

# 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](mailto: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  
[bjarock@boisestate.edu](mailto:bjarock@boisestate.edu)

## **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](mailto: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](mailto: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](http://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](http://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  
[Diane.Hyatt@twdb.state.tx.us](mailto:Diane.Hyatt@twdb.state.tx.us)

Alan Williams

[Alan.Williams@twdb.state.tx.us](mailto:Alan.Williams@twdb.state.tx.us)

## Wrap-Up

- Other Tools and Resources Needed by Coordinators
- Next meeting

**Kevin Wagner, TWRI**