

## **Potential Funding Sources for Watershed Protection Planning Implementation**

### **Federal**

- EQIP- Environmental Quality Incentives Program (NRCS)
- WRP- Wetlands Reserve Program (NRCS)
- WHIP- Wildlife Habitat Incentives Program
- CRP- Conservation Reserve Program (NRCS)
- CSP- Conservation Security Program (NRCS)
- GLCI- Grazing Lands Conservation Initiative (NRCS)
- FRPP- Farm and Ranch Protection Program (NRCS)
- AWEP- Agricultural Water Enhancement Program (NRCS)
- Targeted Watersheds Grant Program (EPA)
- Section 319(h) Federal Clean Water Act (EPA)
- Section 104(b) Programs (EPA)

### **State**

- Water Infrastructure Fund Loan Program (TWDB)
- Rural Water Assistance Fund Program (RWAFF) (TWDB)
- Economically Distressed Area Program (TWDB)
- Clean Water Act State Revolving Fund (TWDB)
- Regional Water Supply and Wastewater Facility Planning Program (TWDB)
- Section 106 State Water Pollution Control Grants (TCEQ)
- Supplemental Environmental Project Program (SEP) (TCEQ)
- Texas Clean Rivers Program (TCEQ)
- Section 319(h) Federal Clean Water Act (TCEQ) (TSSWCB)

### **Local**

- County Funding
- Municipality Funding
- Rate increase for water/ wastewater customers

### **Private**

- Corporate Partnerships
- Civic Groups
- Tarrant Regional Water District

## **EQIP- Environmental Quality Incentives Program (NRCS)**

The Environmental Quality Incentives Program (EQIP) was reauthorized in the Farm Security and Rural Investment Act of 2002 (Farm Bill) to provide a voluntary conservation program for farmers and ranchers that promotes agricultural production and environmental quality as compatible national goals. EQIP offers financial and technical help to assist eligible participants install or implement structural and management practices on eligible agricultural land.

EQIP offers contracts with a minimum term that ends one year after the implementation of the last scheduled practices and a maximum term of ten years. These contracts provide incentive payments and cost-shares to implement conservation practices. Persons who are engaged in livestock or agricultural production on eligible land may participate in the EQIP program. EQIP activities are carried out according to an environmental quality incentives program plan of operations developed in conjunction with the producer that identifies the appropriate conservation practice or practices to address the resource concerns. The practices are subject to NRCS technical standards adapted for local conditions.

EQIP may cost-share up to 75 percent of the costs of certain conservation practices. Incentive payments may be provided for up to three years to encourage producers to carry out management practices they may not otherwise use without the incentive. However, limited resource producers and beginning farmers and ranchers may be eligible for cost-shares up to 90 percent. Farmers and ranchers may elect to use a certified third-party provider for technical assistance. An individual or entity may not receive, directly or indirectly, cost-share or incentive payments that, in the aggregate, exceed \$450,000 for all EQIP contracts entered during the term of the Farm Bill.

<http://www.nrcs.usda.gov/PROGRAMS/EQIP/>

## **WRP- Wetlands Reserve Program (NRCS)**

The Wetlands Reserve Program is a voluntary program offering landowners the opportunity to protect, restore, and enhance wetlands on their property. The USDA Natural Resources Conservation Service (NRCS) provides technical and financial support to help landowners with their wetland restoration efforts. The NRCS goal is to achieve the greatest wetland functions and values, along with optimum wildlife habitat, on every acre enrolled in the program. This program offers landowners an opportunity to establish long-term conservation and wildlife practices and protection.

<http://www.nrcs.usda.gov/Programs/WRP/>

## **WHIP- Wildlife Habitat Incentives Program**

The Wildlife Habitat Incentives Program (WHIP) is a voluntary program for people who want to develop and improve wildlife habitat primarily on private land. Through WHIP USDA's Natural Resources Conservation Service provides both technical assistance and up to 75 percent cost-share assistance to establish and improve fish and wildlife habitat. WHIP agreements between NRCS and the participant generally last from 5 to 10 years from the date the agreement is signed.

WHIP has proven to be a highly effective and widely accepted program across the country. By targeting wildlife habitat projects on all lands and aquatic areas, WHIP provides assistance to conservation minded landowners.

The Farm Security and Rural Investment Act of 2002 reauthorized WHIP as a voluntary approach to improving wildlife habitat in our Nation. Program administration of WHIP is provided under the Natural Resources Conservation Service.

<http://www.nrcs.usda.gov/programs/whip/>

## **CRP- Conservation Reserve Program (NRCS)**

The Conservation Reserve Program (CRP) provides technical and financial assistance to eligible farmers and ranchers to address soil, water, and related natural resource concerns on their lands in an environmentally beneficial and cost-effective manner. The program provides assistance to farmers and ranchers in complying with Federal, State, and tribal environmental laws, and encourages environmental enhancement. The program is funded through the Commodity Credit Corporation (CCC). CRP is administered by the Farm Service Agency, with NRCS providing technical land eligibility determinations, conservation planning and practice implementation.

The Conservation Reserve Program reduces soil erosion, protects the Nation's ability to produce food and fiber, reduces sedimentation in streams and lakes, improves water quality, establishes wildlife habitat, and enhances forest and wetland resources. It encourages farmers to convert highly erodible cropland or other environmentally sensitive acreage to vegetative cover, such as tame or native grasses, wildlife plantings, trees, filterstrips, or riparian buffers. Farmers receive an annual rental payment for the term of the multi-year contract. Cost sharing is provided to establish the vegetative cover practices.

<http://www.nrcs.usda.gov/programs/CRP/>

## **CSP- Conservation Security Program (NRCS)**

CSP is a voluntary program that provides financial and technical assistance to promote the conservation and improvement of soil, water, air, energy, plant and animal life, and other conservation purposes on Tribal and private working lands. Working lands include cropland, grassland, prairie land, improved pasture, and range land, as well as forested land that is an incidental part of an agriculture operation. The program is available in all 50 States, the Caribbean Area and the Pacific Basin area. The program provides equitable access to benefits to all producers, regardless of size of operation, crops produced, or geographic location.

The Farm Security and Rural Investment Act of 2002 (2002 Farm Bill) (Pub. L. 107-171) amended the Food Security Act of 1985 to authorize the program. CSP is administered by USDA's Natural Resources Conservation Service (NRCS).

<http://www.nrcs.usda.gov/programs/CSP/>

## **GLCI- Grazing Lands Conservation Initiative (NRCS)**

The Grazing Land Conservation Initiative (GLCI) is a nationwide collaborative process of individuals and organizations working to maintain and improve the management, productivity, and health of the Nation's privately owned grazing land. This process has formed coalitions that represent the grass root concerns that impact private grazing land. The coalitions actively seek sources to increase technical assistance and public awareness activities that maintain or enhance grazing land resources.

Private grazing land in the United States has provided many products and benefits to their owners and to society for over 200 years. Historical use of these lands occurred without the benefit of grazing land science, as we know it today. Today there are more potential conflicts than ever before on private grazing lands within the United States. Demands by landowners and society for grazing land benefits, values, and products are increasing. Private landowners require a solid economic business.

Society benefits from an available supply of food and fiber; clean air, healthy wildlife populations and habitat; improved fisheries and aquatic systems; and healthy riparian areas. These lands provide opportunities for improved nutrient management from land application of animal manure and other by-product nutrient sources, reduces soil erosion from wind and water, reduces potential for flooding, less sediment in streams and reservoirs, and has a major impact on economic and social stability in rural communities.

Owners of private grazing lands must continue to recognize conservation problems and opportunities and receive sound voluntary technical assistance to improve their grazing land resource to meet ecological and economic demands.

<http://www.nrcs.usda.gov/programs/glci/>

## **FRPP- Farm and Ranch Protection Program (NRCS)**

The Farm and Ranch Land Protection Program (FRPP) provides matching funds to help purchase development rights to keep productive farm and ranchland in agricultural uses. Working through existing programs, USDA partners with State, tribal, or local governments and non-governmental organizations to acquire conservation easements or other interests in land from landowners. USDA provides up to 50 percent of the fair market easement value of the conservation easement.

To qualify, farmland must: be part of a pending offer from a State, tribe, or local farmland protection program; be privately owned; have a conservation plan for highly erodible land; be large enough to sustain agricultural production; be accessible to markets for what the land produces; have adequate infrastructure and agricultural support services; and have surrounding parcels of land that can support long-term agricultural production. Depending on funding availability, proposals must be submitted by the eligible entities to the appropriate NRCS State Office during the application window.

<http://www.nrcs.usda.gov/programs/frpp/>

## **AWEP-Agricultural Water Enhancement Program (NRCS)**

The Agricultural Water Enhancement Program (AWEP) is a voluntary conservation initiative that enables the use of the [Environmental Quality Incentives Program \(EQIP\)](#) along with resources of eligible partners to provide financial and technical assistance to owners and operators of agricultural lands.

Eligible producers who participate in a project area identified in an approved partner agreement, and have an active application EQIP program application, may be approved for assistance.

Under AWEP, the Natural Resources Conservation Service (NRCS) enters into partnership agreements with eligible entities that want to promote ground and surface water conservation or improve water quality on agricultural lands. The Secretary of Agriculture has delegated the authority for AWEP to the NRCS Chief.

During fiscal year 2009, NRCS will make Environmental Quality Incentives Program (EQIP) funds to owners and operators of agricultural lands who participate in approved AWEP project areas.

As authorized by Congress, this is not a grant program to eligible partners. This is a program whereby approved, eligible partners will enter into multi-year agreements with NRCS to promote ground and surface water conservation, or improve water quality on eligible agricultural lands.

The intent of AWEP is for the Federal government to leverage investment in natural resources conservation along with services and resources of other eligible partners.

Eligible partners include, but are not limited to: 1) Federally recognized Indian Tribes, 2) States, 3) units of local government, 4) agricultural or silvicultural associations or other groups of such producers such as: an irrigation association and agricultural land trust, 5) or other nongovernmental organization experience working with agricultural producers.

<http://www.nrcs.usda.gov/programs/awep/>

### **Targeted Watersheds Grant Program (EPA)**

Established in 2003, the Targeted Watersheds Grant program is designed to encourage successful community-based approaches and management techniques to protect and restore the nation's watersheds.

Implementation Grant projects that have been funded thus far focus on a broad array of methods for addressing watershed concerns including water quality trading, agricultural best management practices, wetland and riparian restoration, nutrient management, fish habitat restoration and public outreach and education. Each watershed organization involves a broad array of stakeholders and members including those from academia, local and state governments, tribes and non-profit organizations.

<http://www.epa.gov/twg/>

### **Section 319(h) Federal Clean Water Act (EPA) to TCEQ and TSSWCB**

Congress amended the Clean Water Act (CWA) in 1987 to establish the section 319 Nonpoint Source Management Program because it recognized the need for greater federal leadership to help focus State and local nonpoint source efforts. Under section 319, State, Territories, and Indian Tribes receive grant money which support a wide variety of activities including technical assistance, financial assistance, education, training, technology transfer, demonstration projects, and monitoring to assess the success of specific nonpoint source implementation projects.

<http://www.epa.gov/nps/cwact.html>

<http://www.tceq.state.tx.us/compliance/monitoring/nps/grants/grant-pgm.html>

<http://www.tsswcb.state.tx.us/en/managementprogram>

## **Section 104(b) Programs (EPA) (TCEQ)**

Under the authority of Section 104(b)(3) of the Clean Water Act, EPA makes grants to state water pollution control agencies, interstate agencies, municipalities, Indian tribes and other nonprofit institutions to promote the prevention, reduction and elimination of pollution. Further, the Clean Water Action Plan (CWAP), released in February 1998, presents a broad vision of watershed protection, and includes a new, cooperative approach to restoring and protecting water quality. The CWAP asks state, federal, tribal, and local governments to work with stakeholders and interested citizens to: 1) identify watersheds with the most critical water quality problems, and 2) work together to focus resources and implement effective strategies to solve these problems. Priority consideration is being given to implementing the CWAP and project covering watersheds, and activities addressing stormwater, combined sewer overflows, mining, on-site systems, and animal feeding operations

Section 104(b)(3) funds are to be used to focus on innovative demonstration and special projects. Among the efforts eligible for funding are research, investigations, experiments, training, environmental technology demonstrations, surveys, and studies related to the causes, effects, extent and prevention of pollution. These activities or projects could fall under one of the following 104(b)(3) funding categories as indicated in guidance to the regions.

<http://www.epa.gov/owm/mab/indian/sec104.htm>

## **STATE FUNDING**

### **Water Infrastructure Fund Loan Program (TWDB)**

Financial assistance for the planning, design and construction of State Water Plan projects may be obtained from the Water Infrastructure Fund (WIF). The 80th Texas Legislature (2007) appropriated funding to enable issuance of \$440 million in bonds for WIF to fund water plan projects through the current biennium. This amount is estimated to meet a portion of the water supply needs identified in the 2007 State Water Plan through 2020. Additional funds will be needed to meet the additional water supply needs through the 2060 planning horizon.

[http://www.twdb.state.tx.us/assistance/financial/fin\\_infrastructure/WIF.asp](http://www.twdb.state.tx.us/assistance/financial/fin_infrastructure/WIF.asp)

### **Rural Water Assistance Fund Program (RWF) (TWDB)**

The Texas Water Development Board (TWDB) administers the Rural Water Assistance Fund (RWF), created in 2001 by the 77th Texas Legislature. The RWF program is designed to assist small rural water utilities to obtain low cost financing for water or water-related projects. The TWDB offers attractive interest rate loans with short and long-term finance options at tax exempt rates. Funding through this program gives an added benefit to Nonprofit Water Supply Corporations by making construction purchases qualify for a sales tax exemption.

[http://www.twdb.state.tx.us/assistance/financial/fin\\_infrastructure/RWF.asp](http://www.twdb.state.tx.us/assistance/financial/fin_infrastructure/RWF.asp)

### **Economically Distressed Area Program (TWDB)**

Established in 1989 by the 71st Texas Legislature the Economically Distressed Area Program provides grants, loans, or a combination grant/loan when requirements are met: for water and wastewater services; in economically distressed areas; and present facilities are inadequate to meet residents' minimal needs. The program does not fund ongoing operation and maintenance expenses. The EDAP applicant is responsible for operation and maintenance of the system but does provides funding for facility plans that evaluate the eligibility of the service area; identify existing utility systems needs, and evaluate cost-effective alternatives to meet the identified needs.

[http://www.twdb.state.tx.us/assistance/financial/fin\\_infrastructure/edapfund.asp](http://www.twdb.state.tx.us/assistance/financial/fin_infrastructure/edapfund.asp)



### **Clean Water Act State Revolving Fund (TWDB)**

The CWSRF offers fixed and variable rate loans at subsidized interest rates. The maximum repayment period for a CWSRF loan is 20 years from the completion of project construction. A cost-recovery loan origination charge of 1.85% is imposed to cover administrative costs of operating the CWSRF. Applicants have the option to finance the origination charge in their loan or to pay it at closing. An additional interest rate subsidy is offered to those financing the origination charge. Total loan amounts are limited to \$75,000,000 for the first nine months of the fiscal year.

[http://www.twdb.state.tx.us/assistance/financial/fin\\_infrastructure/cwsrffund.asp](http://www.twdb.state.tx.us/assistance/financial/fin_infrastructure/cwsrffund.asp)

### **Regional Water Supply and Wastewater Facility Planning Program (TWDB)**

The Texas Water Development Board offers grants to political subdivisions of the State of Texas for studies and analyses to evaluate and determine the most feasible alternatives to meet regional water supply and wastewater facility needs, estimate the costs associated with implementing feasible regional water supply and wastewater facility alternatives, and identify institutional arrangements to provide regional water supply and wastewater services for areas in Texas.

The proposed planning must be regional in nature by inclusion of more than one service area or more than one political subdivision. All proposed solutions must be consistent with applicable regional or statewide plans and relevant laws and regulations.

Development of a water conservation plan must be included as a specific task in the scope of work for proposed planning areas without a Board approved water conservation plan. Texas Water Development Board population and demand projections, must be used to determine future needs in the planning process unless adequate justification is provided for using projections other than the Texas Water Development Board's.

Financing of the program is through the TWDB's Research and Planning Fund.

Eligible entities include: Political subdivisions of the State of Texas with the legal authority to plan, develop, and operate regional facilities are eligible applicants for regional water supply and wastewater planning grants. Political subdivisions include cities, counties, districts or authorities created under the Texas Constitution, Article III, Section 52, or Article XVI, Section 59; any other political subdivision of the State; any interstate compact commission to which the State is a party; and any nonprofit water supply corporation created and operating under Texas Civil Statutes Article 1434a.

[http://www.twdb.state.tx.us/assistance/financial/fin\\_regionalfacilityplan/regionalplanning.asp](http://www.twdb.state.tx.us/assistance/financial/fin_regionalfacilityplan/regionalplanning.asp)

## **Supplemental Environmental Project (SEP) (TECQ)**

A Supplemental Environmental Project is a means for directing fines, fees, and penalties for environmental violations toward environmentally beneficial uses. Through a SEP, a respondent in an enforcement matter can choose to invest penalty dollars in improving the environment, rather than paying into the Texas General Revenue Fund.

<http://www.tceq.state.tx.us/legal/sep/>

## **Texas Clean Rivers Program (TCEQ)**

In 1991 the Texas Legislature passed the Texas Clean Rivers Act in response to growing concerns that water resource issues were not being addressed in a holistic manner. This legislation requires that water quality assessments be conducted for each river basin in Texas using an approach that integrates water quality issues within a river basin or watershed. To fund the program, the TCEQ assesses a fee from permit holders for water use and wastewater discharges.

The TCEQ implements the Program by contracting with 15 partner agencies, including 12 river authorities, one water district, one federal agency, and one council of government, to conduct water quality monitoring and assessments in the 23 river and coastal basins of Texas. Each river or coastal basin is assigned to one of the designated partner agencies.

<http://www.tceq.state.tx.us/compliance/monitoring/crp/>