EPA Clean Water Programs and Partnerships for Land Protection



Monday, December 16, 1:00pm - 3:00pm Eastern

Speakers:

- Steve Epting, National Nonpoint Source Program, U.S. EPA
- · Alison Souders, Clean Water State Revolving Fund, U.S. EPA
- Kira Jacobs, Source Water Protection Program, U.S. EPA Region 1 (New England)
- · Jesse Boorman-Padgett, Water Data Integration Branch, U.S. EPA

Watershed Academy Webinar

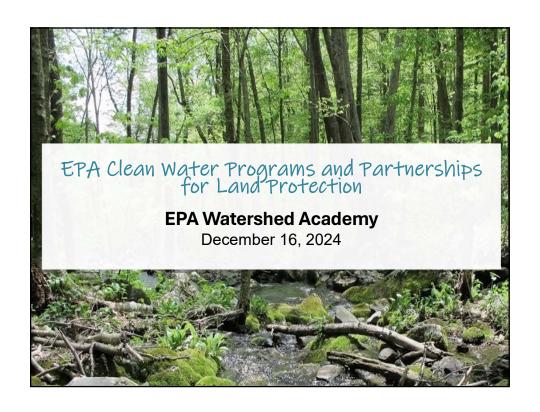
- The slides for today's presentations will be posted on the Watershed Academy webpage.
- A recording of the webinar will be posted within the next month.

www.epa.gov/watershedacademy

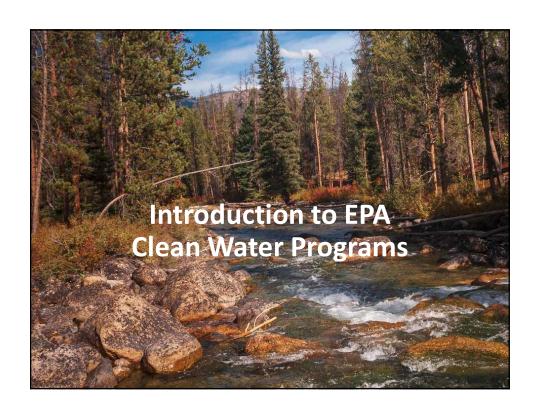
Webinar Logistics

- To Ask a Question Type your question into the "Questions" tool box on the right side of your screen and click "Send."
- To Report any Technical Issues (such as audio problems) – Type your issue in the "Questions" tool box on the right side of your screen and click "Send" and we will respond by posting an answer in the "Questions" box.

Audience Polling







Definitions To Guide Today's Discussion

Clean Water Programs

Focus on protecting and restoring waters to achieve public health & environmental goals.

*May serve as funders, partners, etc.

Planning

Organization/Program-Level: e.g., Land Trust Strategic Plan; State Water Program Plan.

Watershed/Waterbody-Specific: e.g., Watershed-Based Plans; Total Maximum Daily Loads; Source Water Protection Plans

Water Quality

Measured by instream pollutant concentrations or other quantitative indicators

Protection: Actions to remove threats to maintain healthy waters

Restoration: Actions to return natural/historic functions to degraded waters

Protection

Land Protection: Permanent protection of lands via fee purchase or easements.

Watershed Protection: Suite of mgmt activities to achieve watershed-level goals.

Clean Water Programs

Focus on protecting and restoring waters to achieve public health & environmental protection goals. Includes both regulatory (e.g., permitting) and non-regulatory (e.g., grants) programs

- Clean Water Act (CWA): Focuses on restoring and maintaining the chemical, physical, and biological integrity of the nation's waters so they can support the "protection and propagation of fish, shellfish, and wildlife."
- Safe Drinking Water Act (SDWA): Regulates drinking water quality and protects drinking water sources.

Each state manages the following Clean Water Act & Safe Drinking Water Act Funding Programs (among others):

- Clean Water Act Section 319
 Nonpoint Source Program [®]
- State Revolving Funds
- Source Water Protection

 $\hbox{*Land protection eligibility/priority varies by state}.$



12 EPA Geographic Programs



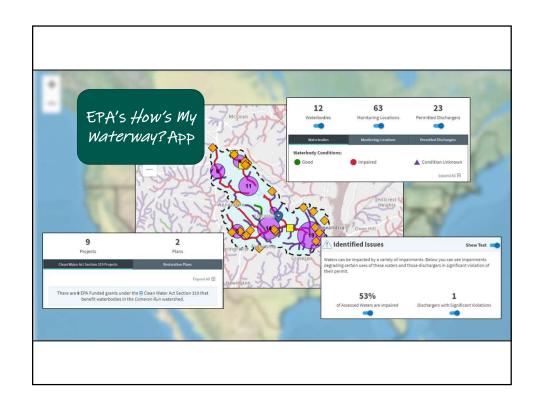
- Columbia River Basin
- Lake Pontchartrain
- Chesapeake Bay
- Lake Champlain
- Great Lakes Restoration Initiative Long Island Sound
- · Gulf of Mexico
- · Pacific Northwest
- Puget Sound
- San Francisco Bay
- South Florida
- Southeast New England Program (SNEP)

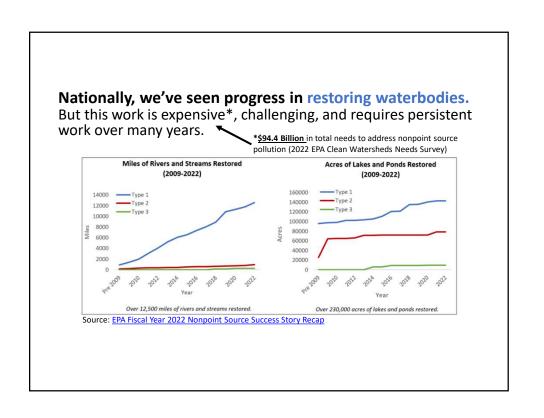
Other EPA Place-Based Programs

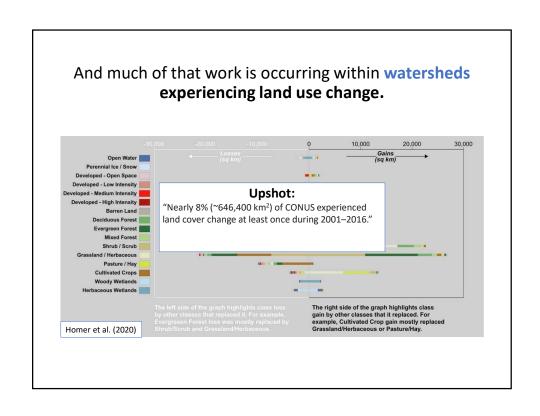
- National Estuary Program (NEP)
- Urban Waters Federal Partnership Program
- Gulf Hypoxia Program
- Everglades
- Deep Water Horizon Oil Spill Restoration

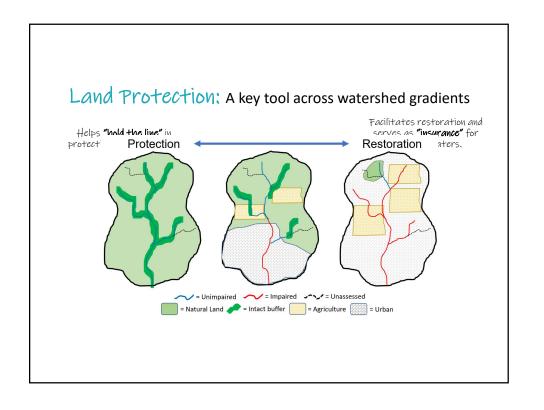


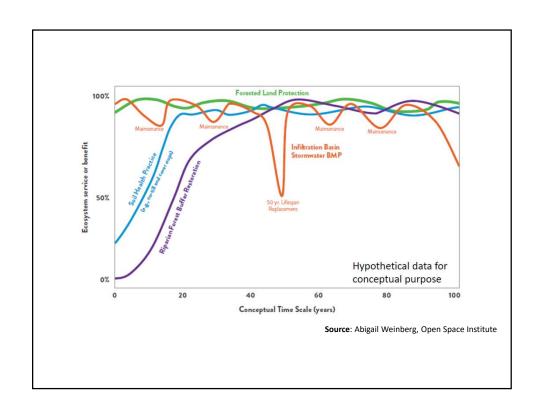


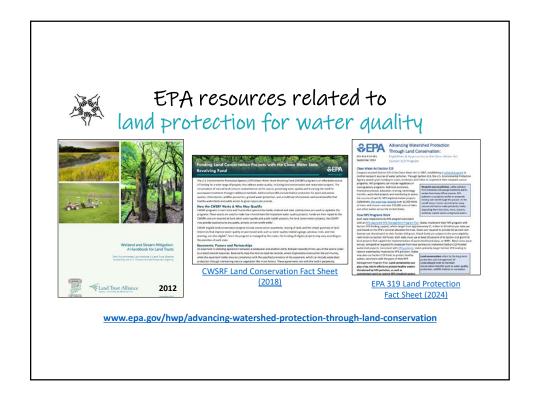


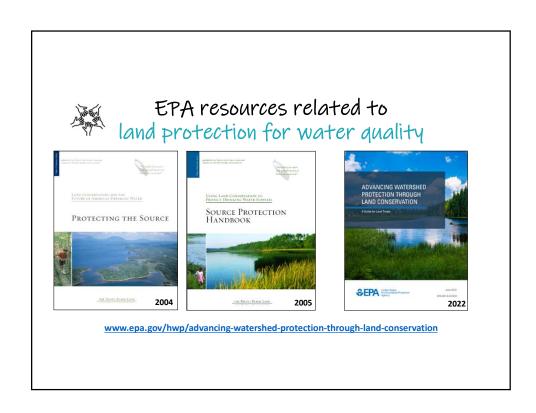




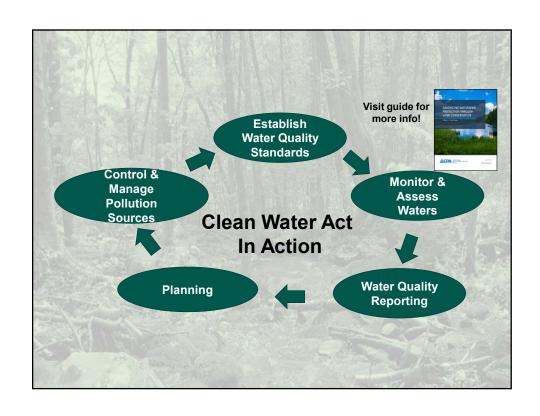


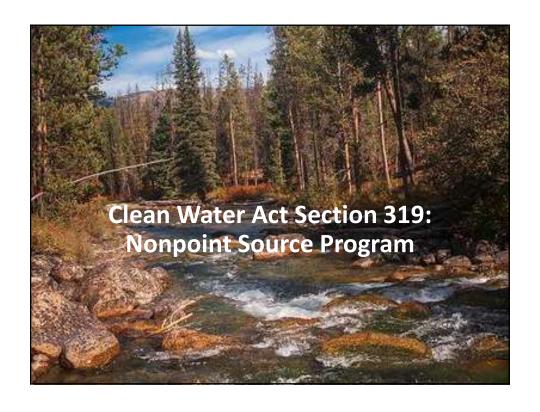


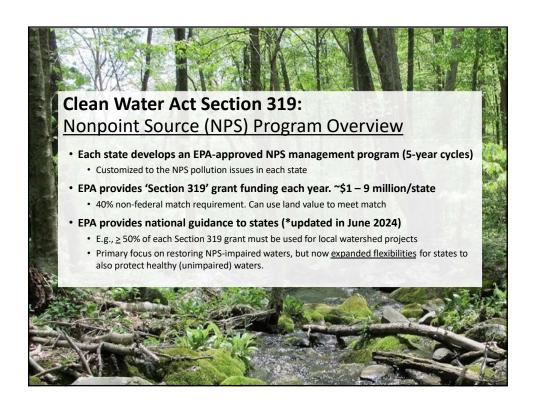


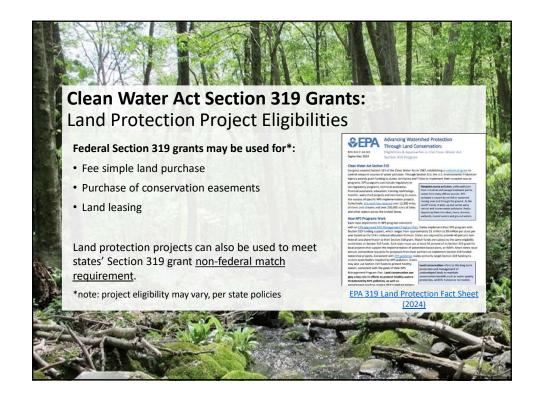


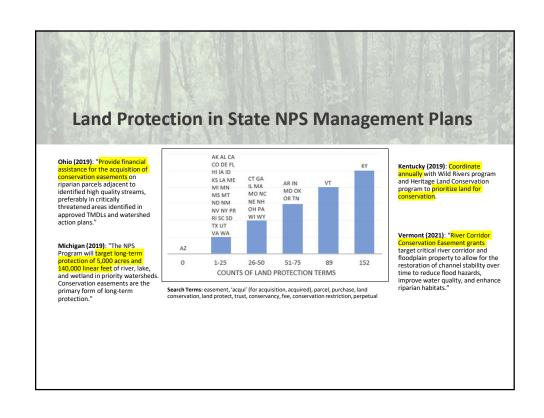


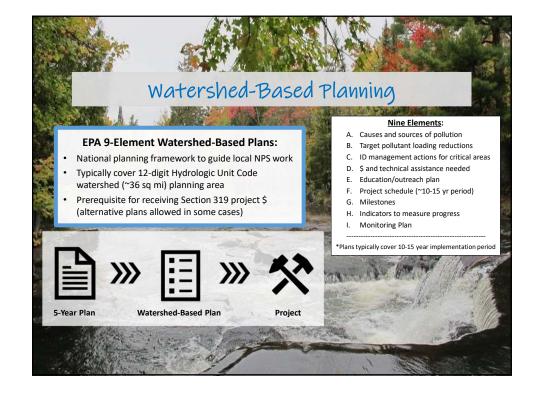












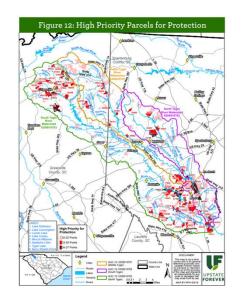
Watershed Based Plan for the South, Middle, and North Tyger Subwatersheds (2018)

Upstate Forever (South Carolina)

Land protection prioritization criteria:

- In critical watershed area?
- Stream order (headwaters = more points)
- Intersects high-quality designated stream?
- In highly sensitive riparian buffer area?
- And others...

*Upstate Forever partnered with a local university for technical support.



Tyger River Watersheds Projects

(South Carolina, 2018 + 2021 grants)

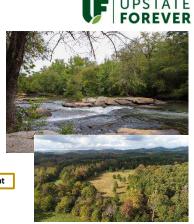
\$1.3M project (\$773K in 319 funds + \$587K in match) that supported costs associated with:

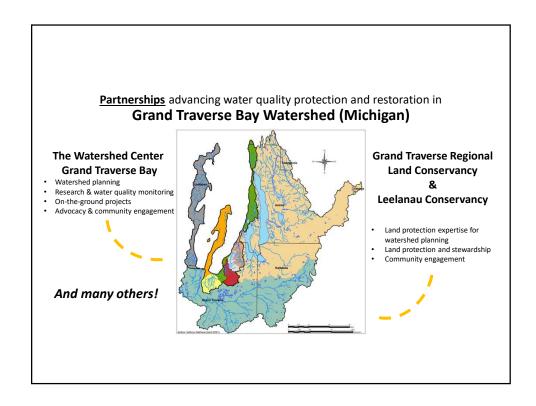
- 451-acres total in conservation easements
- Other restoration work (septic repair, streambank stabilization, etc.)

Annual pollutant loads prevented as a result of conserved lands:

1,309 lbs Nitrogen 122 lbs of Phosphorus 30.2 tons Sediment

Images provided by Upstate Forever. Top: Tyger River confluence frontage included in conservation easements. Bottom: Aerial image of farm property included in conservation easements.





Skegemog and Petobego Preservation Project

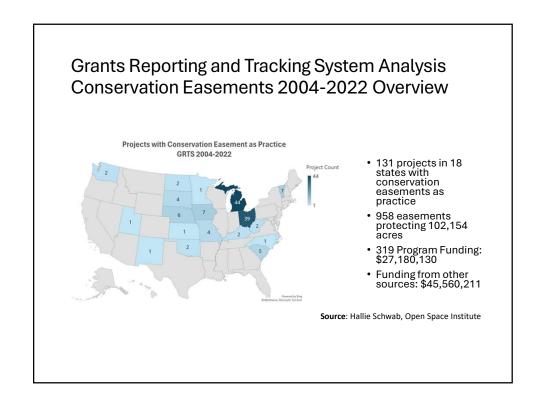
(Michigan, 2019)

- 192-acre conservation easement with 900' of frontage to Lake Skegemog and 1,400' of tributary frontage.
- \$1.8M project: \$550K state funds; \$950K private donations/fundraising; \$335K donated parcel value.

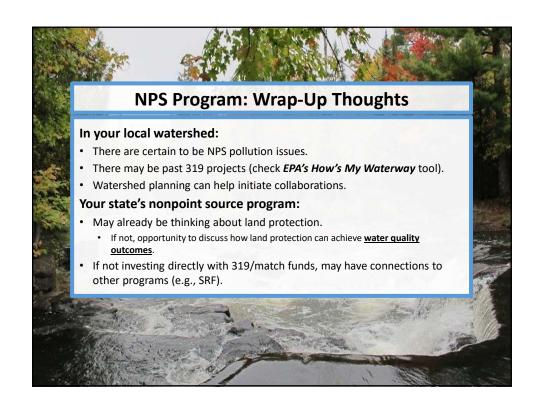




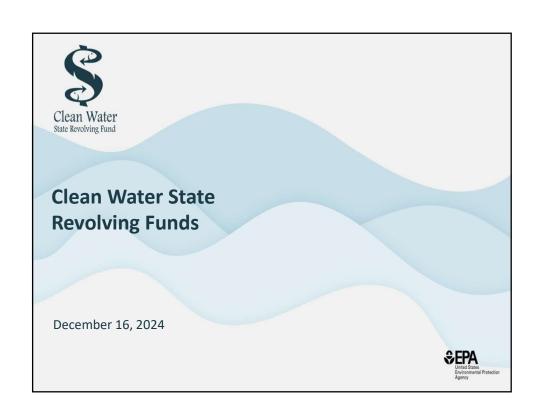




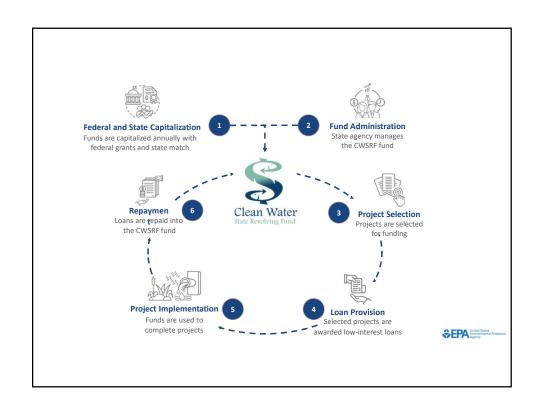












CWSRF Assistance Types

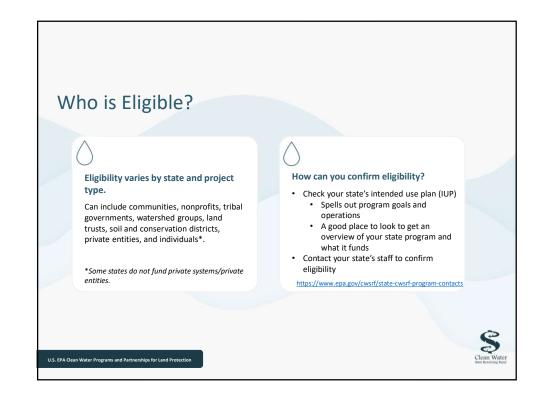
- At or below market interest rate loans
 - Terms up to 30 years or the useful life of the project (whichever is less)
- · Buy or refinance local debt
- Guarantee or purchase of bond insurance for local debt obligations
- Additional subsidization (e.g., loan principal forgiveness)



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What types of projects are eligible? • Centralized and decentralized wastewater treatment • Stormwater management • Implementation of 319 Nonpoint Source Management Plan and 320 National Estuary Program Activities • And more... Operations and Maintenance expenses are not eligible for CWSRF assistance. A full list of CWSRF eligibilities can be found and downloaded at: https://www.epa.gov/cwsrf/overview-clean-water-state-revolving-fund-eligibilities





What are the benefits of using the CWSRF to finance a project?



Versatile and reliable funding

- · Wide range of project sizes
- Covers up to 100% of total project costs
- Can be used as grant match
- Many co-funding opportunities available
- Funds project development and planning
- Can be used as interim financing
- Multiple forms of assistanceTechnical assistance available



Attractive terms

- Terms up to 30 years or project useful life
- Below market interest rates as low as 0%
- Sculpted debt service options available
- Loan forgiveness and grants available
- · Deferred payments of principal and interest
- Repayment starts one year after project completion
- Many possible revenue sources for loan repayments



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Flexible Repayment Options

Identifying a repayment source can be challenging for watershed and land conservation projects...

- Usage based wastewater bill charges
- Special assessments
- · Timber harvest revenues
- Environmental credits
- Stormwater district fees
- Nonprofit membership fees
- Home-owner association fees
- For profit company revenue
- Property tax revenue
- · Hunting license fees



This generates revenue



This generally doesn't

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- Co-Funding
- Grant Match
- Sponsorship Financing
- Programmatic Financing
- State Incentives
- Linked Deposit
- Pass-Through Lending



 $\underline{https://www.epa.gov/cwsrf/clean-water-state-revolving-fund-cwsrf-nontraditional-financing}$

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The Sponsorship Lending Model:

How it Works

- A typical sponsor would be a wastewater utility willing to fund a nonpoint source project that costs significantly less.
- CWSRF can finance both the POTW project and the NPS project in one loan and offer an incentive rate. To the sponsored project, the financing feels like a grant.

	Loan Amount	Interest Rate	Total Repayment Over 20 Years
CWSRF Loan	\$1,000,000	3.8%	\$1,463,707
CWSRF Loan w/ Sponsored Project	\$1,393,442	0.3%	\$1,463,707





 $\underline{\text{https://www.epa.gov/cwsrf/sponsorship-lending-and-clean-water-state-revolving-fund}}$

Ohio's Water Resource Restoration Sponsorship Program (WRRSP) Medina Marsh Land Conservation Project





CWSRF can finance both a wastewater treatment works project and a nonpoint source project in one loan and offer an incentive rate. To the sponsored project, the financing feels like a grant.

Northeast Ohio Regional Sewer District (NEOSD) received 0.06% discount on standard rate in exchange for sponsoring land protection

- Sponsored acquisition of 87-acre Medina Marsh with partners
 Western Reserve Land Conservancy and Medina County Park District
- Protects 1,450 linear feet of floodplain and forested buffer along the Rocky River, 32 acres of high-quality wetlands, and various habitats

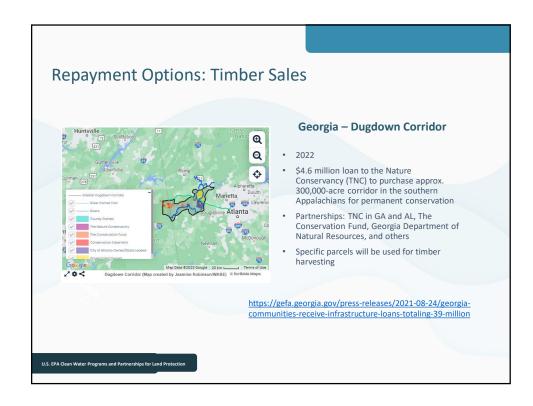
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Common Challenges to Using CWSRFs

- Finding ways to pay back the loan (repayment options)
- Timing issues quick sale of available properties is out-ofsync with the loan funding application/payment cycle
- Eligibility constraints
- Application does not score high enough

Siclean Water

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Washington – Mashel River Protection Project 2019 S14.2 million CWSRF loan to the Nisqually Tribe to conserve 1,240 acres of land along the North Fork of Busy Wild Creek Grant funding (Community Forest program, Streamflow Restoration program) was also used. Sustainable forest management - local logging crews send the logs to local mills. After one land acquisition fell through, the funding remained available for the tribe to make other land purchases www.epa.gov/system/files/documents/2024-09/mashel-river-protection-project cwsrf-case-study.pdf

Utilizing Partnerships



Photo Credit: The Nature Conservancy

Virginia Clinch Highlands Conservation Easement

- Largest open space easement ever recorded in the Commonwealth
 - 22,856 acres protected in perpetuity
- \$20,125,000 loan from VA CWSRF at 3% interest rate
- 20-year loan term
- Partnership between Nature Conservancy, VA Dept. of Forestry, and VA Dept. Environmental Quality

 $\frac{www.epa.gov/system/files/documents/2024-08/clinch-river-valley-land-conservation-cwsrf-case-study.pdf$

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Utilize Partnerships & Check for Eligibility Updates

- Some states do not allow nonprofits to receive CWSRF loans - encouraging the development of partnerships with public entities (e.g., water utilities, municipalities, local government units) that can serve as the loan borrower
- Vermont and Maryland recent legislative changes to allow for expanded eligibilities and borrowers



Maryland the Beautiful Act – signed into law on May 8, 2023

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Application Competition Strategies

- Recognize that there are competing interests for SRF funding (again, be familiar with state priorities and ensure your project aligns with those)
- Projects <u>may</u> score higher if they:
 - demonstrate connection to waterbody (more advantageous is the waterbody runs through the parcel as opposed to one where the waterbody is not fully integrated);
 - demonstrate they will be effective at addressing water quality impairment (consider the upfront value of protection versus long-term restoration);
 - are parcels within priority watersheds;
 - · are larger parcels;
 - leverage partnerships (e.g., municipalities, counties, tribes, conservation districts)
 - build trust through relationships with different agencies/departments in the state who administer these funds
 - have sources of revenue and collateral or additional sources of funding (check with other state agencies)

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Engage in Early Communication/Preparation

- Communicate early with your state SRF (e.g., application deadlines, funding cycles, state priorities)
- Prepare as much as you can ahead of time (e.g., background property info.)

"I found a lot of efficiencies by working with [CWSRF] staff, which helped to identify what exact information was needed to take each step and kept things moving."

-SRF Borrower, 2021 SRF Focus Group



https://www.epa.gov/cwsrf/state-cwsrf-program-contacts

Class

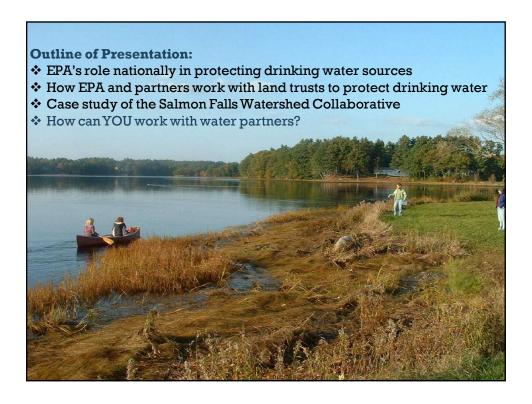
J.S. EPA Clean Water Programs and Partnerships for Land Protectio

Additional Resources			
Overview of CWSRF Eligibilities	https://www.epa.gov/cwsrf/overview-clean-water-state- revolving-fund-eligibilities		
CWSRF Webinars	https://www.epa.gov/cwsrf/cwsrf-webinars		
CWSRF Fact Sheets	https://www.epa.gov/cwsrf/clean-water-state-revolving-fund- cwsrf-factsheets		
State CWSRF Websites	https://www.epa.gov/cwsrf/state-cwsrf-program-contacts		
Financing Options for Nontraditional Eligibilities	https://www.epa.gov/cwsrf/clean-water-state-revolving-fund- cwsrf-nontraditional-financing		
Sponsorship Lending and the CWSRF	https://www.epa.gov/cwsrf/sponsorship-lending-and-clean- water-state-revolving-fund		
Creating Watershed Financing Partnerships with the CWSRF	https://www.epa.gov/system/files/documents/2024- 05/watershed-financing-partnerships.pdf		
CWSRF Best Practices Guide for Financing Nonpoint Source Solutions	https://www.epa.gov/system/files/documents/2021- 12/cwsrf-nps-best-practices-guide.pdf		
CWSRF Project Case Studies	https://www.epa.gov/cwsrf/clean-water-state-revolving-fund-projects		

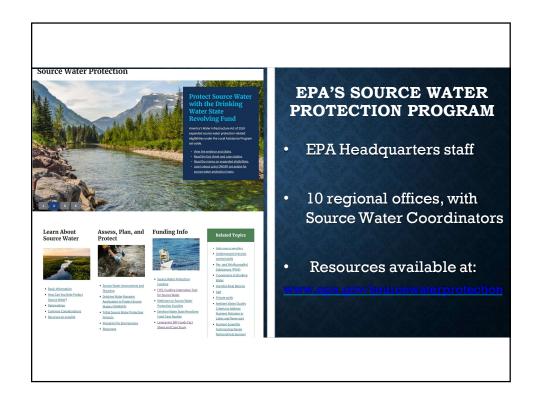


LAND CONSERVATION & DRINKING WATER PROTECTION Innovative approaches to incorporating land conservation into source water protection















Established in 2022 by EPA, U.S. Forest Service (funder) and grant recipient, National Association of Conservation Districts (NACD)

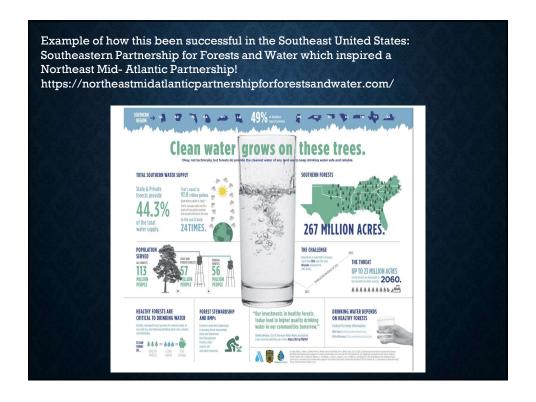
 $\underline{www.northeastmidatlantic partnership for forests and water.com}$

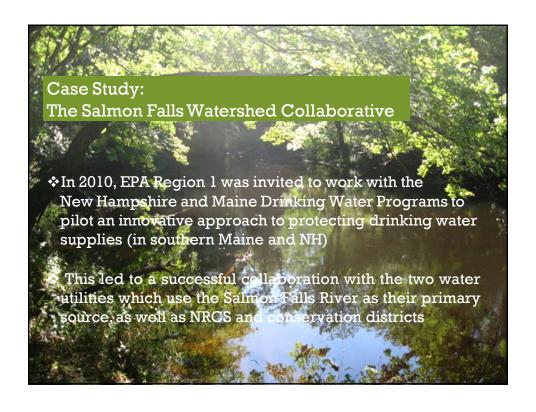


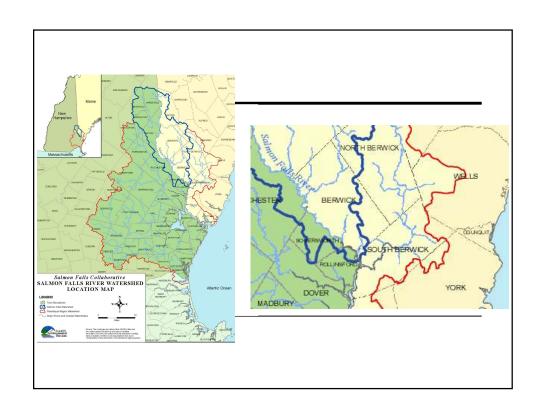


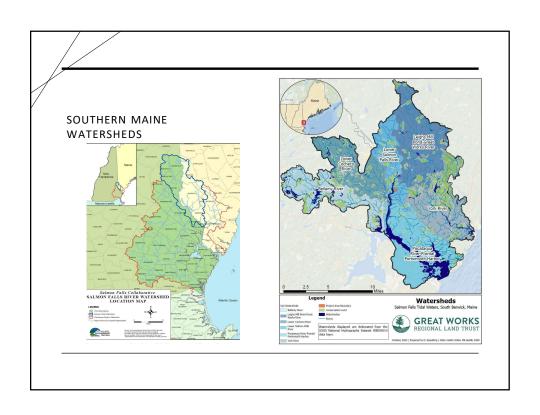


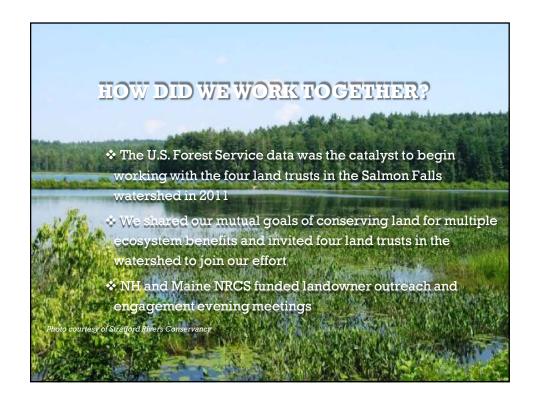








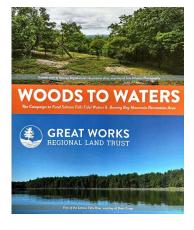


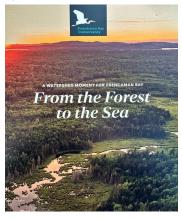




AND TRUST PARTNER IN THE SALMON FALLS WATERSHED ON THE MAINE SIDE OF THE RIVER:

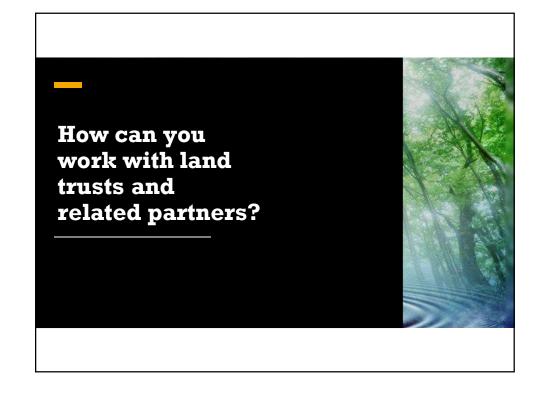
GREAT WORKS REGIONAL LAND TRUST (GWLRT) SLIDES PROVIDED BY GWRLT















Participation Certificate

• If you would like to obtain a participation certificate you can access the PDF in the **Handouts** section of your control panel.

Questions?

Watershed Academy Webinars

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