

Paying for Nutrient Management in the Jordan Lake Watershed

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Legislative Mandates...

- *“review the costs and benefits of existing nutrient management strategies”*
- *“maintain proven measures already shown to be effective; incorporate new technological and management innovations; recognize investments in water quality already implemented by stakeholders; and share costs on an equitable basis.”*
- *“examine the costs and benefits of basinwide nutrient strategies in other states and the impact (or lack of impact) those strategies have had on water quality.”*

Research Questions

- Who are the entities in the Jordan Lake watershed currently contributing to nutrient management and how are they paying?
- What sources of revenue are entities using to pay for nutrient management?
- What alternative options are there for generating revenue to support water quality protection (“revenuesheds?”)



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Implications for Managing Nutrients in Jordan Lake

- Identifying who the participants in the revenueshed would reach beyond the regulated entities – the broader the base, the more the potential revenue
- Identifying the sources of revenue that are not currently being utilized or which could be expanded
- Identifying increased opportunities for collaboration that could make nutrient management more effective and cost-efficient



Research Findings

- Local governments are taking a cautionary approach in spending on nutrient management because of concerns related to nutrient reduction credit required under the rules and because of anticipated future needs
- Fragmentation in the watershed and the limited cross-sector communication creates challenges to a holistic approach to effective nutrient management



Research Findings

- Perceived ambiguities in the current Jordan Lake Nutrient Management Strategy have led to missed opportunities or delays in enacting nutrient management initiatives
- There are holistic regional approaches to spending and raising revenue for watershed protection in other areas of the country that are not currently being utilized in the Jordan Lake watershed



Next Steps

The concept of a *revenue shed* identifies the area within which revenue is generated for watershed protection for the following purposes:

- Cultivate Accountability
- Generate Discussions among Local Govs
- Develop interactive financial tools to assist in policy decision-making



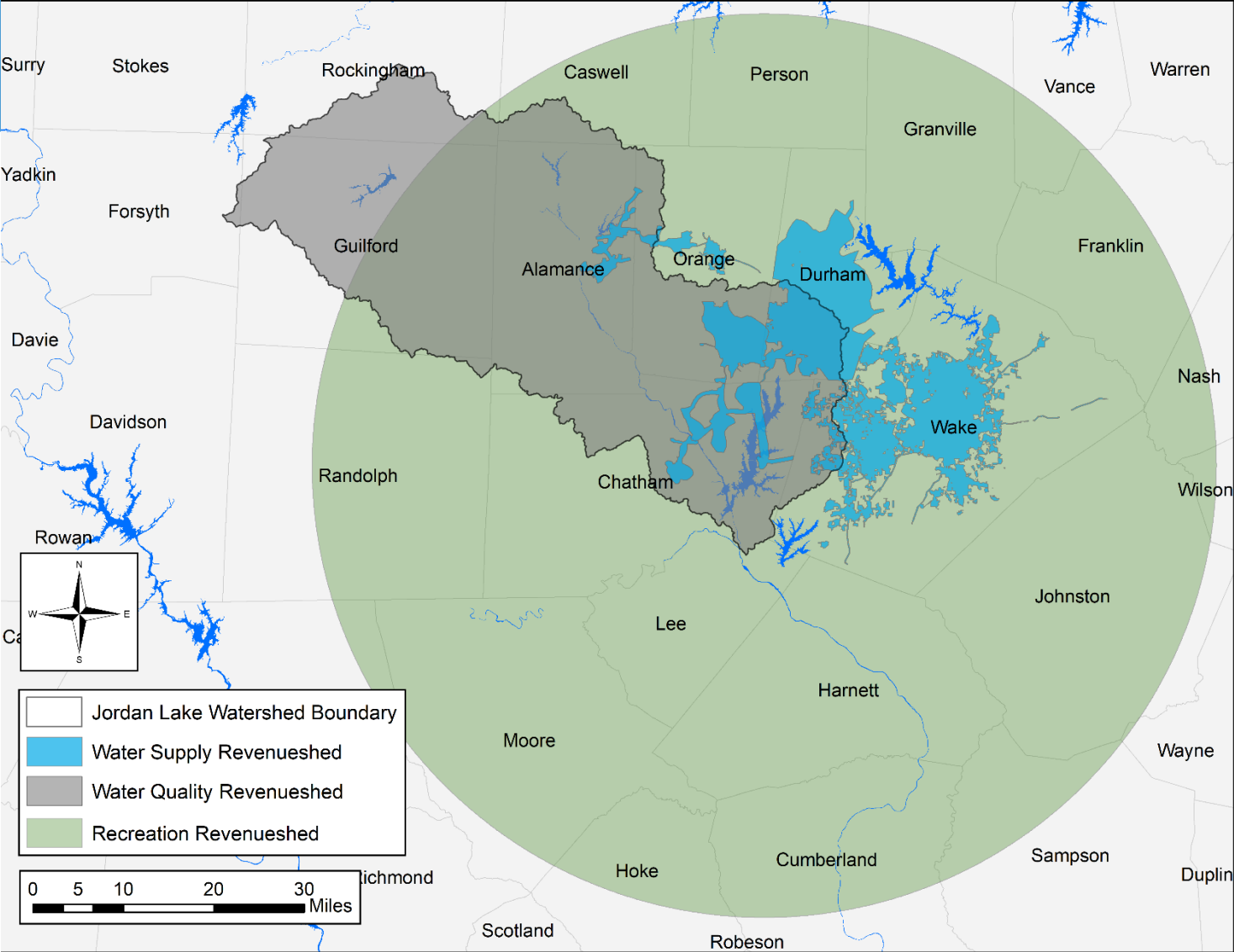
Potential Jordan Lake (Water Quality Protection) Revenueshed Components

Total Revenueshed = sum of all component revenuesheds:

1. Water Quality – Contributors to stormwater and wastewater discharge
2. Water Supply – All of JL drinking water allocation holders
3. Recreation – Residences within a one-hour drive (within service area of state park)

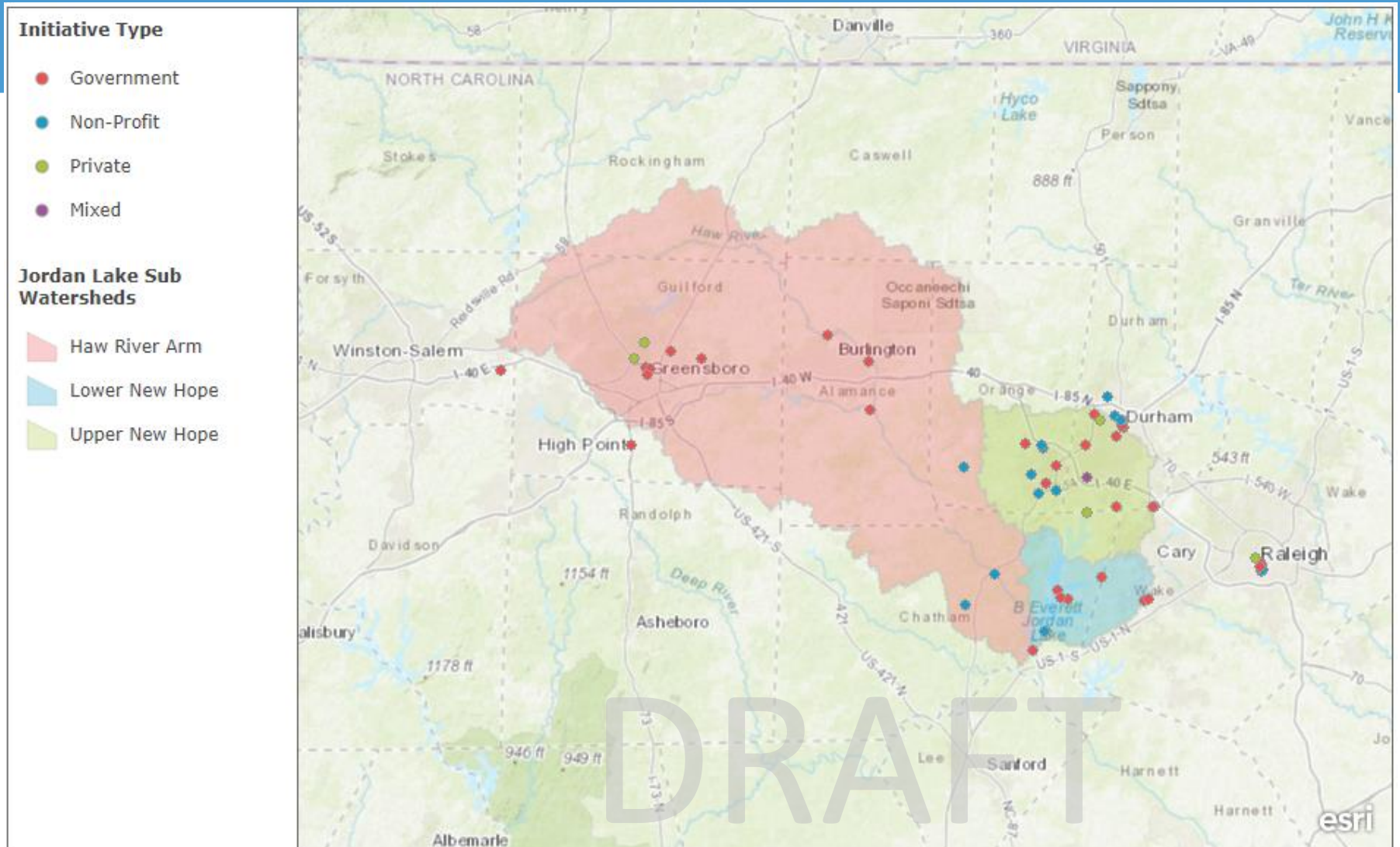


Potential Jordan Lake Revenueshed



CAPSTONE:

Jordan Lake Nutrient Management: Practices, Policies and Institutions



Next Steps

- If the system remains fragmented, how could the current tools produce enough revenue for effective nutrient management?
- What other revenue raising tools could the state or local governments use to manage nutrients in Jordan Lake?
 - i.e. a regional authority with statutory ability to tax/issue a fee



Next Steps

- What are the possible scenarios to use to assign fees?
 - Equally assessed for everyone in revenue-shed
 - Based on property taxable value
 - Based on use/benefit/discharge/etc.
 - Any combination of the above



Paying for Nutrient Management and Reduction in the Jordan Lake Watershed

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