July 22, 2016

Dear Nonpoint Source Management Partner:

We are pleased to announce that Ohio EPA is soliciting proposals for grants awarded under Section 319(h) of the Clean Water Act. Grants in varying amounts will be awarded to local governments, park districts and other organizations for the implementation of projects to restore Ohio streams, reduce loadings of nonpoint source pollutants such as nutrients, sediment and/or projects that undo damage caused by hydromodification or the alteration of stream or riparian habitat. These grants provide up to sixty percent (60%) of total project costs and are awarded for three year terms. Local participants must provide forty percent (40%) of total project costs either through in-kind services and/or cash.

Based on anticipated FY17 federal funding, we anticipate that approximately $2.2 million will be available for Section 319(h) grant funding during Federal Fiscal Year 2017. The actual amount depends upon the final FY17 U.S. EPA budget approved by Congress and the allocation awarded to Ohio by U.S. EPA. Subgranted funds will be awarded to applicants in late spring 2017 and will be in effect for three year terms. **There have been several important revisions made to the FY17 Section 319 Request for Proposals so please review this document carefully.**

**Background and Funding Priorities:** Improving water quality in Ohio streams and lakes that are impaired by nutrients, sediments and other nonpoint sources of pollution is a focus for this year’s Section 319(h) grant funding. Projects that eliminate impairments, measurably reduce nutrients or restore impaired stream segments will score significantly higher in the review process and receive more favorable consideration than general NPS pollution prevention projects. Consistent with recently revised federal guidance, proposed projects must be consistent with recommended actions within an approved 9-element HUC-12 watershed action plan. **An approved HUC-12 watershed plan need not be in place PRIOR to APPLYING. Applicants may complete their 9-element watershed plan either before or after applying for Section 319 grant funding.** However, please be aware that an approved HUC-12 watershed action plan MUST be complete and in place prior to Ohio EPA recommending a project to USEPA for funding. We anticipate doing so in November or December of 2016. **Approved Acid Mine Drainage and Abatement Treatment Plans (AMDATS) have been determined to be functionally equivalent with 9-element watershed plans.**

There is no specific funding limit within each project category however proposed project costs must be justified within the application and must be reasonable for the extent of work that is proposed. Section 319 subgrant projects rarely exceed $300,000 to $400,000.
Subgrant applications with projects meeting the following criteria will receive additional scoring during the review:

1. Nutrient reduction projects within the Lake Erie watershed
2. Wetland restoration especially those using Lake Erie tributary dredge sediments
3. Projects located within critical areas identified in TMDLs and/or 9-element watershed plans
4. Project will result in measurable water quality improvement.
5. Projects where the sponsor has clear jurisdiction and management capacity
6. Applicants with demonstrated capacity and track record administering federal grant funds
7. Applicant has demonstrated effective prior performance with Ohio EPA grants
8. Proposed project is ready to proceed (beyond the required local match)
9. Local commitment is evident
10. The watershed in which the project site is located exhibits a reasonable likelihood of restorability
11. Projects that enhance (but do not duplicate) previously funded nonpoint source projects

**Eligible Applicants:** The following entities are eligible to apply for and receive grant funding awarded under Section 319(h):

- Local municipalities, counties and townships
- County and municipal park districts
- Soil & water conservation districts
- 501(c)(3) nonprofit conservation and watershed organizations
- Land managing state agencies and Agriculture

School districts and private schools (such as Montessori schools) are **NOT** eligible to apply directly for Section 319(h) grants; however, a local government may apply to complete projects on publicly accessible school grounds with permission and support from the school.

Municipalities or regional sewer districts that are operating under a Consent Decree or other legal orders are **NOT** eligible to apply for any project designed to help them meet regulatory or enforcement requirements.

**Grant Amounts and Local Matching Requirements**

Ohio EPA has removed the funding cap within some project categories. Applicants may apply for varying amounts (depending upon the local project costs) in federal Section 319(h) grant funds for a three-year period. **The required local share of project costs is 40%** – in other words, 40% of the total project costs MUST be provided as local match. For example: *if total project costs equal $200,000, then no more than $120,000 may be federal 319(h) grant funds.* Applicants providing cash match will score higher than those providing only in-kind services as match, however in-kind services are eligible to be used to meet match requirements.

Applicants may apply for more than one type project within a single grant application however; grant sponsors may submit only one (1) application per HUC-8 watershed. Applicants proposing projects to assist with recent nutrient initiatives such as the Western Lake Erie Collaborative, Ohio Nutrient Reduction Strategy and/or the state's approved Nonpoint Source Management Plan are particularly encouraged.

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1 Projects must be consistent with an agency's core mission and the bulk of funds must be used for water quality improvement projects.
Eligible Projects: Eligibility requirements have changed as a result of recent revisions to the federal Section 319(h) programs by US EPA. For detailed information about project eligibility please refer to the descriptions that follow on pages 2 through 6. Water quality improvement and nonpoint source management projects eligible for funding under Section 319(h) are limited to:

- Completing 9-element watershed action plan updates for HUC-12 subwatershed
- Stream restoration using natural channel methodology and lowhead dam removal
- Highly targeted nutrient and sediment reduction projects in a single HUC-12 watershed
- Riparian restoration using bioengineering and/or green methodology
- Wetland restoration
- Inland lake management and restoration (public lakes only)
- Acid mine drainage

Project Specific Educational and Outreach Requirements

Applications for Section 319(h) grants must include project-specific educational and public outreach activities describing how the successes of the project will be communicated throughout the community. Costs associated with project-specific educational and outreach activities are eligible for grant funding, but may not exceed ten percent (10%) of total project costs.

Environmental Monitoring

Ohio EPA will conduct project-appropriate environmental monitoring for all grant funded sub-grant projects using a dedicated crew from the Division of Surface Water’s Ecological Assessment Section or by a contract provider. No grant (or matching) funds may be used by applicants for water quality monitoring or water quality research activities.

Sample Projects

A sample listing of the types of projects that we are seeking to support with Section 319(h) grant funding follows. We also have included general grant guidelines and limitations that may apply to specific types of projects:

SPECIAL CATEGORY 2016 ONLY: 9-element Watershed Plan Updates

A limited amount of Section 319 grant funds (from previous grant years) are available for expedited subgrants to eligible applicants to prepare or to hire a contractor to prepare HUC-12 9-element watershed action plans. It is expected that updated plans will be complete and submitted within no more than 3-6 months of award. These will be very small and very short term grants, not to exceed $25,000 and no more than 6 months in duration. 9-element plans must be developed with these funds using existing data and information that can be distilled from existing Total Maximum Daily Load Studies (TMDLs) or existing watershed plans. Funds may be used ONLY for cost associated with updating HUC-12 subwatershed plans to meet the required 9-elements. HUC-12’s within the following priority western Lake Erie watersheds will receive extra points in the review process:

- St. Joseph River
- Swan Creek
- Auglaize and Little Auglaize Rivers
- Blanchard River
- St. Marys River
- Tiffin River
- Flatrock Creek
- Maumee River
Applicants requesting grant funds to update a watershed plan to meet the 9-elements must submit a SEPARATE application using the Watershed Planning Application Forms NO LATER than 8/26/16. These forms may be found on Ohio EPA’s Section 319 Webpage at: http://epa.ohio.gov/Portals/35/nps/319docs/Final%20RFP.pdf These subgrants are being funded with previous year funds we expect that 9-element watershed plan update projects will be awarded during Fall, 2016. It is anticipated that we may be able to fund only 8-10 of these types of grants. We expect a great deal of competition for watershed plan update grants.

Subgrant applications submitted to implement any of the following activities must be submitted separately from 9-element watershed plan updating grants and will be funded during spring 2017 using FY17 grant funding.

1. Sediment and Nutrient Reduction Projects

When implemented effectively, creative and highly targeted projects using sediment and nutrient specific management practices may be effective at reducing or preventing these types of NPS pollutants from entering surface waters. During the FY17 grant cycle, Ohio EPA is particularly interested in funding innovative projects that will measurably reduce sediment and nutrient losses within tributaries to the western Lake Erie basin. These projects must be implemented in a single HUC-12 subwatershed and employ at least three different types of agricultural sediment and/or nutrient reduction practices in identified critical areas of known impairment. The types of projects being encouraged include:

- Nutrient management practices (may not include manure storage facilities);
- Sediment control, capture and/or detention projects;
- Water retention (sediment ponds or basins) designed to reduce sediment or nutrient rich runoff;
- Innovative edge of field drainage control/treatment such as saturated buffers and wetland areas;
- Livestock exclusion and manure management projects; and
- Riparian re-vegetation and/or protection projects

General limitations for sediment and nutrient reduction projects include:

- Projects must be implemented in a single 12-digit HUC subwatershed which is addressed by an approved 9-element watershed action plan. Targeting projects HUC-12 level insures that the maximum environmental benefit is derived.

- Grant-funded agricultural management practices must be selected from the Ohio USDA-NRCS list of conservation practices standards except for innovative practices such as saturated buffers, wetland treatment areas, riparian water retention and reuse systems and others.

- Personnel costs to administer the project may not exceed 10% of grant requested.

- Cost-share amounts may range between 60% and 75% of actual costs required to install or implement management practices. Farmer contribution to the actual costs of BMP installation may be used to meet local matching requirements.

Consistent with federal grant guidelines, Section 319(h) grant funds may not be used to replace and/or expand an existing EQIP (or other farm-bill funded) initiative within the same subwatershed for which a grant project is proposed. Neither 319(h) grant nor matching funds may be used to purchase agricultural equipment.

Eligible applicants may apply for federal 319(h) funding to implement sediment and nutrient reduction projects in only one 12-digit HUC per grant cycle.
2. **Stream Restoration and/or Dam Removal/Modification Projects**

Stream restoration or projects such as removing dams or levees that re-establish ecological function, morphology, floodplain connectivity, channel stability and natural flows continue to be projects that are proven to generate measurable improvements in aquatic life use attainment. Hydromodification and habitat alteration are the two highest magnitude causes of NPS impairment in Ohio's streams and are most readily remediated when projects are focused in identified critical areas of impairment.

Eligible projects include stream channel reconstruction using natural channel design methods; levee removal or modification; non-armored bio-engineered stream bank stabilization; low-head dam removal and/or modification; in-stream habitat restoration; and/or other projects that restore natural stream ecology, morphology and/or flow. **Stream restoration may only be completed in intermittent and/or perennial waterways with a designated aquatic life use.** Small ephemeral waterways, sewer sheds and manmade ditches are NOT eligible for grant funding. Applicants must include in their proposal the QHEI baseline score before the project and the QHEI target that is expected following completion of the stream restoration project.

Projects will receive a higher score when conducted on public property where public access is permitted. If being done on private property (or property not owned by the project sponsor) restored areas **must** be protected with conservation easements and/or another riparian protection measure and the landowner must commit to keep the project site protected for a period not less than 10 years.

Logjam removal, **ripping and/or stream “cleaning or dipping” are NOT eligible for funding or for use as local match under this program. Also, any project that is under enforcement order or required as mitigation under regulatory programs such as Section 401 permits is NOT eligible for funding.**

3. **Wetland Restoration and/or Re-naturalization**

Restoring wetlands that are hydrologically connected to surface waters is important for the effective filtering of nonpoint source pollutants such as sediments and nutrients. Section 319(h) subgrant funding is available for local groups to help restore and protect naturally occurring wetland areas. We are particularly interested in funding projects that restore previous wetland areas that are degraded through invasive species domination and/or existing land uses such as farming, mowing, draining or other activities. **Constructed wetlands in areas where wetlands never previously existed are not eligible for grant funding unless they are part of a broader treatment train project.**

Applicants must provide a baseline ORAM score (Ohio Rapid Assessment Method) for the “wetland” area that is being restored. Applicants must also include an expected (or target) ORAM score that the restored wetland is likely to achieve one year after project completion.

**Eligible activities:** Removing invasive plants such as honeysuckle, phragmites, & purple loosestrife
Conducting surveys and any necessary design and permitting work
Installing drainage control structures
Constructing small water control dikes/structures (not in floodplains)
Earthmoving necessary for wetland restoration
Planting of native wetland plant, shrub and tree species (include planting plan)
Installing interpretive trail signs, project specific signs and/or kiosks.
Other activities necessary to complete the wetland restoration
**Stormwater treatment wetlands** are not eligible for grant funding unless they are constructed on agricultural cropland under the provisions of a sediment and nutrient reduction project and capturing, retaining and passively treating subsurface drainage or cropland surface runoff.

Wetland restoration projects that are completed must protect restored areas with easements or other protective measures for a period of at least 10 years.

**Coastal wetland restoration projects within the Lake Erie watershed (and especially any that are making beneficial use of Lake tributary dredge materials) are among our highest priorities for the FY17 grant funding cycle.**

4. **Acid Mine Drainage Abatement Projects**

When conducted consistent with an approved acid mine drainage abatement and treatment plan (AMDAT), acid mine drainage (AMD) abatement projects have shown measurable progress with significantly reducing or eliminating metals such as iron, sediment and other NPS pollutants from mining-impaired water bodies. **Only those watersheds with approved AMDAT plans are eligible for section 319 grant funded AMD abatement projects since US EPA has determined that approved AMDATS are functionally equivalent to a 9-element watershed plan.**

Proposals requesting grant funds for a relatively small site-specific project in which 319 funds provide the majority of support will receive more favorable consideration than a project in which section 319 grant funds are a rather small portion of a much larger reclamation project.

Construction projects designed to address AMD abatement must demonstrate the following at the time of application: a completed characterization of the problem; general permission from all applicable landowners; preliminary cost estimates; and, a conceptual design for treatment as well as an outreach and public information plan. Examples of projects that have been previously funded:

- Limestone channels and leach beds
- Wetland AMD treatment systems and areas
- Stream capture projects
- Lime dosing systems (with a commitment of local operation and maintenance beyond grant)
- Small Acid Mine Drainage source elimination and reclamation projects

5. **Inland Lake Management Projects**

Ohio lakes are primary recreational areas that often show the effects of nonpoint source pollution entering and collecting through tributaries draining areas within the watershed. Inland lakes are also the foundation of Ohio’s public drinking water sources. By addressing nutrient enrichment that fuels harmful algal blooms in source waters, public health is protected and fewer local resources will be needed to treat raw drinking water supplies.

Inland Lake Management project grants are available to applicants interested in implementing projects that will measurably improve lake water quality in and around recreation areas. Projects proposed to be completed on inland lakes used as a public raw drinking water supply will receive additional review points. **Grant funding is NOT available for private lakes such as those owned by Homeowner Associations, housing developments and/or private campgrounds.**
Applicants may apply for Section 319 grant funding to implement eligible projects and practices such as the following:

- Green lakeshore stabilization projects (no rip-rap) to reduce sediment loadings.
- Channel aeration equipment to address anoxic conditions and eliminate fish kills.
- Alum treatment demonstration projects designed to inactivate nutrients.
- Alum dosing units designed to reduce tributary nutrient loadings.
- **Site limited** water quality dredging and beneficial reuse of dredge spoil activities
- Lake water circulators and/or other devices to reduce blue-green algae blooms.
- Upstream fore bays or constructed wetlands to capture incoming NPS pollutants

**General Section 319(h) Implementation Grants Guidelines**

When preparing your application for Section 319(h) implementation grant funding, the following federal (and general) grant guidelines apply:

1. Private individuals and/or for-profit businesses are NOT eligible to apply directly for Section 319(h) funding under Ohio’s program. **However private businesses MAY participate in public-private project specific partnerships.**

2. Nutrient and/or manure management or agricultural run-off control from regulated livestock feeding operations are NOT eligible for grant funding.

3. Section 319(h) implementation grant funds may **not** be used to pay for best management practices (BMPs) or "end-of-pipe treatments" which either are required or anticipated to be required under an NPDES permit. Neither FY17 Section 319(h) implementation funds nor local matching funds may be spent on Phase 1 or Phase 2 NPDES storm water compliance efforts.

4. **Land purchases are ineligible** under Section 319(h) implementation program funding. However, this limitation does not apply to the acquisition of conservation easements when the original landowner retains title to the property. Cost-share (and/or matching credit) may **not** exceed the appraised fair market value of the conservation easement or $25,000 per acre, whichever is the lesser amount. Easements must be acquired consistent with provisions of Ohio Revised Code Section 5301.67(A).

5. **Local matching funds are “federalized” upon approval of grant funding.** Matching funds may **not** be used for activities or expenditures that would otherwise not be allowable, allocable, or reasonable for federal grant funds under federal grant regulations or guidelines. **For example, land acquisition is not allowable under Section 319(h) grant guidelines; therefore, local matching funds may not be used for land acquisition either.**

6. **Research and monitoring activities are NOT allowable.** However, activities such as sediment studies, hydraulic modeling and other analyses that are required as part of a regulatory permit process for a project such as dam removal and stream restoration MAY be completed using Section 319(h) grant or local match funds.

7. Costs associated with complying with storm water permit requirements are not eligible for funding under Section 319(h).
Application Deadline & Review Procedures

Section 319(h) implementation grant applications must be submitted to Ohio EPA by the close of business September 30, 2016. Applications must be complete and received and/or postmarked by the above date to be considered for funding. Applications postmarked (or hand-delivered) after this date will be returned to the applicant without further consideration.

Please submit three (3) copies of the complete application with original (blue ink) signatures and one (1) copy of the application in Microsoft Word format on either flash drive or CD. Completed applications may be mailed or delivered to:

Russ Gibson, NPS Program Manager
Ohio EPA / Division of Surface Water
50 West Town Street, Suite 700
P.O. Box 1049
Columbus, Ohio 43217-1049

Upon receipt, all Section 319(h) implementation grant applications will be reviewed for completeness, technical merit and adherence to the 1987 Amendments to the Clean Water Act, U.S. EPA Section 319(h) Program Guidance, and FY17 Request for Proposals criteria. Applications found to be administratively complete will undergo a comprehensive review using criteria designed to evaluate and score the environmental benefits likely to be achieved. In addition, projects also will be evaluated using specific technical criteria developed for the specific type of proposed project and an environmental review to insure that the project is addressing a nonpoint source problem effectively. Upon completion of all reviews, applications will be ranked according to their review scores and recommendations for funding will be developed based upon this ranking. Funding decisions will be made by the director of Ohio EPA and recommended to U.S. EPA Region 5. Successful applicants will be required to execute a formal grant agreement and adhere to all requirements of the Section 319(h) implementation grants program.

Application Materials and Technical Assistance

Applications are available at the Ohio EPA, Division of Surface Water homepage located at http://www.epa.ohio.gov/dsw/nps/index.aspx. Applications are available and questions may be answered by contacting Martha Spurbeck at (614) 644-2869, Jo Hodanbosi at (614) 644-2864 or Russ Gibson at (614) 644-2020.

We appreciate your interest in Section 319(h) grants and look forward to working with you to help Ohio meet important water quality goals. If after reviewing this information you require additional assistance or have questions, please contact us at the numbers listed above.

Sincerely,

Tiffani Kavalc, Chief
Division of Surface Water

Attachment
Nine Program Elements that All Projects Must Meet

The following information is condensed from 2003 U.S. EPA Guidance for Watershed Action Plans. All Section 319 implementation grant projects are required by federal 319(h) grant guidelines to meet each of the following nine elements:

1. An identification of the causes and sources or groups of similar sources that must be controlled to achieve the load reductions estimated.

2. An estimate of the load reductions expected for the management measures described.

3. A description of the NPS management measures that must be implemented to achieve the load reductions estimates and identification (using a map or a description) of the critical areas in which those measures are required.

4. An estimate of the amount of financial assistance needed.

5. An information/education component that will be used to enhance public understanding of the project and encourage their early and continued participation.

6. A schedule for implementing the NPS management measures that is reasonably expeditious.

7. A description of interim, measurable milestones for determining whether NPS management measures or other control actions are being implemented.

8. A set of criteria that can be used to determine whether loading reductions are being achieved over time and substantial progress is being made toward attaining water quality standards.

9. A monitoring component to evaluate the effectiveness of the implementation efforts over time, measured against the (established) criteria. (Projects will meet this element by virtue of Ohio EPA performing statewide 319 project monitoring during FFY17).

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2 For the complete text, please refer to [http://www.epa.gov/fedrooms/EPA-WATER/2003/October/Day-23/ww6755.htm](http://www.epa.gov/fedrooms/EPA-WATER/2003/October/Day-23/ww6755.htm). These nine program elements also form the basis of Ohio’s watershed plan endorsement criteria.