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THE BRANDYWINE-CHRISTINA HEALTHY WATER FUND

**An Innovative Self-Sustaining Revolving Fund
to Catalyze Farm-Based Conservation**



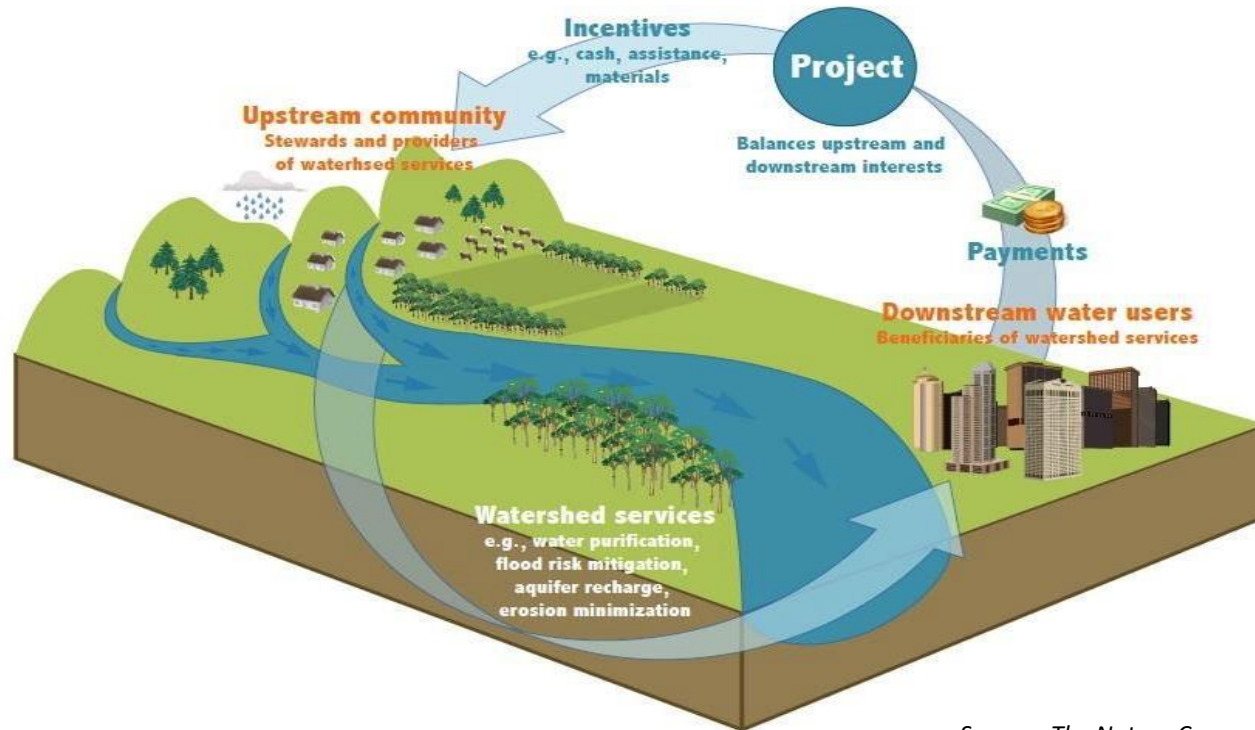
REVOLVING WATER FUND

May 2018 Clean Water Conference

IN PARTNERSHIP WITH:



What is a Water Fund?

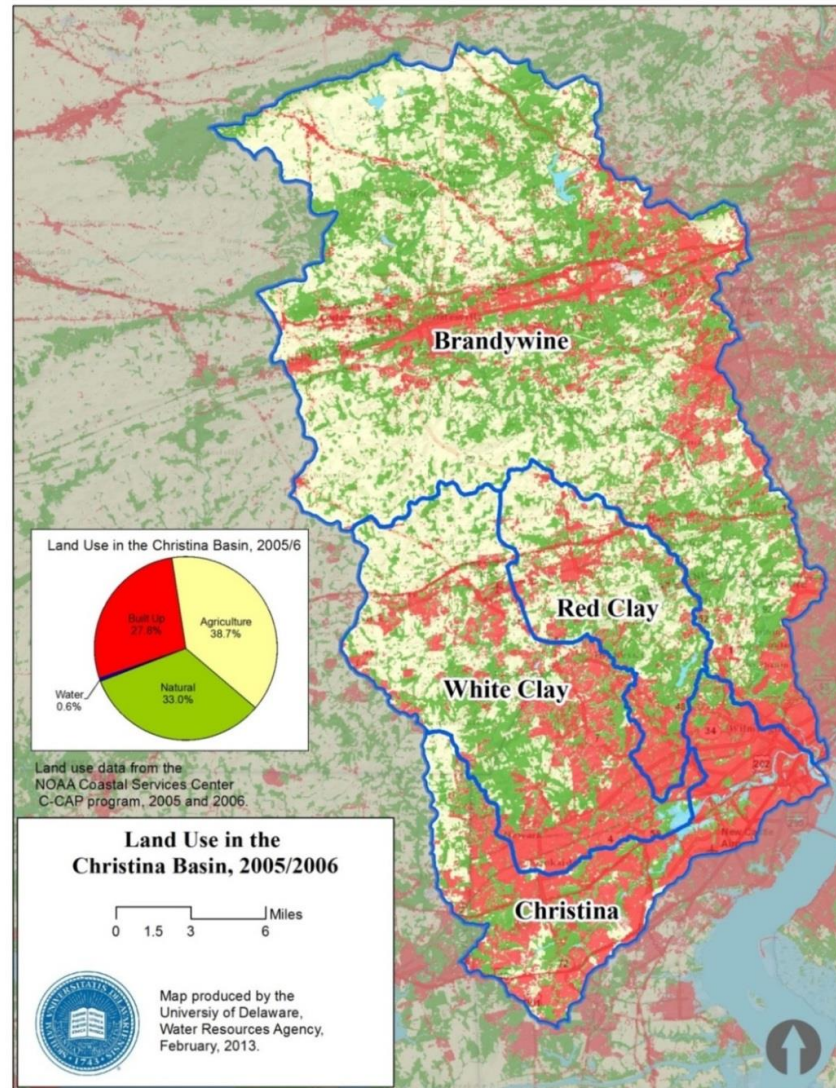


Source: The Nature Conservancy

- Traditional Water Fund model developed in Latin America to align stakeholders and maximize environmental returns by driving upstream interventions.
- 34 water funds in operation globally + 30 under development; 8 in operation in North America + 10 under development. **BCHWF only revolving-fund model in development.**

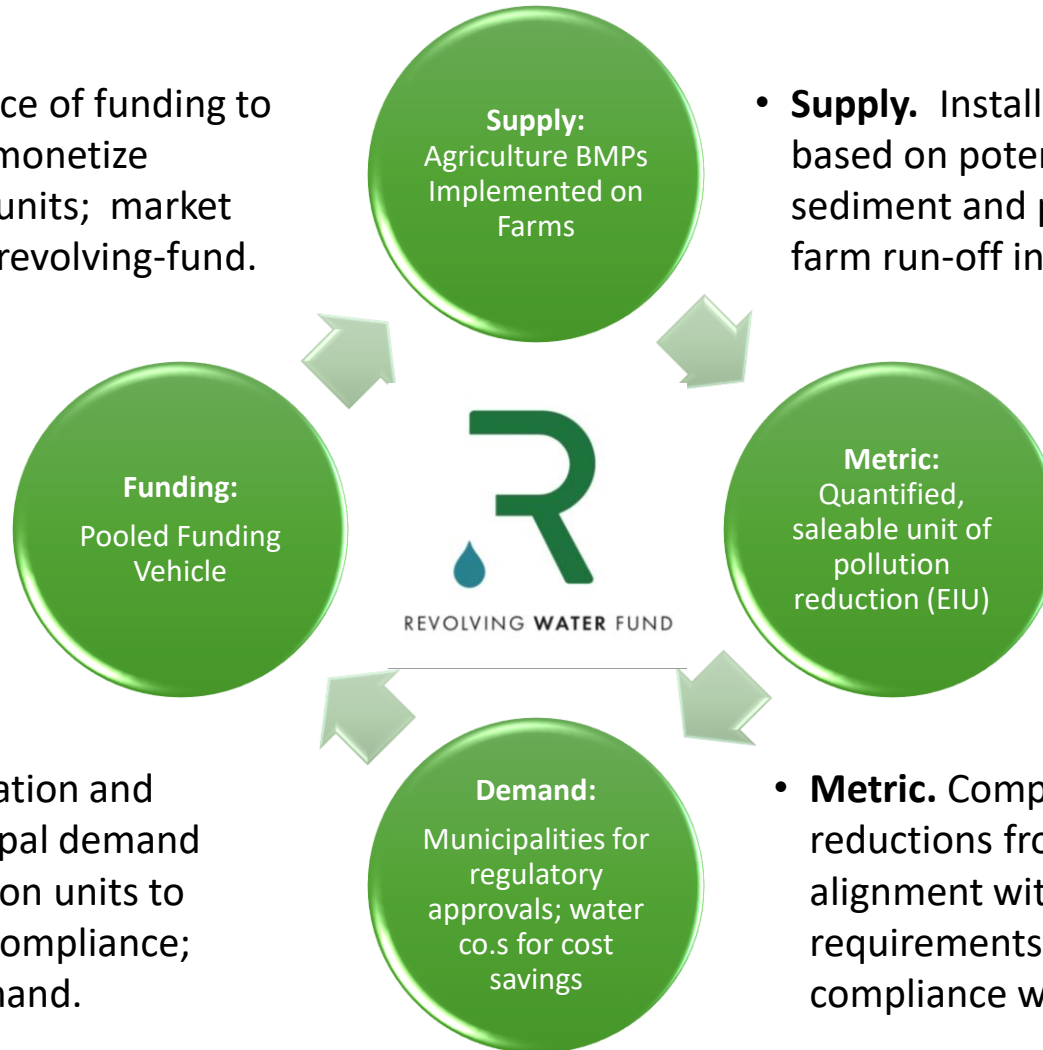
Applying the Water Fund Model to the Brandywine-Christina

- 565 square miles across PA and DE.
- From Amish dairy and produce farms to I-95 urbanized corridor.
- Highly productive small farms in major-metro food-shed with historical significance (founding farmers).
- Drinking water for 600,000 people – six surface withdrawals.
- Majority of watershed “impaired” under CWA: TMDL and MS4s.
- Agricultural lands offer highest pollution reductions at lowest cost.



- **Funding.** Coalescence of funding to create, market and monetize pollution reduction units; market mechanism creates revolving-fund.

- **Demand:** Quantification and alignment of municipal demand for pollution reduction units to achieve regulatory compliance; water company demand.



- **Supply.** Installation of Ag-BMPs based on potential to reduce sediment and phosphorous from farm run-off into streams.

- **Metric.** Computation of pollutant reductions from Ag-BMPs; alignment with MS4 regulatory requirements to achieve compliance with TMDL plans.

Conservation Supply



Jenny Egan



BRANDYWINE
CONSERVANCY



Conservation Demand / Regulatory



Richie Jones



Naomi Young



Eric Letsinger



Rob Wallace



Conservation Finance



Jeffrey Larson



Ashley Allen



Callan Walsh



Matt McKenna



Conservation Metrics & Evaluation



Evan Branosky



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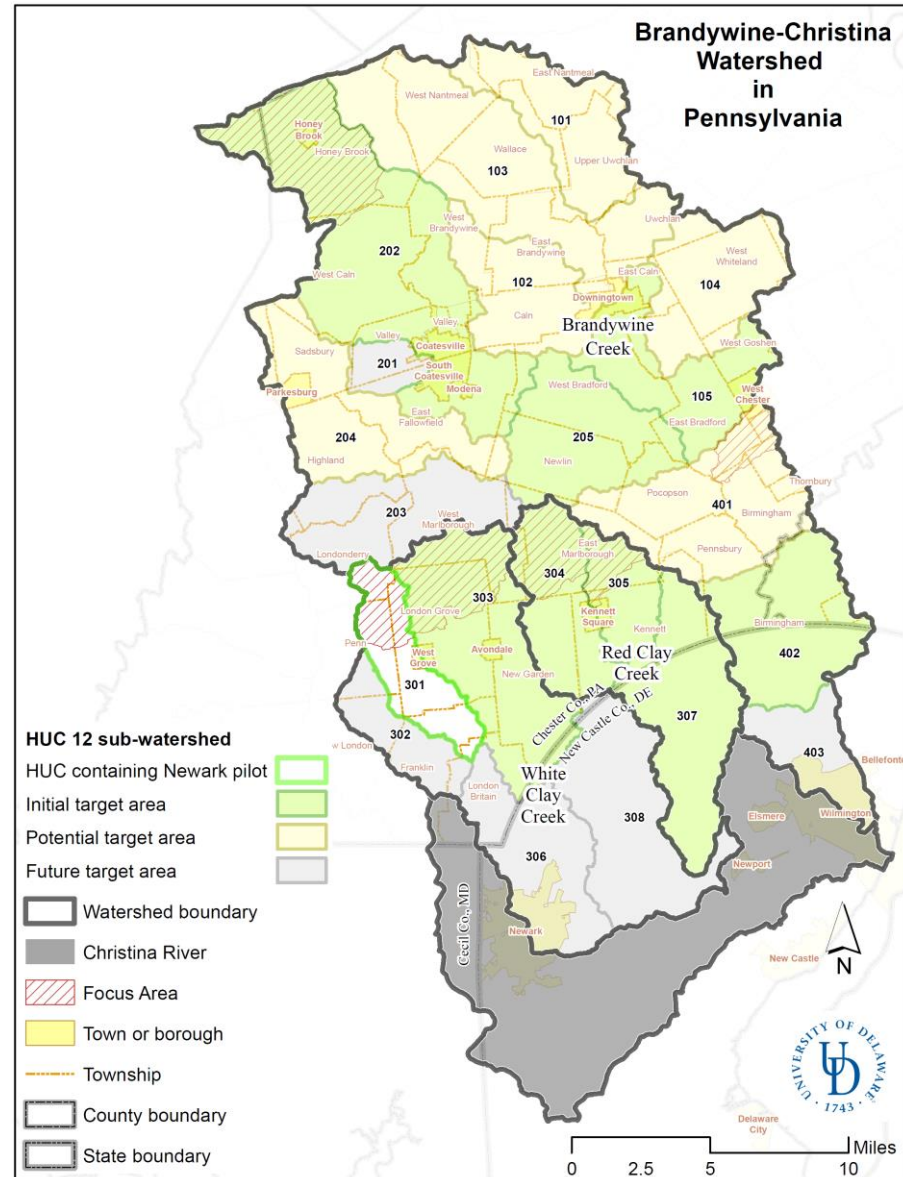


Jonathan Stearns



Connecting Supply and Demand:

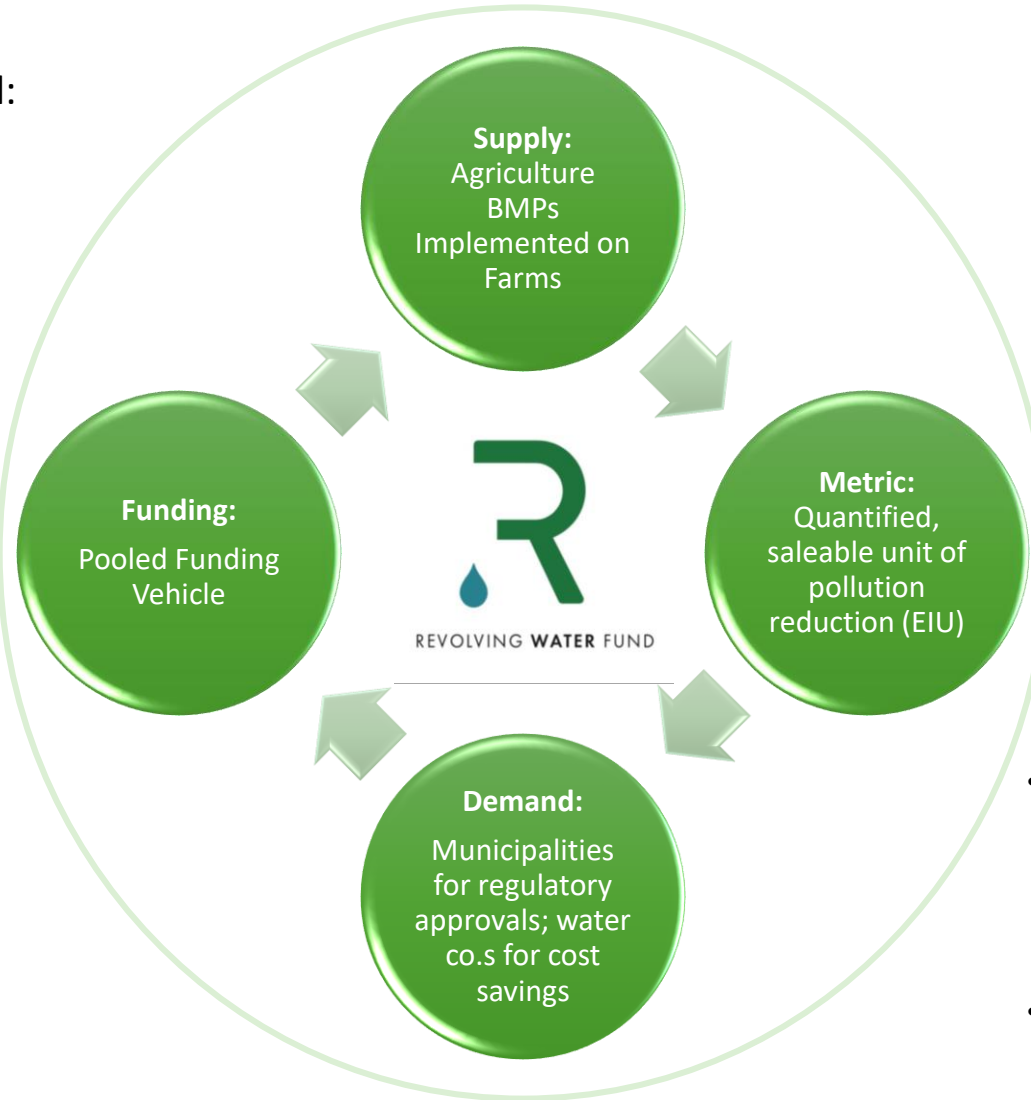
- 22 PA munis with public works budgets > \$1 million
- Initially targeting 13 munis with most agricultural lands in HUC 12
- 2% public works budgets = \$1.4 million per year
- Projected savings to water suppliers = \$2.5 million/yr.
- EIUs standardize units of pollution reductions
- PA and DE regulators have been receptive to concept
- William Penn Focus Areas overlap
- Newark is first pilot



Foundation/Municipal:

Support Revolving Fund
Business Planning, Fund
Mechanics and Pilots

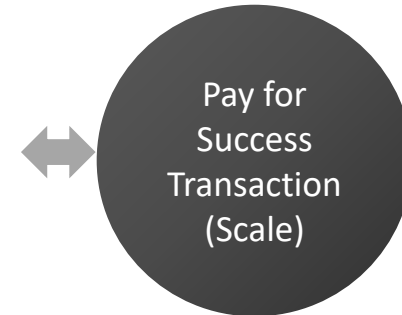
Philanthropic Grants



CIG/i2 Funds:

Support Revolving Fund
Mechanics & Scaled Pay
For Success Transaction

Program Related Investments



- Capitalizes Water Fund once transaction mechanics and municipal purchase contracts are in place; provides performance based risk protection to municipalities.
- Pilots set stage for PFS Transaction.

Development Capital From:

- William Penn Foundation
- DuPont
- City of Newark
- Bunting Foundation
- Capacity support from TNC Global Water Funds



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