



FUNDING SOURCE WATER PROTECTION

There is a variety of funding options for implementing source water protection activities. Funding is available through a number of government, private endowment, and public-private partnership programs that support protection planning, land acquisition, outreach and education, wetland and riparian buffer restoration, and implementation of agricultural best management practices. Numerous financial mechanisms are also available to drinking water utilities, government agencies, and convening organizations that can provide sustained revenue for direct investments into source water protection, and which can be leveraged with other funding sources. Market-based mechanisms, whether enabled by federal or state regulations or within existing markets, can provide additional, cost-effective options for financing source water protection.

Whether you are a drinking water utility or a watershed organization, cultivating partnerships with a wide range of stakeholder groups is key to building a successful source water protection investment program. Partnerships expand available resources and capacity for program development, and provide the political influence to put these programs to work.

This document identifies a selection of financing mechanisms for source water protection, highlights several efforts utilizing these mechanisms for on-the-ground protection, and provides links to information water resource practitioners can use to scope finance options for their communities.

For a more detailed look into the various financial options and funding opportunities available for source water protection, visit the Source Water Collaborative's [Find Funding resource](#). Visit the [Environmental Finance Center Network's website](#) to access information and tools that can help your organization address the financial aspects of environmental protection.

GOVERNMENT INVESTMENT

FEDERAL GRANT AND LOAN OPPORTUNITIES

Numerous federal grants apply to source water protection, including grants that focus on nonpoint sources of pollution, urban water sources, infrastructure projects, and more. State Revolving Funds are federal-state “banks” that provide loan and grant funding to help ensure safe drinking water and clean water. Major sources of federal grant funding are provided by the U.S. Environmental Protection Agency and the United States Department of Agriculture.

FUNDING PROGRAM	DESCRIPTION	ELIGIBILITY
Nonpoint Source (NPS) Implementation Grants Clean Water Act Section 31	Funding for nonpoint source control practices like restoration of wetland and floodplain hydrology and vegetation; treatment of urban and agricultural runoff; reforestation; and public education. Administered by states, territories and tribes.	Eligibilities are determined by state Nonpoint Source Programs. Consult your state NPS Coordinator or EPA Regional contact

The Healthy Watersheds Consortium Grants	<p>Accelerates protection and enhancement of healthy watersheds through short-term funding grants. U.S. Endowment for Forestry and Communities manages grant process.</p>	<p>View the eligibility criteria and previous grantees on the Endowment's website.</p>
Urban Waters Small Grants	<p>Grants of \$40,000 to \$60,000 each to support urban community efforts to access and improve waterways. Prioritizes efforts that benefit drinking water protection.</p>	<p>Targets certain at-risk communities Use the Drinking Water Mapping Application to Protection Source Waters (DWMAPS) to align your efforts with Source Water Protection Areas</p>
<p>Drinking Water State Revolving Fund Program (DW SRF)</p> <p>Clean Water State Revolving Fund Program (CW SRF)</p>	<p>Fund water quality projects, including land conservation and agricultural practices to protect water quality from non-point source pollution. The DWSRF serve drinking water utilities while the CSRF has broader eligibilities.</p>	<p>Contact state DW SRF representatives</p> <p>Contact state and Regional CW SRF programs</p>

2014-2019 FARM BILL PROGRAMS

The Farm Bill is reauthorized approximately once every five years, and provides for a variety of conservation programs to protect soil and water quality. A number of Farm Bill conservation programs provide technical and financial resources to landowners that can be leveraged with other financial resources for source water protection.

FUNDING PROGRAM	DESCRIPTION	ELIGIBILITY
Regional Conservation Partnership Program (RCPP)	<p>RCPP combines the authorities of four former conservation programs – the Agricultural Water Enhancement Program, the Chesapeake Bay Watershed Program, the Cooperative Conservation Partnership Initiative and the Great Lakes Basin Program. This is a ripe opportunity for collaborative partners to leverage resources with the Natural Resources Conservation Service (NRCS).</p>	<p>Agricultural producer groups or associations, state or local governments, American Indian tribes, treatment plants, water and irrigation districts, NGOs, higher education institutions. State Conservationists determine priority resource concerns.</p>

<p>USDA-NRCS Easement Programs: Agricultural Conservation Easements Program (ACEP); Healthy Forests Reserve Program (HFRP)</p>	<p>NRCS offers easement programs to landowners who want to maintain or enhance their land in a way beneficial to agriculture and/or the environment. ACEP provides funding and technical assistance to producers to purchase 1) agricultural land easements or 2) wetland reserve easements. HFRP helps landowners restore, enhance and protect forestland resources on private lands through easements and financial assistance.</p>	<p>Private landowners, Indian tribes, state and local governments and NGOs that have farmland or grassland protection programs.</p>
<p>The Chiefs' Joint Landscape Restoration Partnership</p>	<p>The NRCS and the USDA Forest Service fund projects focused on wildfire mitigation/risk reduction, wildlife habitat, and protection of water quality and supply</p>	<p>\$40 million invested in 2016. To participate in this partnership, consult your Assistant State Conservationist for Programs in each state.</p>
<p>Landscape Planning Programs</p>	<p>The Emergency Watershed Protection, Watershed and Flood Prevention Operations, and Watershed Surveys and Planning programs provide funds for landscape planning natural resource management, minimize conflict, and address problems and opportunities.</p>	<p>Federal, State, and local agencies and Tribal governments</p>
<p>National Water Quality Initiative</p>	<p>NWQI offers an opportunity to increase installation of conservation practices to address nutrient concerns for drinking water sources in priority watersheds. States can work with NRCS to identify additional priority watersheds.</p>	<p>NRCS and partners work with producers and landowners to implement voluntary conservation practices. Many eligible watersheds are also sources of drinking water.</p>

GOVERNMENT FINANCE MECHANISMS: BONDS, BALLOTS, AND FEES

Many existing funding sources (such as state nonpoint source pollution control programs) can be leveraged in source water protection areas, however, states and local governments have a range of options available for establishing a dedicated funding source for source water protection efforts. These often involve working with outside groups and other agencies to address multiple issues.

FINANCE MECHANISM	DESCRIPTION	ELIGIBILITY
Bonds and ballot measures	Governments can utilize “General Obligation Bonds” or propose ballot measures to raise funds for public projects, including land conservation, parks, and watershed protection. Municipalities have also voted for property or sales tax increases to feed into a bond for conservation. The Trust for Public Land tracks conservation bond measures in its Land Vote database.	Municipal bonds are backed by the faith and credit of a government and its tax revenues. Utilities may also issue bonds secured by future rate revenues
Development Fees	Local government fees, such as real estate transfer fees, development impact fees, payment-in-lieu programs, may be channeled into funding for conservation, green infrastructure, and other practices.	See the American Planning Association’s Impact Fees Resource

VOLUNTARY DONATIONS

PRIVATE FOUNDATIONS, PUBLIC-PRIVATE PARTNERSHIPS, CORPORATIONS

Many nonprofit organizations and philanthropic foundations offer grant programs and technical assistance to groups active in source water protection. Private companies, especially those that use or impact drinking water, may have substantial resources to offer source water protection activities. Financing source water protection through voluntary contributions often requires diverse sources of support to raise sufficient funds.

FUNDING PROGRAM	DESCRIPTION	ELIGIBILITY
William Penn Foundation	Provides grants of to support scientific research and analysis; land acquisition for conservation; and stream restoration in the Delaware River Basin. The Foundation also funds outdoor recreation and education programs in the watershed. Has funded	Section 501(c)(3) public charities. Religious organizations may receive funding for non-sectarian projects.
The Five Star and Urban Waters Restoration Grant program	Encourages on-the-ground wetland, riparian, in-stream and coastal habitat restoration as well as community education. Five Star receives funding from FedEx, PG&E, Southern Company, and Alcoa Foundation, as well as the EPA, the Forest Service, and US Fish and Wildlife Service.	Any public or private entity. Preference is shown to organizations directly connected to the local community who can monitor and sustain projects for 5 years or more. Preference is also shown to groups of five or more partners who provide in-kind funding.
Schuylkill River Restoration Fund	Schuylkill Action Network, a local watershed collaborative, in cooperation with Exelon and the Schuylkill River heritage Area manage an annual grant program for on-the-ground projects that improve the water resources of the Schuylkill River	Government agencies and non-profit organizations.