

Economic and Social Benefits of Water Quality:
**Creating Sustainable Funding
for Watershed Quality**

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Overview

- Introduction to WaQSP
- Tasks
- Process
- Salt Lake County's Funding Context
- Benefits
- Funding Mechanisms
- Discussion

Water Quality Stewardship Plan

- *"The purpose of WaQSP is to provide an overall watershed plan for Salt Lake County that... enhances the quality of life for Salt Lake County residents."*



Wikstom's Tasks

- Identify **social and economic benefits** of water quality and watershed preservation.
- Identify **funding mechanisms** for plan implementation, long-term watershed monitoring, and on-going adaptive management.

- “Failure to quantify ecosystem values in commensurate terms with opportunity costs often results in an implicit value of zero.” – John Loomis, Professor in Colorado State University’s Department of Agricultural Resource Economics, 1999

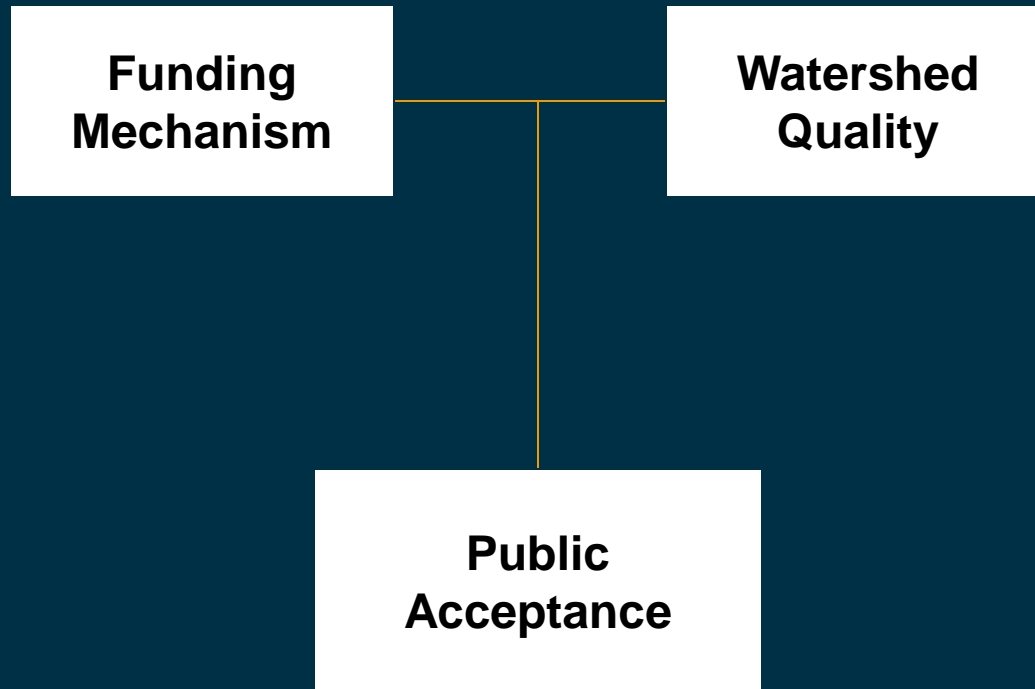


- In other words...

Unless the economic and social benefits are identified and studied no value will be associated with them.

no value = **no** funding

Process



Funding Requirements

- Approximately \$750,000 will need to be raised every seven years to update the Watershed Quality Stewardship Plan and \$5,000,000 annually for project implementation.



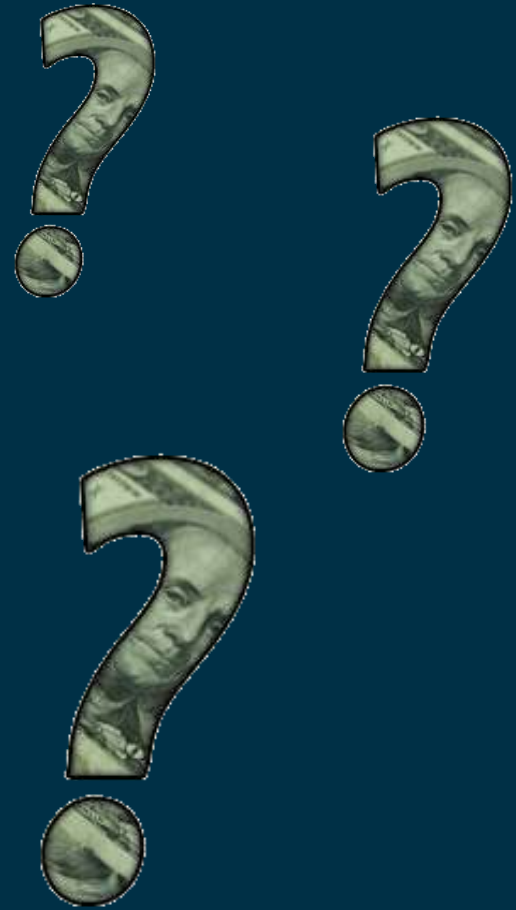
Current Funds

- The current flood control budget for Salt Lake County is \$8.1 million for 2007.
 - \$5.3 million is allocated towards engineering.
 - \$2.8 is allocated towards capital improvement projects.

Funding

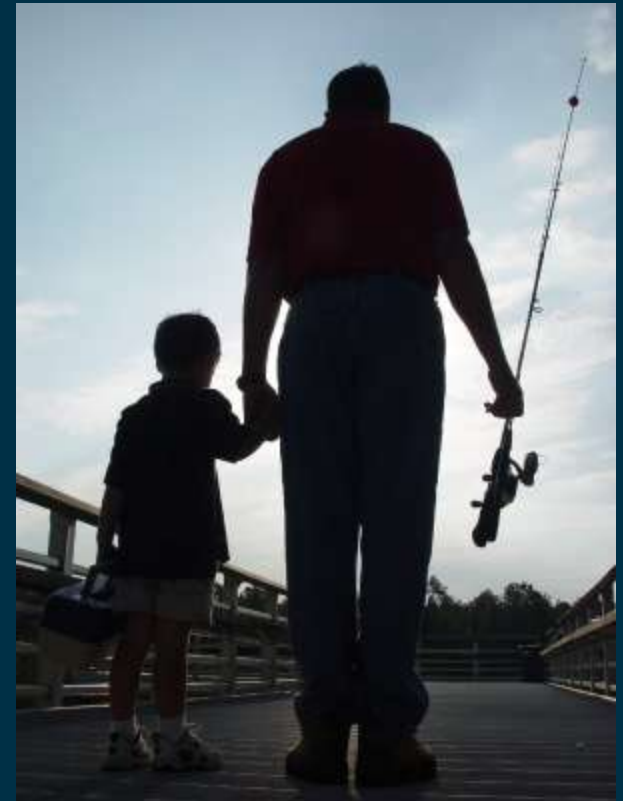
- In 2005 there were approximately 365,000 households and businesses in Salt Lake County.
- If the plan is updated every seven years the amount needed per household or business per year would be:
 - \$0.29 for planning.
 - \$13.71 for project implementation.

What benefits
will we see
from this
funding?



Benefits

- Public:
 - Increased the **quality of life** which attracts new businesses and residents.
 - Enhanced **outdoor recreation** opportunities.
 - Better **sense of place**.
 - Better overall **environmental quality**, not just water quality.



Benefits

- Private:
 - Increased **property values** especially near the water or watershed.
 - Improved **health** through increased environmental quality and personal recreation.
 - Better **sense of place** and **community pride**.

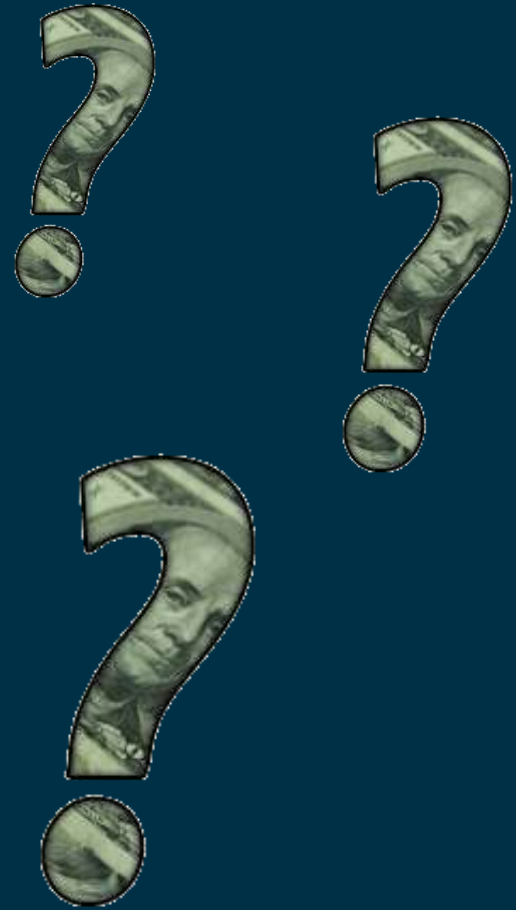


Benefits

- Economic:
 - Increased watershed preservation **decreases water treatment costs.**
 - Increased attraction to **tourists.**
 - Increased **sales** of recreation related products.
 - Reduced **health care** costs.



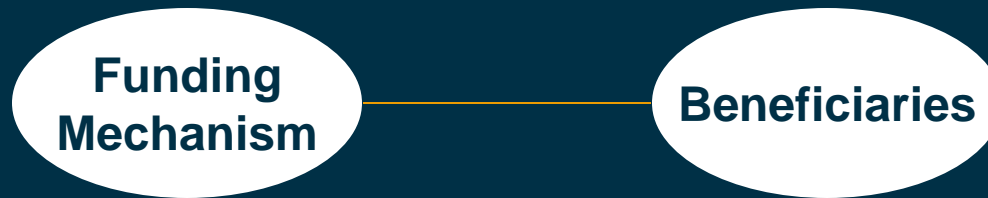
What's the
connection?



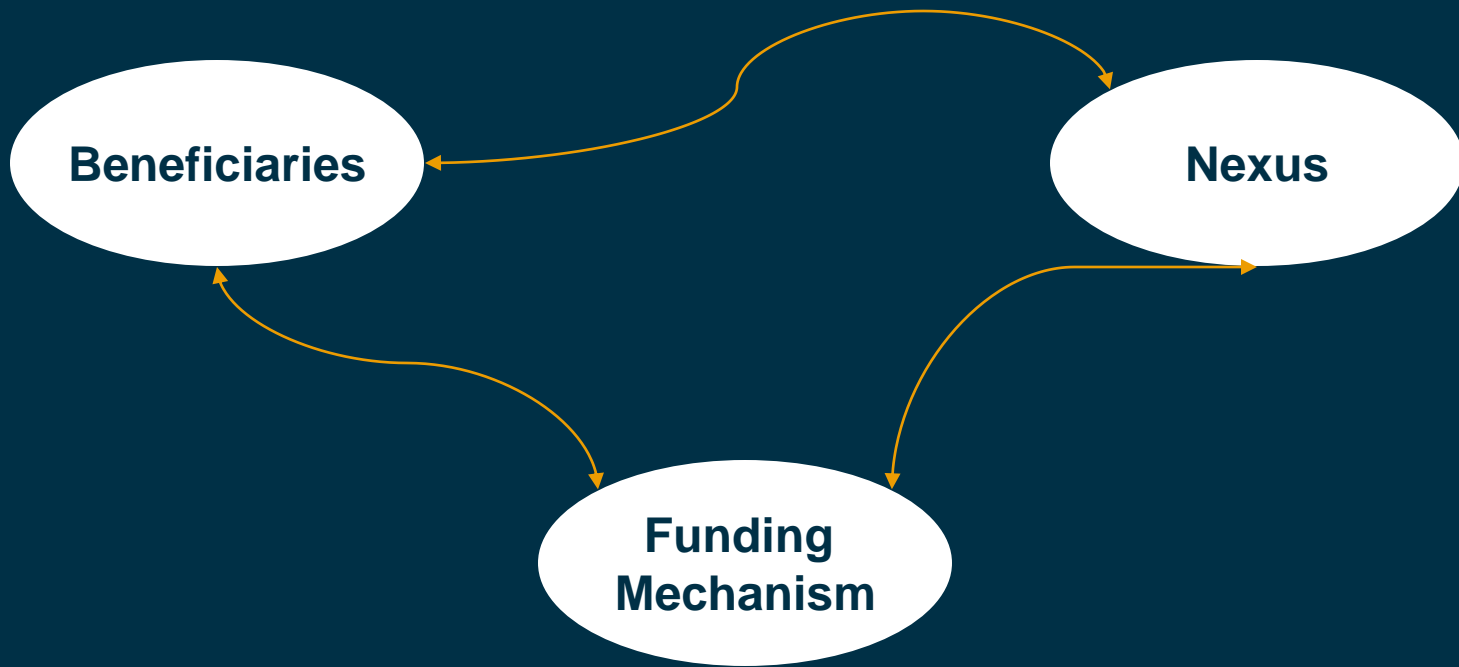
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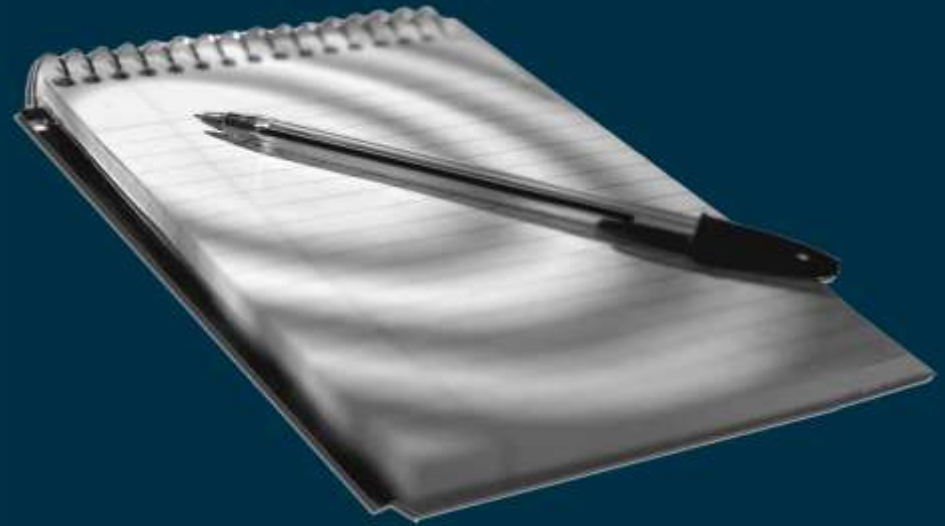


- This key is referred to as the **legal nexus**.



Types of Funding Mechanisms

- Five methods of raising revenues:
 - Taxes
 - Fees/charges for services
 - Charges for watershed degradation
 - Fines
 - Volunteerism



Taxes

- Property Tax
- Sales Tax



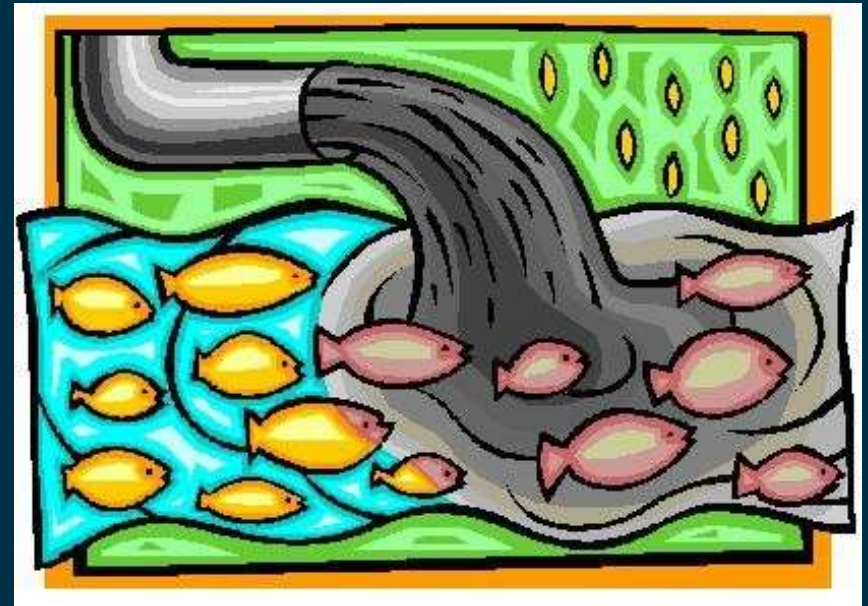
Fees

- User Fees
- Connection Fees



Charges for Watershed Degradation

- Surcharges
- Impact Fees
- Fees



Funding Mechanisms

- Existing Mechanisms:
 - Existing collection system
 - Less legislative risk
 - Generally more well received
- New Mechanisms:
 - Ability to tap new funding potential

WaQSP's Funding Strategy

- Salt Lake County:
 - Creation of a State Trust Fund – Projects
 - Fees – Mitigation/Implementation
 - Taxes – Planning



Discussion

