

Texas Watershed Coordinator Roundtable “Financing Watershed Plans”

July 27, 2010

9:30 a.m. – 3:30 p.m.

AgriLife Research & Extension Center at Dallas

Meeting Summary

Welcome & Introductions

Kevin Wagner, TWRI

- Introduction of attendees (63 present)
- For attendees list visit (<http://watershedplanning.tamu.edu/roundtable>)

Directory of Watershed Resources

Bill Jarocki, Environmental Finance Center

- Environmental Finance Center Network
 - University-based (Boise State University)
 - Tools for financial analysis are free – software tools designed to save time & money
 - Tools can be found at (<http://efc.boisestate.edu/efc/>)
 - Must register to use planning tools
- Watershed funding is one of the most difficult funding challenges
 - Utilize existing framework to develop an implementation strategy that has multiple funding options
 - Create a funding strategy that uses skills & strengths of stakeholders
 - “Community Quilt” concept of financing
 - The Watershed is a mosaic of public, private, and nonprofit land ownership (many land uses)
 - Broaden the sources of funding – think outside the box – holistic approach
- **Tools:** Plan2Fund; Plan2Fund OPT; Directory of Watershed Resources
 - *Plan2Fund*: mechanizes plan; customized to meet specific planning needs
 - *Plan2Fund OPT*: prioritizes objectives; web-based decision model; ranks objectives
 - *Directory of Watershed Resources*
(<http://efc.boisestate.edu/efc/watershed/SearchOurDatabase/TargetedSearch/tabid/199/stype/3/Default.aspx>)
 - Searchable database of financial resources for watershed restoration in Texas
 - Contains more than 1,235 funding/resource programs for more than 20 states and is continually updated (contacts are notified twice/year for updates)
 - Individuals can add programs (administrator will approve)
- Bill Jarocki
(208) 426-1567
bjarock@boisestate.edu

Keys to Effective Grant Writing

Bill Jarocki, EFC

- Bottom line: you cannot delay looking for money; have to be competitive
- Build a winning proposal:
 - Consistency: tailor your project to the source;
 - Clarity: keep it simple and clear; avoid jargon
 - Consequence: express importance; explain impacts

- Commitment: what you bring to the project
- Approaching Funders
 - Do your homework
 - Answer the question: Why should my project be funded?
 - Develop detailed budget – account for all items
 - View the project in the funder’s eyes
- Grant Funding Tips
 - Maximize use of partners
 - Understand funder’s goals & objectives
 - Pursue multiple opportunities
 - If not awarded, follow up (ask for suggestions), re-submit
- Search for Implementation Funding
 - Directory of Watershed Resources
(<http://efc.boisestate.edu/efc/watershed/SearchOurDatabase/TargetedSearch/tabid/199/stype/3/Default.aspx>)
 - Grants.gov
- Bill Jarocki
(208) 426-1567
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Financing the Illinois River Watershed Partnership

Delia Haak, IRWP

- Illinois River Watershed
 - 2 States; 7 Counties
 - 1.1 million acres, 1,700 square miles
 - 20 cities
 - 500,000 stakeholders
 - agriculture
 - business
 - conservation
 - government
 - technical, research and education
- Watershed Stewardship (3 Goals) – more than 8,000 volunteer hours
 - Education & Outreach
 - Water Quality Monitoring
 - Conservation & Restoration
- Sponsors
 - Walton Family Foundation
 - Arkansas Natural Resources Commission
 - Arkansas Forestry Commission
 - Arkansas Game & Fish
- Outreach
 - Online – Take My Watershed Challenge – to work with local schools
 - Newspaper ads, radio spots, tv commercials, billboards
 - Website: rain garden, video contest, StreamTeam, maps and materials
- Education
 - Watershed Show

- Presented at local elementary schools
- Make a Difference Day (water testing)
- The Riparian Project
 - CREP \$30 million (Conservation Reserve Enhancement Pgrm)
- Watershed Management Plan
 - 3-year watershed management plan
 - this is the major focus of the IRWP
 - Now to implement the plan
 - “Progress with a Positive, Pro-active approach”
 - Working to find funding and bring people together
 - Once the 80% of the board agrees, move forward together and determine which acres/areas are the most important needed to focus on and protect
 - Funding from cities – cities cannot give a gift – must contract IRWP (cities also fund extension offices – and cities and local corporations get ask a lot for money)
 - IRWP went to the City Council, made a presentation, followed up with a letter. Now we provide an annual report to show how the money is being spent and how quality of life is improving in the watershed
- IRWP board
 - Balanced between 6 stakeholder groups (4 from Oklahoma)
 - Meet quarterly – 50% must be in attendance to conduct business
 - Motivates and pushes other entities to seek funding on tasks
 - Subcontracted out watershed management plan
 - Stick to what is agreed to – don’t substitute or “morph” things that surprises your funders
 - Board needs to see which priorities that can have the greatest impact on
 - Set up Technical Panel – WAG – Watershed Advisory Group – to review drafts
- Delia Haak
 (479) 238-4671
deliahaak@irwp.org

Match from a Contractors Perspective

James Earp, City of Kyle

- Plum Creek Watershed Protection Plan
 - Selected as a pilot watershed protection plan
 - Stakeholders include cities, ranchers, farmers, property owners, businesses and agencies
- City of Kyle is in the headwaters of the watershed
 - Population: 2000 (4,300); 2010 (30,000)
 - not great water quality
- Concerns:
 - what does it mean to taxpayers
 - what is the unknown
 - what is achievable
- Local Perspective:
 - need partners
 - need community support
 - need council support
- Funding:
 - General fund
 - Storm water surcharges on development

- Storm water surcharges on utility bills
- Partner with TCEQ (worked with TCEQ to lower local match – personnel costs; travel costs; equipment; etc)
- TCEQ Work Plan – can be found in James Earp’s presentation (<http://watershedplanning.tamu.edu/roundtable>)
- James Earp, CPM
(512) 262-3924
jrearp@cityofkyle.com

State Revolving Fund (Federal Perspective)

Velma Smith, EPA

- The Clean Water Act amendments of 1987 authorized EPA to make grants to states to capitalize state revolving funds
- CWSRF Structure:
 - Federally and state funded (20% match)
 - State implemented and operated
 - Flexibility in assistance provided
 - Cumulative award to Region 6 States – more than \$2.2 billion (Texas - \$1.4 billion)
 - No state match required
 - Green Project Reserve – at least 20% of ARRA funds to be used for “Green” projects
- Features of CWSRF Loans
 - Loans provided to public entities
 - Loans for nonpoint source provided to public/private entities
 - Interest rates average from 0% to “market rate”
 - 2009 avg. 2.3%
 - Loan repayment term no longer than 20 years (now 30 with EPA approval)
 - Repayment begins one year after project completion
- Types of Activities funded through CWSRF Program:
 - Communities
 - Individuals
 - Citizen’s groups
 - Nonprofit organizations
 - CWA §212 projects
 - CWA §319 projects
 - CWA §320 projects
- Sample Project Types
 - Secondary Wastewater Treatment
 - Advanced Wastewater Treatment
 - Sanitary Sewer Overflow Correction
 - New Sewer Construction Costs
 - Combined Sewer Overflow Correction
 - Stormwater Management
- 2010 and Beyond
 - EPA will continue to work with CWSRF program to expand assistance to non-traditional projects (i.e. stormwater mgmt, clean energy)
 - Anticipate additional requirement in 2011

State Revolving Fund (State Perspective)

Diane Hyatt, TWDB

- Clean Water Act section 1329 [§319] (Nonpoint Source Runoff)
 - Public/privately owned projects that implement nonpoint source management programs established under section 319 of the CWA are eligible
- Eligibility Criteria
 - Projects that support a component of an approved §319 plan or the 9 element watershed plans in the §319 program (TCEQ)
 - Publicly owned or privately owned projects
 - Projects that are not specifically required to have a NPDES permit
 - Projects costs eligible are limited to capital costs
 - Projects must have a direct water quality benefit
- Current TWDB Eligibility Criteria
 - The project must be identified within a Water Quality Management Plan or
 - The project must be a nonpoint source management activity that has been identified in the Texas Comprehensive Groundwater Protection Program (www.tceq.state.tx.us/assets/public/comm_exec/pubs/as/188.pdf)
 - The Project must be:
 - A best management practice listed in the Nonpoint Source Management Report (www.tceq.state.tx.us/comm_exec/forms_pubs/pubs/sfr/068-04_index.html)
 - Consistent with the EPA-approved Nonpoint Source Management Plan
 - Historically, TWDB has funded two NPS projects
 - High Island Independent School District (to install new septic tanks with a low pressure septic tank effluent pumping system)
 - Green Project Reserve stormwater basin riparian restoration project
- Clean Water Act section 1330 [§320] (National Estuaries Program)
 - The CWSRF's authority to develop and implement Section 320 Comprehensive Conservation Management Plans (CCMP) overlaps with the authority to fund CWA section 212 and section 319 projects.
 - The §320 projects must be consistent with the definition of "estuarine zones" from CWA 104 (n) (4).
 - Texas has 2 Bay & Estuary Programs
 - Galveston Bay Estuary Program
 - Coastal Bend Bays & Estuaries Program
 - The principles that guide TWDB funding decisions for section 320:
 - Projects must implement a §320 CCMP
 - Projects can be public/privately owned
 - Project eligible costs are limited to capital costs
 - Projects must have a direct benefit to the water quality of an estuary
 - Only the portions of a project that remediate, mitigate the impacts of, or prevent water pollution in the estuary should be funded
 - Financial opportunities unique to §320
 - Stormwater using green infrastructure
 - Water conservation and reuse that mitigate water shortages with climate change
 - Animal feeding operations on CAFOs
 - Landfills with NPDES permits
 - Habitat conservation or restoration
- TWDB Current Proposed Program Changes
 - TWDB has published new Draft DWSRF and CWSRF rules
 - CWSRF TAC §375 includes SRF construction, nonpoint source and estuary programs for Texas
 - The current Draft SFY 2011 CWSRF Intended Use Plan (IUP) allows for setting aside as much as 7% of available funds (approx. \$21,000,000) for both §319 and §320 programs

- 10 ARRA NPS projects were submitted in 2009 (1 was funded)
 - Many NPS projects are considered “green”
 - In SFY 2011 IUP the CWSRF has to have at least 20% of funds allocated to Green projects
 - TWDB re-solicited NPS projects for the SFY 2011 IUP to increase interest and demand
 - Draft SFY 2011 IUP is currently out for public comment
 - 8 projects (out of 13 submissions) are on the fundable NPS project priority list for SFY 2011 (1 Estuary Program project is on the list)
- TWDB Current Program Changes
 - TWDB can target projects for subsidies: SFY2011 projects will target Disadvantaged Communities
 - New subsidy targets may be selected in the future
 - TWDB is in the process of developing §320 rating criteria (suggestions are welcome)
 - Diane Hyatt
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Alan Williams

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Wrap-Up

- Other Tools and Resources Needed by Coordinators
- Next meeting

Kevin Wagner, TWRI