



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD



TO: Commissioners Brown, Carlson, Barofsky, McRae, and Schlossberg
FROM: Deborah Hart, CFO and Jason Heuser, Policy and Government Program Manager
DATE: March 30, 2022
SUBJECT: Grant Opportunities
OBJECTIVE: Information

Issue

EWEB staff have identified opportunities to procure grant funding for a variety of projects across both the Water and Electric utilities. The Infrastructure Investment and Jobs Act (IIJA), represents some of the largest opportunities, however other grant funding and low-cost borrowing may also be available to the utility.

Background

Since 2020, EWEB has been awarded \$5.3 million in grant funding. The majority of this was from the Federal Emergency Management Agency (FEMA) for damage done to our infrastructure during the wildfires, however \$1.9 million has been awarded from other sources and is primarily for source protection. The most significant award was for \$1.3 million from the Oregon Office of Emergency Management (OEM) to offset the 25% required cost share for three FEMA watershed/floodplain grants for which EWEB has applied. The OEM cost sharing grant will offset expenses that would have otherwise been funded by EWEB. In addition to the grants awarded to date, EWEB has nearly \$12 million in applications pending, including a \$4 million grant for the Middle McKenzie floodplain restoration which already has been earmarked for EWEB but still requires a robust application and budget be developed outlining the use of funds. The application process will be completed by March 31, 2022. Attachment 1 includes a complete list of awards and active applications.

Discussion

In order to facilitate the procurement of funds, EWEB hired a grants specialist in October of 2021. To support that work, a team from across the utility is taking shape to act as an intake hub for grant opportunities (“Grant Clearinghouse” Team) and to navigate respective logistics. Staff specializing in energy and telecommunications as well as watershed protection and working lands carbon sequestration are consistently consulted. In addition, an executive committee provides oversight and direction to the work.

EWEB staff have taken steps to establish an internal process to track and evaluate grant funding opportunities and announcements. An email address (grants@eweb.org) has been established to engage EWEB employees and departments to funnel grant funding opportunities they identify through

the Grant Clearinghouse Team. This serves as a platform to both spread awareness of grant funding internally at EWEB, and to ensure EWEB is adhering to any eligibility, application, reporting, and compliance requirements associated with a grant and capable of executing the project associated with the funding.

Additional reconnaissance activity has EWEB employees participating in webinars and other education offerings through industry trade associations, as well as federal and state agencies to learn of coming funding opportunities. Recent research is largely resulting from passage of IIJA, however there are significant resources and opportunities being explored, or already applied, through agencies including ODF, DEQ, and OWEB. EWEB staff are cross checking the capital improvement plan and strategic plan with federal and state funding opportunity announcements to assess alignment with future EWEB projects, as well as updating EWEB's existing grants policy. Grant funding also provides opportunities to collaborate and expand relationships with local and regional stakeholders on grant-funded projects, promoting resource and cost sharing and increasing community impact.

Since the September 2020 wildfires, existing FEMA programs continue to be a funding pipeline for wildfire recovery as well as future pre-disaster mitigation. Information on distribution of the IIJA funding is starting to be announced by state agencies and industry partners, with official guidance for grant programs and RFPs slated to be released throughout 2022 and into early 2023. Oregon's new Clean Electricity Standard legislation established new funding programs to deploy renewable energy resiliency projects. Most recently, the Oregon legislature allocated much of the state revenue surplus toward resiliency and wildfire recovery through disbursement across multiple state agencies. Finally, for the first time in over a decade, the United States Congress has reintroduced limited "targeted spending" requests at the discretion of members of Congress.

IIJA funding announcements are expected to increase in Q3 and Q4 of this year. Many IIJA provisions require new programs to be created through staffing and rulemaking with funds coming available over the next 6 years. Previous federal stimulus spending packages, such as the American Rescue Plan Act, were designed to spur immediate economic gains and job creation, prioritizing "shovel readiness". The IIJA is intended to deliver benefits over a longer time frame and strives to evaluate projects for "shovel worthiness". For EWEB projects that show alignment with funding opportunities, fall within the scope of EWEB resources and readiness, and promise to be competitive regionally or nationally, staff will be taking steps to develop effective project narratives, gather any measurable data that support project outcomes, cultivate relationships with state and federal funding program managers, and perform outreach to build community support for projects. \$50 billion of the IIJA is focused on water infrastructure funding, including \$20 billion to safe drinking water, \$12 billion to clean water for communities, and \$1.8 billion to protect regional waters. These are significant opportunities for EWEB.

In addition to the IIJA, other funding sources are coming available. The FEMA Building Resilient Infrastructure and Communities (BRIC) will provide annual funding opportunities for hazard mitigation projects, reducing the risks faced from disasters and natural hazards. The USDA will offer Climate Smart Commodities grants for forest landowners that use climate-smart practices to measure and verify greenhouse gas benefits. More recently, the Oregon Department of Energy announced programs that could provide up to \$100,000 and 100% of eligible costs for planning a renewable energy project or planning a renewable energy project with a resilience component. Up to \$1 million and 50% of eligible costs for construction grants for renewable energy projects may be available, while construction grants for resilience projects can cover up to 100% of eligible costs. Awards will be made

on a competitive basis, and priority will be given to projects that support energy resilience and that serve qualifying communities, including communities of color, low-income communities, Tribes, rural areas, and other traditionally underserved groups.

EWEB staff are mindful that while a number of grant programs could benefit the utility and our customer-owners, there are criteria and prioritizations that may not apply to EWEB. For example, the IJA incorporates principles and objectives that prioritize projects benefitting disadvantaged, low-income, or rural communities. Additionally, some funding areas will be highly competitive relative to the funds allocated and may be “oversubscribed” in a given year. If a project application is unsuccessful, it is plausible that it may be resubmitted successfully in a future year, depending on the program. In response to the IJA’s priorities, EWEB grants staff are developing internal resources such as local demographic data, regional statistics, community profiles, feasibility studies, and statements of need in order to have a robust applicant profile that can be applied to a variety of funding opportunities as they become available.

Recommendation and Requested Board Action

This item is information only and no Board action is requested.

Attachment 1- 2020 – 2022 Grant Funding

Attachment 1

2020 - 2022 Grant Funding

Awarded Grants					
Granting Agency	Project Description	EWEB Dept.	Year Awarded	Awarded Amount	EWEB Cost Share
ARPA	Finn Rock Reach Phase I (reimbursement for funds supplied to MRT)	Water Quality	2021	\$ 325,000	\$ -
ODF	McKenzie Subbasin Forest Fuels Reduction Treatment	Water Quality	2022	\$ 300,000	\$ 75,000
OEM	FEMA HMGP 4562 Local Cost Sharing (Watershed and Floodplain)	Water Quality	2022	\$ 1,301,750	\$ -
FEMA	2020 Wildfires: Debris	Electric Operations	2021	\$ 208,866	\$ -
FEMA	2020 Wildfires: Power Distribution Damage	Electric Operations	2021	\$ 2,868,381	\$ 956,127
FEMA	2020 Wildfires: Electrical Distribution System	Electric Operations	2021	\$ 223,106	\$ 74,369
FEMA	2020 Wildfires: Mt Hagan Communications Equipment	Communications	2022	\$ 187,500	\$ 62,500
FEMA	2020 Wildfires: Hayden Bridge Water Filtration	Water Quality	2021	\$ 66,021	\$ -
Total				\$ 5,257,518	\$ 1,093,627

Grants pending outcome/award					
Granting Agency	Project Description	EWEB Dept.	Date Applied	Funder Share	EWEB Cost Share
FEMA	2020 Wildfires: Stone Creek Generation Facility	Generation Engineering	2021	\$ 1,696,399	\$ 565,466
FEMA	McKenzie Watershed Fire Recovery and Restoration	Water Quality	1/28/2022	\$ 423,000	\$ -
FEMA	Middle McKenzie Floodplain Restoration Planning and Design	Water Quality	1/28/2022	\$ 735,000	\$ -
FEMA	Middle McKenzie Floodplain Restoration	Water Quality	1/28/2022	\$ 2,988,000	\$ -
FEMA	Day Island Water Line Crossing Feasibility Study	Water Engineering	1/28/2022	\$ 770,666	\$ 192,667
FEMA	Willamette Knickerbocker Bridge Water Line Crossing Feasibility Study	Water Engineering	1/28/2022	\$ 504,000	\$ 126,000
FEMA	Eugene Wildfire Risk Assessment	Strategic Programs	2/25/2022	\$ 270,000	\$ 90,000
OEM	FEMA HMGP 4562 Local Cost Sharing (Day Island/Knickerbocker)	Water Engineering	3/15/2022	\$ 318,666	\$ -
DEQ	Repair, replacement, and evaluation of old septic systems upriver	Water Quality	2/15/2022	\$ 1,767,500	\$ -
OWEB	Middle McKenzie Floodplain Restoration	Water Quality	3/31/2022	\$ 4,000,000	\$ -
Total				\$ 11,776,832	\$ 408,667

Granting Agency Key:

- ARPA American Recovery Plan Act - Federal funds
- DEQ Department of Environmental Quality
- FEMA Federal Emergency Management Administration
- ODF Oregon Department of Forestry
- OEM Oregon Office of Emergency Management
- OWEB Oregon Water Enhancement Board