Innovative Funding for Watershed Projects

2015 Gathering for Conservation

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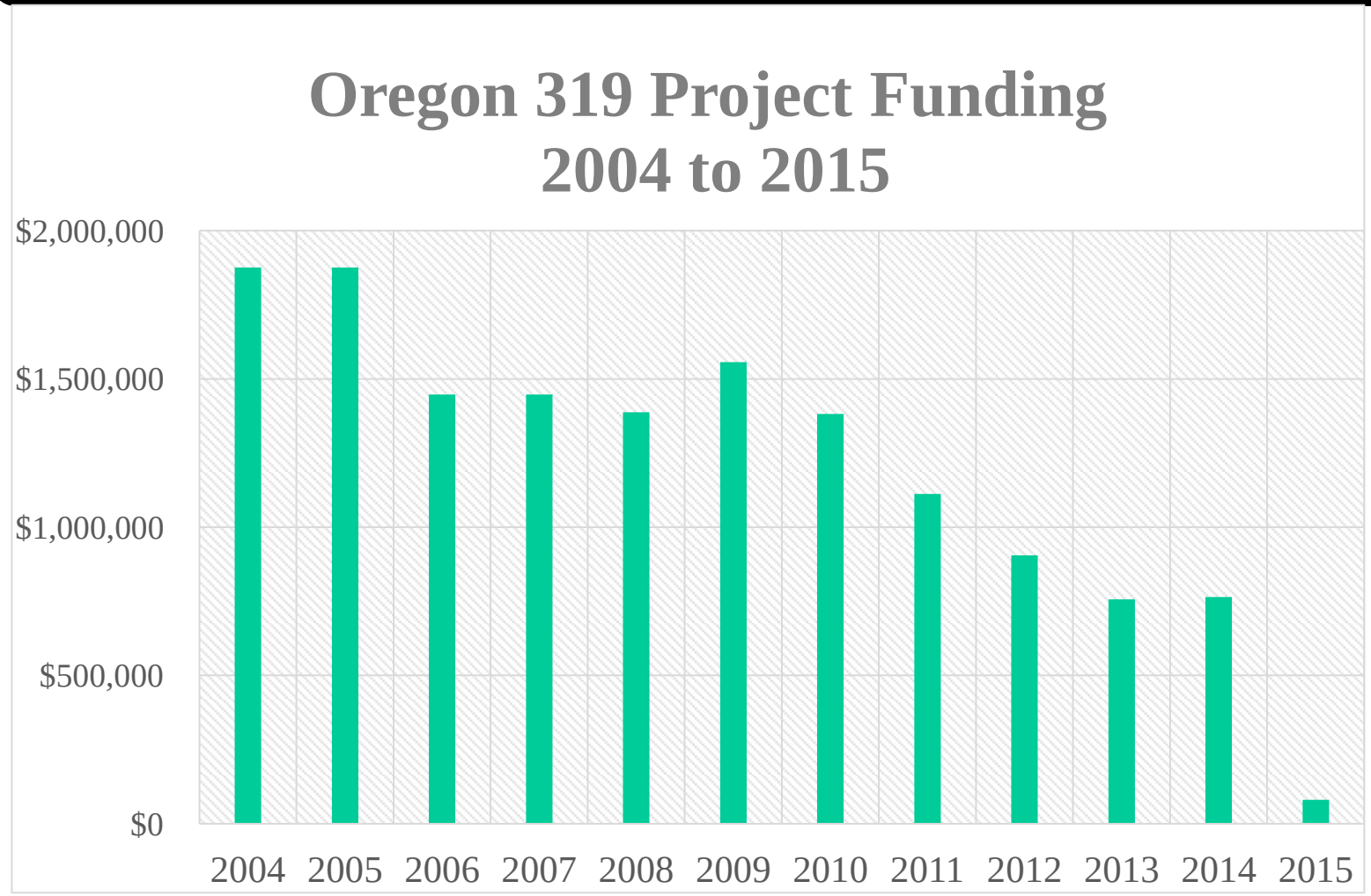
Innovative funding for watershed projects

- Section 319 (h) Grant
- Drinking Water and Clean Water SRF Loans/Grants
- Supplemental Environmental Project Funds

Section 319 (h) Grant

- §319 (h) provided funding to: projects addressing NPS pollution impairments
  - Nonprofits
  - Councils/SWCDs
  - Universities
  - Local/State agencies

319 Funding


Oregon 319 Project Funding
2004 to 2015
$2,000,000
$1,500,000
$1,000,000
$500,000
$0
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015

Moving forward with 319

- Potential RFP in Nov. 2016 but many uncertainties
- Get to know basin coordinators
  - Is your project a good fit?
  - How competitive is funding?
- Consider other DEQ funding sources…

Other Funding Options

Clean Water State Revolving Fund

Evan Haas

CWSRF Project Officer

Clean Water State Revolving Fund

- What is the CWSRF?
- Eligibility
- Types of Loans
  - Nonpoint
  - Local Community Loan
  - Sponsorship Option
- Application/Project Timing
- Project Development

Clean Water
State Revolving Fund

Clean Water State Revolving Fund (CWSRF)

- Low-interest loan program funded by EPA and administered by DEQ
- Effective in 1987 through Clean Water Act amendments
- Funds water quality improvement and protection projects
- Technical assistance
- $1 billion lent to 149 communities since 1990

Eligible Borrowers

- Public agencies, including:
  - Cities
  - Counties
  - Federally Recognized Tribes
  - Special Districts
    - Irrigation Districts
    - Sanitary Districts
    - SWCDs

Eligible Projects

- Wastewater system plans/studies
- Wastewater treatment and collection
- Infiltration/inflow correction
- Major sewer replacement/repair
- Stormwater management/controls
- Estuary management efforts
- Nonpoint source projects
- Irrigation improvements
- Septic system repairs

Loan Types

- Planning
- Point Source
- Nonpoint Source
- Local Community Loan
- Sponsorship Option

Nonpoint Source Loans

- Aligned with DEQ's 'Nonpoint Source Management Program Plan'
  - http://www.deq.state.or.us/wq/nonpoint/plan.htm
- Examples of nonpoint source projects
  - Stream restoration
  - Riparian plantings
  - Animal waste management
  - Conservation easements

Local Community Loan

- Agency receives a loan from DEQ and uses those funds to establish its own loan program
- Agency can then make loans to citizens to address specific types of local water pollution
- LCL must address nonpoint source pollution or estuary management efforts

Clackamas County SWCD

- Currently implementing a Local Community Loan
- Utilizes CWSRF funding in conjunction with its own grant funds
- Enters into loans with individual landowners; SWCD is responsible for setting its own loan parameters
  - Irrigation efficiency projects
  - Equipment loans

Sponsorship Option

- Nonpoint source project coupled with a point source project
- Can be implemented by the point source loan recipient, OR by a 3rd party
  - Watershed Council
  - SWCD
- Nonpoint projects can be ‘bundled’ as part of one sponsorship project

Sponsorship Option – Timing and Location

- Sponsorship project does not have to be done at the same time as the point source project
  - Completed within ‘reasonable’ timeframe
- Sponsorship project does not have to be in the same geographic location as the point source project

Sponsorship Option – Financing

- Interest rate on the combined project is reduced
  - Payment of combined project = payment of point source project only
  - or 1% - whichever is higher
- Sponsored project done at no cost or substantially reduced cost due to low interest rate

Metropolitan Wastewater Management Commission (MWMC)

- MWMC – wastewater management for Eugene-Springfield
- Riparian shading linked (financially) to treatment system improvements
  - $450,000 for riparian shading
  - Partnership between MWMC and The Freshwater Trust

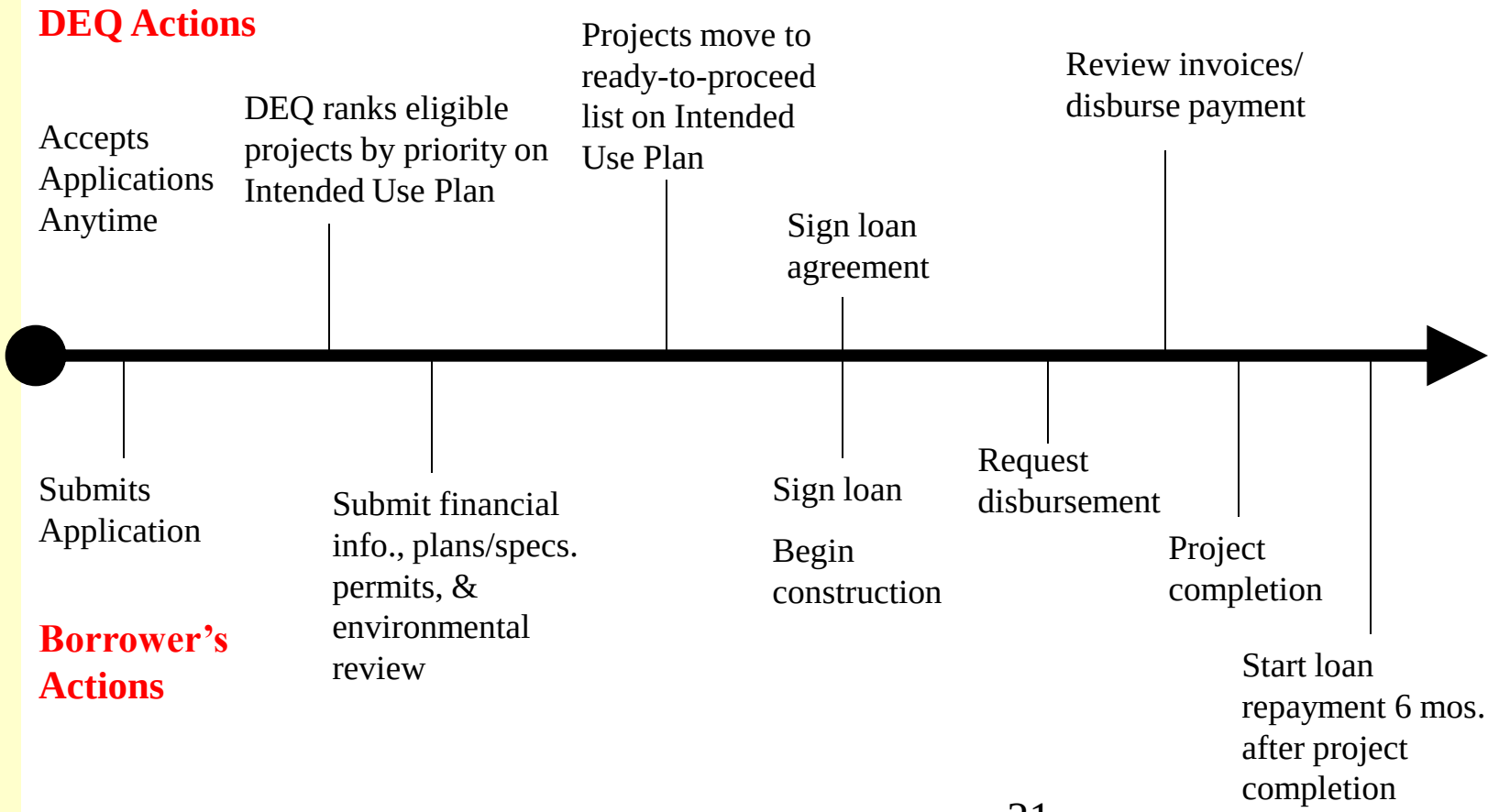
City of Portland

- Habitat restoration and riparian revegetation
  - >$3,300,000
  - Multiple watersheds throughout Portland
- Willing seller arrangement
  - >$1,100,000
  - Johnson Creek watershed

Before Project
Photo – City of Portland

After Project
Photo – City of Portland

Funding Timeline



Project Development

- Nonpoint Source Projects
- Sponsorship Projects
  - How do we develop, in advance, nonpoint source projects that can be coupled with point source projects?
- Resources
  - DEQ Basin Coordinators
  - Municipalities within your service area

CWSRF Contacts

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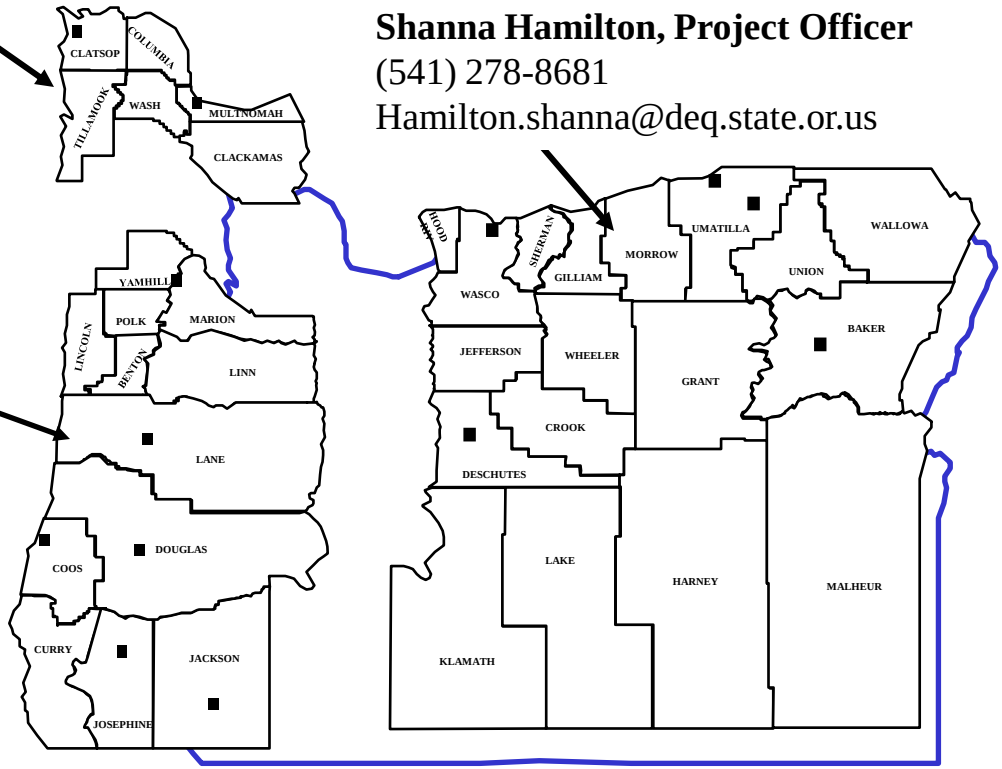


Other Funding Options

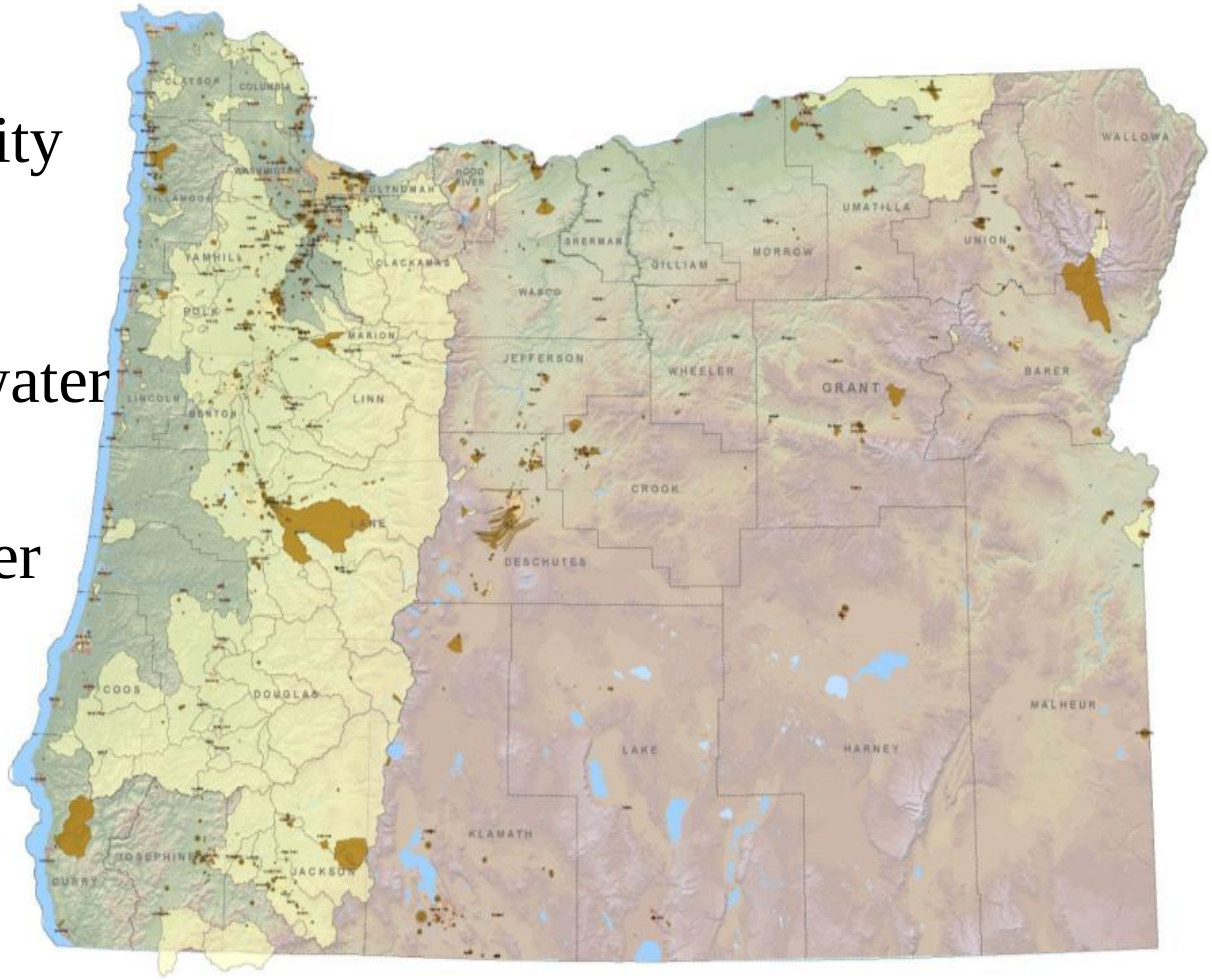
Accessing Supplemental Environmental Projects and Partnering with Oregon's Drinking Water Providers

Oregon DEQ Drinking Water Protection Program

Julie Harvey - Northwest and Eastern Region
Jacqueline Fern - Western & Eastern Region

Statewide Public Drinking Water Providers

- Oregon Health Authority and DEQ partner to provide technical assistance for source water protection
- Over 2,500 public water systems serve 85% of Oregonians



Drinking Water Source Protection Fund (DW SPF)

- Designed for protection of public drinking water sources
- Community or Nonprofit Non-community water systems with a completed Source Water Assessment can apply
- Loans – low interest - max $100,000
  - Land acquisition
  - Incentive based protection measures

and Grants...

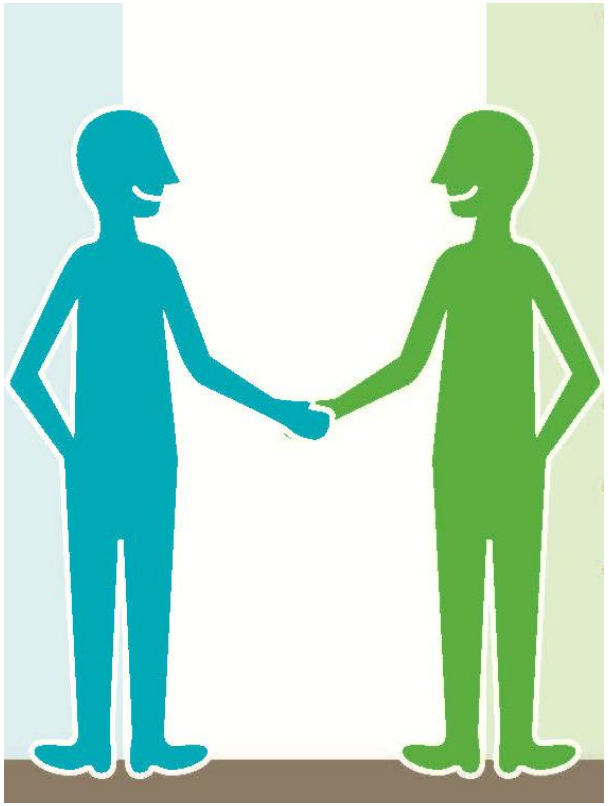
Drinking Water Source Protection Fund (DW SPF)

- Grants - up to $30,000/water system
  - Available only to PWSs
  - Reduces risk within the delineated source water area
  - No match required
- **Applications typically due in June 2015**
  - LOI available on OHA's Drinking Water Services Web page
- Emergency funds may also be available

Partnering with Drinking Water Providers

SWCDs, Watershed Councils and Drinking Water Providers have common goals:

- Non-regulatory, voluntary approach to encourage adoption of best practices
- Soil protection, water quality, and health
- Address wide-range of issues
- Similar geographic priority areas and pollutants of concern
- DW providers have access to funding but many have limited capacity and technical resources for watershed protection/restoration



Priority Issues for Drinking Water Systems

- Harmful Algae Blooms (HABs)
- Nutrients *(nitrate and phosphorus)*
- Turbidity Microbes *(bacteria, viruses, protozoa)*
- Toxics *(metals, solvents/fuel, pesticides, pharmaceuticals)*

Priorities based on water quality data (DEQ, OHA, USGS, partners) & source water assessment info

Eligible DW SPF Projects & Examples

Enhanced Assessment, GIS risk analysis, GW monitoring, (Clackamas, Bend, Prineville, Creswell, Cottage Grove, Langlois, Columbia City)

Rural Landowner Assistance (septic systems, animal mgmt, private wells) (Clackamas, McKenzie, Irrigon, Rivergrove)

Pesticide Stewardship and Waste Collection (Clackamas, Island City, Enterprise and Haines)

Turbidity Monitoring, Erosion Assessment & Riparian Restoration (Siletz Watershed, Umpqua Basin, Santiam Watershed)

Watershed Management Planning - Identify BMPs, conservation or land acquisition planning (Cottage Grove, Coburg,)

Decommission USTs (several schools)

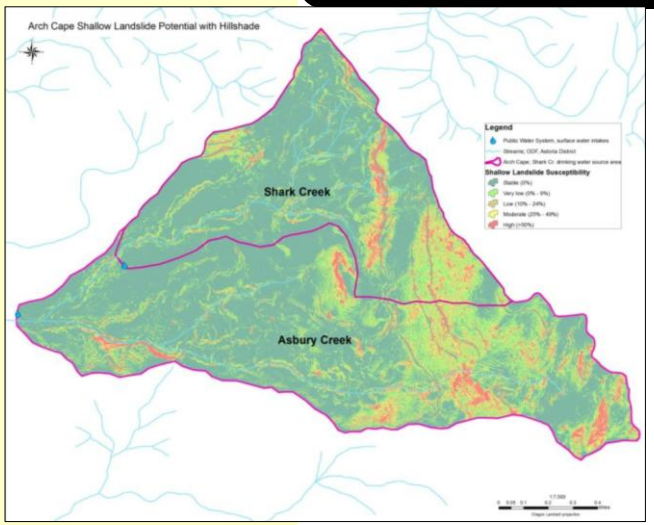
Spill prevention and secondary containment of above ground tanks

Algal Blooms (Lowell, Cottage Grove, Salem, Springfield, South Coast lakes)

Wetland Treatment or Diversion of Stormwater Runoff (Eugene/Springfield)

Note: Land purchase funded only via low interest loans

Other Benefits of DW Collaboration



- Data, maps, GIS services from DEQ & OHA
  - Potential sources of water quality impacts
  - Susceptibility (soils/geology/etc.)
  - New data for slope stability and landslides
- Public health issues can leverage water quality interest and implementation and broaden community support for conservation and restoration activities
- Enhances regional water quality and land-use planning

Supplemental Environmental Projects (SEPs)

- Respondents with civil penalties can offset up to 80% of their monetary penalty
- SEPs administered by DEQ's Office of Compliance and Enforcement (OCE)
- Option for respondents but not required – not offered to respondents in all cases
- DEQ typically approves 20-25 projects/year valued at about $200,000 to $600,000 total

Supplemental Environmental Project Criteria

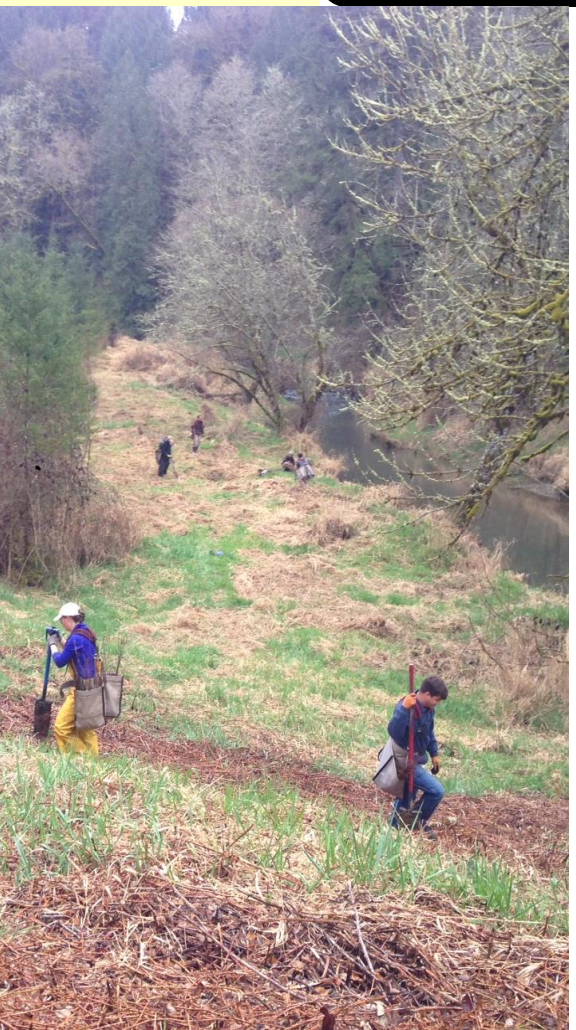
- Improve Oregon's Environment by:
  - pollution prevention or reduction
  - public health protection
  - environmental restoration and protection
  - other purposes listed in the IMD
- Cannot be self-serving for respondent
- Respondent must be capable of doing the work or work with a third-party
- Final SEP report must be submitted to DEQ

For more detail see "Evaluating and Approving Supplemental Environmental Projects" http://www.deq.state.or.us/programs/enforcement/sep.htm

SEP Restrictions

- DEQ cannot recommend specific SEP projects to respondents. (DEQ can provide project ideas/contacts and oversight)
- SEP can not create a significant market or economic advantage for the respondent.
- DEQ cannot accept SEP funds as payment for our projects – all work must be done by the respondent or a third-party.
- SEP funds cannot be used as match for 319 Grants (or other federal funding).

Accessing SEPs and Building Community Partnerships



- Timing is key
- **"SEP Application"** - general information that DEQ's OCE can distribute to respondents if asked about available SEP projects. (template available on DEQ SEP website)
- Contact Respondents on your own initiative.
  - The enforcement case does not necessarily have to be in the same area (watershed/county, etc.) as the environmental project or even address the same media (i.e. air/water/land).
  - Sign up for DEQ's public notifications via email. Select types of information ("enforcement actions") and specific counties or subbasins. http://www.oregon.gov/deq/Pages/publicnotice.aspx

Bandon
WESTERN WORLD

61°
Overcast
Weekly Forecast

DEQ issues penalties to Knife River and Pacific West

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October 29, 2015 6:00 am (0) Comments

COQUILLE — The Oregon Department of Environmental Quality has issued civil penalties of $159,144 and $16,800 to LTM, Incorporated (dba Knife River Materials) and Pacific West Timber Company, LLC, respectively, for violations resulting from the discharge of sediment into a tributary of the Middle Fork of the Coquille River.

The violations resulted from the excavation of approximately 200,000 cubic yards of material from alongside Highway 42 in Coos County in 2014, by Knife River Materials under a contract with the Oregon Department of Transportation, according to the DEQ. The material was then deposited and graded onto a sloped property (known as the Skull Ridge site) owned by Pacific West Timber Company. An unnamed tributary of the Middle Fork of the Coquille River flows across the property.

In November 2014, some of the material shifted, triggering a slope failure extending into the head waters of the tributary and depositing sediment into the tributary in two locations, according to the DEQ report. On three occasions in early 2015, significant erosion was observed by representatives of the DEQ and the Oregon Department of Forestry.

The erosion resulted in the accumulation of sediment and turbidity in the tributary

Potential Opportunity?

Example Supplemental Environmental Projects

- $72,000 for new culvert on Rowdy Creek in the Siuslaw National Forest
- $4,500 in concrete for three projects in Clackamas county – Clackamas SWCD used funding to install aerated manure composting facility where manure runoff posed a threat to an adjacent waterway, a tributary to Sandy's drinking water supply.
- $3,840 to the Necanicum Watershed Council for a wetland enhancement project upstream of Seaside's drinking water intake.

Questions?

- Contacts (see handout)
  - Basin Coordinators
  - 319 Program
  - Clean Water SRF
  - Drinking Water/Public Health
  - Supplemental Environmental Projects

- Let us know how we can support your efforts to promote good stewardship practices!