FUNDING OPPORTUNITIES FOR SOURCE WATER PROTECTION AND RESTORATION

SOURCE WATER PROTECTION WORKSHOP – THE DALLES

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TRADITIONAL WATER INFRASTRUCTURE FUNDING COMES FROM FEDERAL, STATE, AND LOCAL GOVERNMENT

![Diagram showing capital investment in water and wastewater infrastructure. The graph compares 1977 and 2010, with 72% Federal funding in 1977 versus 83% State and Local funding in 2010.]

SOURCE WATER FINANCING – QUESTIONS TO CONSIDER

What’s the money for?
BMPs vs education campaign vs habitat project vs easement acquisition

Who pays?
Beneficiary (ratepayer) or others?

How much control do you want/need?
Who sets financing terms? Liability? Ownership?

When do you need the money?
One-time or restricted payment vs continuous or recurring revenue stream?

Who can receive these funds and has the capacity to secure & manage them?
Eligibility criteria? Transaction costs? Ability to repay debt?
SAMPLE FUNDING SOURCES

LOCAL
• Utility rates, surcharges, fees
• Budget appropriation
• Taxes (sales, property, income, etc.)
• Fines
• Special Districts
• Bonds (borrowing)

STATE & FED
State Revolving Loan Funds + many other grant and loan options (DoC, USDA, HUD, FEMA, etc.)

PRIVATE
• Grants: Foundations, Corporations etc.
• Borrowing: PRI

OTHER
ASSET MANAGEMENT. E.G., DIVERSIFY REVENUE STREAMS IF TOWN/DISTRICT OWNS FORESTLAND:
• Carbon credits
• Timber & special-forest products
• Water quality trading market
• Leasing in-stream water rights
• Easements
SAMPLE FOUNDATION & CORPORATE GRANT SOURCES

Spirit Mountain Community Fund

patagonia

THE Ford Family FOUNDATION

meyer MEMORIAL TRUST

THE HEALY FOUNDATION Youth, Environment, Community.

The Burning Foundation

RESER FAMILY FOUNDATION

THE Collins FOUNDATION

Healthy Watersheds Consortium Grant Program

Weyerhaeuser
THINGS TO CONSIDER ABOUT PRIVATE FOUNDATION GRANTS

✓ TYPICALLY ONE-TIME AWARDS
  MULTI-YEAR AWARDS LESS COMMON

✓ MATCH USUALLY REQUIRED
  GRANTS CUSTOMARILY USED TO LEVERAGE OTHER FUNDING

✓ USUALLY FOR ASSESSMENT/PLANNING PROCESSES, OUTREACH/EDUCATION, OR PROJECT IMPLEMENTATION (HABITAT WORK)
  NOT TYPICALLY FOR CAPITAL EXPENSES

✓ ADMINISTRATIVE BURDEN HIGHLY VARIABLE BY SOURCE

✓ MUNICIPALITIES/UTILITIES MAY NOT BE ELIGIBLE RECIPIENTS
  NONPROFIT AND GRASSROOTS PARTNER GROUPS ARE GOOD PARTNERS FOR SECURING/MANAGING FUNDING, LEADING ON-THE-GROUND WORK, ETC.
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OREGON SOURCE PROTECTION FUND GRANTS AND LOANS

• DRINKING WATER SOURCE PROTECTION GRANTS/LOANS
  ✓ part of DW SRF – search for OHA Source Protection Fund
  ✓ PWS must be applicant
  ✓ Grants: Up to $30,000 per public water system to reduce risk in source area - no match required

✓ Loans: Up to $100,000, low interest. i.e. land acquisition or incentive based protection measures

✓ Emergency grants for source water threats that arise outside the LOI submission deadline.
## Washington’s Source Water Protection Grants

<table>
<thead>
<tr>
<th></th>
<th>Oregon</th>
<th>Washington</th>
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</thead>
<tbody>
<tr>
<td><strong>Eligibility</strong></td>
<td>✓ Community or non-profit non-community water system ✓ Must have completed Source Water Assessment</td>
<td>✓ Non-profit Group A Water System ✓ Local Government proposing a regional project</td>
</tr>
<tr>
<td><strong>Funding – Grants</strong></td>
<td>Up to $30,000</td>
<td>Funding is dependent upon project needs, but typically does not exceed $30,000</td>
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<tr>
<td><strong>Funding – Loans</strong></td>
<td>$100,000</td>
<td></td>
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<tr>
<td><strong>Application Period</strong></td>
<td>Annually, due ~March 15</td>
<td>Anytime</td>
</tr>
<tr>
<td><strong>Emergency Grants</strong></td>
<td>Available year round for source water threats that arise outside the LOI submission deadline.</td>
<td>Available year round - grants awarded on a funds available basis.</td>
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DW SPF: Other Examples (Oregon)

- **Road Assessment and Engineering Design**
  (Lincoln City Water District, Glide Water Association)

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

- **Rural Landowner Assistance for septic systems, animal management, private wells**
  (Clackamas, McKenzie, Irrigon, Rivergrove)

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

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

- **Enhanced Assessment, GIS risk analysis**
  (Medford/Grants Pass, Clackamas, Bend, Prineville, Creswell, Cottage Grove, Langlois)

- **Watershed Management Planning**
  (Seaside, Cottage Grove, Coburg)

- **Other:**
  - Signs, cameras and security fencing (Baker City)
  - **Wetland Treatment of Stormwater Runoff** (Eugene/Springfield)
STATE REVOLVING FUND GRANTS AND LOANS

- Watershed protection projects through Clean Water State Revolving Fund
  - Aligned with DEQ’s “Nonpoint Source Management Program Plan”
  - Sponsorship Option to combine nonpoint source control project with wastewater facility project financing - sponsored project done at no cost or substantially reduced cost due to low interest rate
  - Low interest loans available for land purchase or nonpoint source work
  - Local Community Loan – use funds to establish a local loan fund for citizens

Eugene Springfield Metropolitan Wastewater Management Commission
Riparian shading linked (financially) to treatment system improvements
Partnership with MWMC and The Freshwater Trust
OTHER STATE FUNDING SOURCES

• Clean Water Act Nonpoint Source Grants (§319)
  ✓ Generally < $30K
  ✓ Must have 9-key elements
    watershed plan and address
    priorities in RFP – contact DEQ
    Basin Coordinators
  ✓ Match required (40%)

• Supplemental Environmental Projects
  ✓ Respondents to DEQ compliance
    and enforcement orders
  ✓ SEP Option for up to 80% of
    monetary penalty to improve
    Oregon’s environment
MAKING CONNECTIONS

DWPP partners believe connecting Water Providers and Restoration Practitioners within municipal watersheds can result in:

• Improved water quality/protection
• Lower treatment costs
• Improved aquatic/riparian habitat/watershed health
MAKING CONNECTIONS

In 2014, Forest Service and Geos Institute explored developing a partnership uniting:

- **Water providers** wanting to improve their source watersheds (but lacking resources or capacity)
- **Restoration Practitioners** having the expertise and capacity to protect and restore watersheds
- **Land managers** managing land within surface water watersheds
- **Funding sources** available to protect and restore drinking water source watersheds.
Summer Tour 2014

- USFS and Geos visited Water Providers in the Cascade and Coast Ranges of Oregon to introduce the municipal watershed restoration concept
- Met with great support everywhere
- Followed up the first meeting with an introduction between water providers and local restoration practitioners
- We heard clearly from partners an overall funding source was needed
DWPP FORMED IN 2015

- CONNECTS RESTORATION PRACTITIONERS WITH MUNICIPAL WATERSHED MANAGERS
- ORGANIZES CLEAN DRINKING WATER WORKSHOPS
- OFFERS AN ANNUAL REGIONWIDE FUNDING SOURCE FOR RESTORATION IN MUNICIPAL WATERSHEDS
  - ANYONE IS ELIGIBLE FOR FUNDS
  - DISPERSAL OF STATE FUNDS RESTRICTED TO MUNICIPAL WATERSHED MANAGERS.
DRINKING WATER PROVIDERS
PARTNERSHIP GOALS

• RESTORE AND PROTECT THE HEALTH OF WATERSHEDS WHICH COMMUNITIES DEPEND UPON FOR DRINKING WATER.....

• ....WHILE ALSO BENEFITING AQUATIC AND RIPARIAN ECOSYSTEMS, INCLUDING THE NATIVE FISH THAT INHABIT THEM.

• SUPPORT LOCAL PARTNERSHIPS BETWEEN DOWNSTREAM DRINKING WATER PROVIDERS AND UPSTREAM LANDOWNERS AND RESTORATION PRACTITIONERS.
DWPP PROJECT TYPES

• Activities may include feasibility analyses, planning, design, outreach, education, and monitoring.

• Work should address water quality or quantity issues within a public drinking water system and should benefit native fish and their habitat.

• Proposed work should be identified in a recognized source water protection plan, restoration action plan, rare species recovery plan, or other publicly vetted prioritization document.
EXAMPLES OF ELIGIBLE PROJECTS

- CULVERT REMOVAL/REPLACEMENT WITH STREAMBED SIMULATION OR BRIDGES
- ROAD DRAINAGE IMPROVEMENTS TO ROUTE ROAD RUNOFF INTO VEGETATION INSTEAD OF STREAMS
- REMOVAL OF DAMS OR BREACHING/REMOVAL OF LEVEES AND TIDE GATES
- ROAD DECOMMISSIONING OR MODIFICATION/FINE SEDIMENT PREVENTION
- REESTABLISHING RIVER FLOW MEANDERS AND RESTORING STREAM COMPLEXITY AND ROUGHNESS.
- REDUCING PESTICIDE APPLICATION RATES AND LOADINGS.
- REFORESTATION OR REPLANTING IN SENSITIVE OR RIPARIAN AREAS
- INSTALLATION OF FENCING TO PROTECT SENSITIVE AREAS
- EDUCATIONAL OUTREACH PROJECTS EMPHASIZING WATERSHED RESOURCE CONSERVATION, INCLUDING FLYERS/BROCHURES AND SIGNS
- PLANNING FOR PURCHASE OF LANDS WITHIN THE DRINKING WATER SOURCE AREA
- PLANNING FOR THE PURCHASE OF WATER FOR INSTREAM FLOW PURPOSES
INCREASING PROJECTS AND BENEFITS

• STEADY INCREASE OF FUNDED PROJECTS
  • 11 PROJECTS IN 2016 ($660,000)
  • 12 PROJECTS IN 2017 ($688,000)
  • 14 PROJECTS IN 2018 ($519,000)
  • 14 PROJECTS IN 2019 ($522,000)

• THESE PROJECTS WILL BENEFIT:
  • COHO, CHINOOK, STEELHEAD, LAMPREY, BULL TROUT, CUTTHROAT TROUT, AND OTHER BIOTA
  • WATER RECREATIONISTS
  • EVERYONE RELYING ON THESE STREAMS AND RIVERS FOR THEIR DRINKING WATER
DWPP PROJECT LOCATIONS
GLIDE, OR

- **Problem**: Road sedimentation affecting the North Umpqua River (drinking water source for Glide).

- **Solution**: Identify highest risk locations and restore roads to reduce hydrologic risk. DWPP funds were used to survey/analyze situation, remove 8 crossdrain pipes; remove 4 fish passage barrier culverts at stream crossings, including 8,000 cubic yards of fill.
BAKER CITY, OR

• **Problem**: Baker City experienced a cryptosporidium outbreak in 2013 and identified cattle as a probable source. City is one of only 3 unfiltered sources in Oregon.

• **Solution**: Protect watershed from cattle grazing with exclosures.
LEAVENWORTH, WA

- **Problem**: Icicle Creek, town’s source water, is also an overly loved recreation destination impacting water quality. The stream also supports ESA listed Spring Chinook, steelhead and Bull Trout.

- **Solution**: Provide outreach messages to visitors and improve popular trails and camping areas within the watershed to decrease pollution.
CASHMERE, WA

- **Problem**: Mission Creek joins Wenatchee River, source water for Cashmere. A legacy road/trail is eroding into the stream.

- **Solution**: Re-route trail and restore floodplain for ESA listed steelhead & spring Chinook.

- DWPP funds will be used to develop alternatives for trail re-route, conceptual plan, baseline monitoring and community outreach.
MEDFORD, OR

- **Problem:** Medford area partners wanted to understand and prioritize restoration in their municipal watershed, Little Butte Creek.

- **Solution:** Under the leadership of The Freshwater Trust, they developed the Sediment Loss and Measurement Tool to prioritize actions.

- DWPP funds were used to fund the development and application of the tool.
CITY OF DALLAS, OREGON

- **Problem:** Fire, past flood responses, and land management in the upper Rickreall Creek watershed increased erosion and decreased instream wood, affecting water quality at Mercer Reservoir, the drinking water source for Dallas, Oregon.

- **Solution:** DWPP funds were used to air-lift 522 logs for 34 new instream structures placed in 2016. The strong partnership led to successful DEQ CWSRF loan for City of Dallas land acquisition in drinking water source area.
SUMMARY

- Public health issues can leverage water quality interest and implementation
- Additional funding may be available by collaborating with drinking water providers
- DWPP can help to identify partner, resource, and funding sources.
- GIS/mapping support available for communities and partners for restoration and protection.
For More Information:

**Drinking Water Providers Partnership:**
https://www.workingwatersgeos.org/drinking-water-providers-partnership
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**Oregon Department of Environmental Quality (DEQ) Drinking Water Protection Program**
https://www.oregon.gov/deq/wq/programs/Pages/dwp.aspx
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