification, or degradation of
9 wetlands that may adversely affect fisheries habitat.

10 “(5) PROJECTS AND MEASURES.—

11 “(A) IN GENERAL.—A plan shall describe specific projects and measures that
12 should be carried out, strengthened, supported, or modified to achieve the
13 objectives recommended under paragraph (3) and to address the factors,
14 projects, and measures identified under paragraph (4).

15 “(B) SOURCES OF FUNDING.—For each project or measure, the plan shall
16 identify potential sources of Federal, State, local, or other financial support
17 to facilitate implementation of the recommended projects and measures.

18 “(C) ANTICIPATED EFFECTS.—For each project or measure, the plan shall
19 identify anticipated effects on land use activities.

20 “(D) NO ADVERSE EFFECT.—For each project or measure, the plan shall
21 demonstrate that the project or measure will not have a significant adverse
22 affect on the existing ecosystem and its functions.

1 “(6) CONSISTENCY WITH TMDL PROGRAM.—Any plan for a waterbody for which
2 the State is required to establish a total maximum daily load for pollutants under
3 section 303(d) must be consistent with the State program to establish total
4 maximum daily loads for pollutants and establish resulting effluent limitations.

5 “(b) APPROVAL OF PLANS.—

6 “(1) SUBMISSION OF PLANS.—A council shall submit a plan for approval by the
7 State in accordance with this paragraph.

8 “(2) APPROVAL OF PLANS.—The State shall approve a plan if it meets the
9 requirements of subsection (a).

10 “(3) PUBLIC PARTICIPATION.—

11 “(A) IN GENERAL.—If a State preliminarily determines that a plan meets the
12 requirements of subsection (a), the State shall—

13 “(i) promptly issue public notice and provide an opportunity for public
14 comment on the plan; and

15 “(ii) ensure that each Federal and State agency with jurisdiction over
16 any expenditures, projects, measures, or management decisions that
17 are the subject of any plan receives a copy of the plan and is given an
18 opportunity to consult with the State before the State finalizes the
19 decision on approval of the plan.

20 “(B) HEARING.—If, following public notice, any interested person requests
21 a hearing and raises significant issues, a public hearing shall be held during
22 the period for public comment under subparagraph (A)(i).

1 “(3) DECISION.—As soon as practicable after the close of the public comment
2 period, the State shall determine whether the plan meets the requirements of this
3 section and shall provide public notice of a final decision approving or
4 disapproving (in whole or in part) the plan.

5 “(4) RESUBMISSION OF PLANS.—A council may—

6 “(A) revise a plan (or a portion of a disapproved plan) that is disapproved
7 or for which conditions or limitations are prescribed under subparagraph
8 (C) in response to the conditions, limitations, or grounds for disapproval;
9 and

10 “(B) resubmit the plan for reconsideration in accordance with the
11 requirements of this paragraph.

12 “(c) PERIODIC REVIEW AND REVISION.—A council shall review and, as necessary, revise
13 or update a plan on a regular basis for as long as the program continues to be authorized,
14 but not less frequently than once every three years. A revision or update is subject to the
15 public participation and State approval provisions of subsection (b).

16 “(d) FEDERAL LAND.—Each Federal department or agency with jurisdiction to manage
17 Federal land within a watershed covered by a plan, including, where appropriate, the
18 Environmental Protection Agency and the Fish and Wildlife Service, shall—

19 “(1) consider relevant recommendations related to improvements in the
20 management of the land that are contained in approved plans in all future
21 decisions respecting planning and activities on the land that would significantly
22 affect fisheries habitat and uses; and

1 “(2) issue and make publicly available a written explanation of the decisions of
2 the Federal department or agency describing the rationale for adopting or
3 departing from the recommendations.

4 **“SECTION 703. FUNDING.**

5 “(a) GRANTS FOR OPERATION OF STATE PROGRAMS.

6 “(1) IN GENERAL—The Administrator shall make grants to any State with a
7 program approved under section 701(c) for payment of the reasonable costs of
8 carrying out the responsibilities described in this section.

9 “(2) PERCENT OF FUNDING FOR PLANS.—Not less than 90 percent of the amount of
10 a grant made under this paragraph shall be reserved for supporting the
11 implementation of approved watershed plans.

12 “(3) LIMITATION ON ADMINISTRATIVE EXPENSES.—Not more than 10 percent of
13 the amount of any grant made by a State to a council from funds awarded under
14 paragraph (1) may be used to pay the administrative expenses or overhead in
15 connection with the activities of the council.

16 “(b) FISHERIES HABITAT ACCOUNTS.—

17 “(1) ESTABLISHMENT.—A State with a program approved under section 701(c)
18 shall establish a fisheries habitat account to provide financial support for the
19 implementation of projects and measures recommended by councils under
20 approved plans.

21 “(2) FUNDING OF PROJECTS AND MEASURES.—A State may provide funds from
22 the fisheries habitat account to any person that enters into a legally binding

1 contract or other similar agreement for the implementation of projects and
2 measures recommended by a council in an approved plan.

3 “(c) PERMITTED USES OF FUNDS.—Funds from a fisheries habitat account of a State may
4 be provided for any purpose identified in a plan, including—

5 “(1) the design, construction, operation, maintenance, or removal of any
6 structures;

7 “(2) the conduct of activities, such as management practices, that are not
8 otherwise prohibited by law;

9 “(3) the acquisition of land or easements with the written consent of each person
10 holding a property interest in the affected land;

11 “(4) offset payments to local governments when acquisitions reduce local tax
12 revenues; and

13 “(5) the restriction of access to water by, and related provision of alternative water
14 supplies for, livestock; and

15 “(d) PROHIBITED USES OF FUNDS.—No funds may be expended from a fisheries habitat
16 account of a State—

17 “(1) for the planning, engineering, design, or construction of dams or roads;

18 “(2) for the conversion of wetlands to open waters; or

19 “(3) for any other project or measure that would have a significant adverse effect
20 on the natural biodiversity of the aquatic system or surrounding ecosystem.”

21 “(e) SCHEDULE.—A State shall, in consultation with the advisory council and after public
22 notice and comment, publish and periodically update a list of projects in the State that are

1 eligible for assistance under this subsection, including the priority assigned to each
2 project and, to the extent known, the expected funding schedule for each project.

3 “(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the
4 Administrator, from the Clean Water Trust Fund, not to exceed \$250,000,000 for each of
5 fiscal years 2006 through 2010 for the purpose of making grants to States with programs
6 approved under section 701(c), to remain available until expended, to enable a State to
7 provide funds to any person, through the fisheries habitat account of the State, for
8 implementation of projects and measures under section 702(a)(5).

9 “(g) ALLOCATION OF AMOUNTS.—Amounts appropriated under subsection (f) shall be
10 allocated among States with programs approved under section 701(c), giving priority
11 consideration to States that exceed other States in the following categories:

12 “(1) The total number of fishing and migratory bird hunting licenses, tags,
13 permits, and stamps sold by the State in the previous calendar year;

14 “(2) The degree of degraded water in the State; and

15 “(3) The number of river miles, coastal miles, and lake acres in the State.

16 **“SECTION 704. EFFECT OF SUBCHAPTER.**

17 Nothing in this subchapter—

18 “(a) alters, or requires alteration of, the authority or jurisdiction of a State fish and
19 wildlife agency;

20 “(b) affects the authority, jurisdiction, or responsibility of a State to manage,
21 control, and regulate fish and resident wildlife (including habitat of fish and resident
22 wildlife) under State law (including regulations);

1 “(c) affects, alters, suspends, or delays implementation of any other provision of this Act
2 (including any requirement under section 303(d) or under any other program established
3 under this Act), or the obligations of any party under such a provision; or

4 “(d) authorizes any council or State to approve the imposition of any new or more
5 stringent regulatory or compliance obligations under any provision of this Act (including
6 any requirement under a program established under this Act).”.

7 **SECTION 402. STATE WETLANDS RESTORATION PROGRAM.**

8 (a) GRANTS TO STATES.—The Administrator shall make grants of \$2,000,000 to each
9 state for fiscal years 2006 through 2010 to carryout the purposes of this section.

10 (B) WETLAND RESTORATION PROJECT.—For the purposes of this section a ‘wetland
11 restoration project’ means an activity, carried out by a nonprofit organization with
12 expertise in wetland restoration, which improves wetland functions, including the
13 filtration of surface and ground water, the mitigation of flooding and the enhancement of
14 wildlife habitat.

15 (c) SELECTION OF WETLAND RESTORATION PROJECTS. – Wetland restoration projects shall
16 be selected by State fish and wildlife agencies, in consultation with appropriate non-profit
17 organizations with expertise in wetlands restoration..

18 (d) PROJECT GRANTS.— State fish and wildlife agencies shall distribute funding for
19 wetland restoration projects to nonprofit organizations with expertise in wetlands
20 restoration. A project grant may not exceed \$500,000 in a given fiscal year.

21 (e) PROJECT ADMINISTRATION. – State fish and wildlife agencies may use up to 5 percent
22 of the funds granted from the Administrator for administration of this program.

1 (f) REPORTING. – Each state shall provide annually to the Administrator a summary of
2 the wetland restoration projects funded through this program.

3 (g) AUTHORIZATION.—There is authorized to be appropriated to the Administrator,
4 from the Clean Water Trust Fund, \$100,000,000 for each of fiscal years 2006 through
5 2010.