

# West Michigan Sustainable Watershed Funding Strategy

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# EXECUTIVE SUMMARY

## BACKGROUND

Since 2014, partners in West Michigan have been working to develop a sustainable funding mechanism to support watershed management. This initiative began with the recognition that water resources are critical to West Michigan's vibrancy and are an essential element of the economy, the health of communities, and West Michigan's way of life. Despite the significance of water resources to Michigan, current funding models that support watershed management are insufficient. Groups that work to restore, protect, and enhance watersheds consistently lack funding and are left competing for limited state and federal dollars while important work goes uncompleted. Partners in West Michigan have led the effort to address this issue, but Michigan faces these challenges statewide.

In a 2016 study, four funding mechanisms—millages, flat fees, watershed management districts, and Pay for Success (PFS) Bonds—were analyzed to determine their potential as a sustainable funding approach to support watershed management in West Michigan.

## COMMUNITY CONVERSATIONS

These potential funding mechanisms were evaluated through a series of community conversations held throughout West Michigan in the summer of 2017, during which community members discussed the advantages and disadvantages of each approach to inform the development of a new funding strategy. Community conversation results were discussed at a meeting of the West Michigan Watershed Collaborative, where representatives of watershed groups and other stakeholders reviewed and provided input on a framework for a sustainable funding strategy.

## A FRAMEWORK FOR SUSTAINABLE WATERSHED FUNDING

After evaluating the alternatives, a voluntary watershed contribution that uses a watershed-based decision-making structure was developed as a new framework for sustainable funding. This approach builds from the previous study of potential funding mechanisms and input provided by partners throughout West Michigan. Through this approach, funding for watersheds would be generated by enabling counties to collect a voluntary contribution from property owners through the tax bill. Funding would be administered through existing regional planning bodies to leverage existing administrative structures and better enable work to be conducted at a watershed scale, which does not adhere to political boundaries. This framework will require new legislation to enable counties to implement the funding program and provide operational guidelines on how programs may be structured. Because this framework would require new statewide legislation, it needs to provide enough flexibility that it can be tailored to meet the needs of the entire state.

Michigan's regions vary significantly in terms of watershed conditions, land use features, population, economic wellbeing, organizational structure and capacity, community priorities, and many other factors. Rather than dictating a one-size-fits-all approach for all of Michigan's regions, the framework delegates decision making to the regional level for many critical elements of the program design so that the funding and implementation approach can be tailored to the unique conditions of Michigan's regions.

## IMPLEMENTATION STRATEGY

Implementing the new funding approach to support watershed management will take considerable effort in building stakeholder support, increasing community awareness, refining administrative mechanisms to operationalize the initiative, and passing new statewide legislation. Project partners should consider the following tasks, which are generally presented in the order they should occur, but some tasks may take place simultaneously.

- Create a centralized webpage where information about this initiative can be shared with people who are interested.
- Seek funding to support additional stakeholder outreach as well as further development and refinement of the funding strategy. The funding framework and implementation strategy are expected to evolve as additional stakeholder groups are engaged.
- Engage key stakeholder groups through focused outreach to discuss and refine the funding strategy and increase support.
- Refine the strategy as appropriate based on feedback from a broader group of stakeholders.
- Evaluate potential caps on contribution levels collected through property taxes and expenses to collect and administer the funding.
- Estimate participation rates and developing revenue projections. A public opinion survey may be appropriate to conduct such analysis with a high degree of certainty.
- Develop a communications campaign that helps demonstrate why funding is necessary and how funding would be used.
- Develop materials that help demonstrate the economic significance of water resources to Michigan.
- Develop an on-the-ground implementation strategy that clearly identifies specific projects that could be funded once the initiative is implemented. The strategy should include projects in watersheds and counties across West Michigan.
- Collaborate with legislators and partners in statewide associations to craft and introduce legislation.
- Develop guidance documents to assist regions in establishing the funding program by outlining alternative operational structures, such as opt in versus opt out, the watershed scale at which to operate, and formation of watershed advisory councils.

## BACKGROUND

The West Michigan Prosperity Alliance (Alliance) formed in 2014 and is comprised of leaders of government, business, education, philanthropy, and the nonprofit sectors from across the 13-county West Michigan region. The organization came together in response to Michigan’s Regional Prosperity Initiative—a voluntary initiative started by Gov. Rick Snyder’s administration that supports greater regional collaboration to enhance the vibrancy of Michigan and its communities.

The Alliance serves as a forum to identify and develop initiatives that advance regional prosperity in West Michigan. Through this process, the need to develop sustainable funding mechanisms to enhance, protect, and preserve water resources was identified as a top priority.

In 2015, the Alliance provided funding, administered through the Macatawa Area Coordinating Council (MACC), to evaluate funding mechanisms that could provide sustainable funding for watershed management. The MACC, in coordination with the West Michigan Shoreline Regional Development Commission and the Grand Valley Metropolitan Council formed a project team to lead this effort. The group then convened the West Michigan Watershed Collaborative to provide input on the project. The collaborative includes representatives from over 25 watershed organizations within the region, with an ongoing goal of encouraging and facilitating greater collaboration at the regional scale.

The project team held several meetings with the West Michigan Watershed Collaborative to provide project updates and receive feedback to guide the project outcomes. The group compiled a comprehensive summary of the watershed management plans and financial needs of various organizations in the West Michigan Watershed Collaborative. The resulting *West Michigan Watershed Summary* is available on the Lower Grand River Organization of Watersheds’ website<sup>1</sup> and will be continually updated as watershed management plans are written or revised. This summary and estimate of financial needs helped to inform the development of funding mechanisms.

Public Sector Consultants (PSC) was hired to assist the team in evaluating alternative funding mechanisms that have the potential to generate sustainable funding. In coordination with the project team and representatives of the West Michigan Watershed Collaborative, PSC evaluated four funding approaches—millages, flat fees, watershed management districts, and Pay for Success Bonds—which are summarized in the 2016 report *A New Approach to Fund Watershed Management: An Evaluation of Funding Mechanisms*.

The 2016 report assessed the applicability of each approach for developing sustainable funding for watershed management, potential revenue projections under a range of scenarios, as well as additional considerations for each funding mechanism.

In 2017, the Alliance provided additional resources to engage members of the community to discuss the alternative approaches and further develop a strategy to implement a sustainable funding mechanism to support watershed management. The project team reengaged PSC to assist with community engagement and development of the implementation strategy.

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<sup>1</sup> To view the *West Michigan Watershed Summary*, visit <https://www.lgrow.org/rpi/>.

## COMMUNITY CONVERSATIONS

In the summer of 2017, a series of six community conversations were held throughout the 13 counties of the West Michigan prosperity region to discuss community members' views and perceptions of the four funding approaches and obtain input on the best strategy to pursue. A total of 45 people representing watershed groups, local units of government, drain commissions, conservation districts, regional planning bodies, educational institutions, and others participated in the conversations. The meetings were facilitated by representatives of the project team, and PSC provided facilitation support and summarized the meetings. Questions that participants were asked and summaries of each of the meetings are provided in Appendix A.

## COMMUNITY CONVERSATION HIGHLIGHTS

The community conversations generated fruitful discussion and important feedback about current funding models, advantages and disadvantages of each potential funding approach, and critical elements that would be necessary to successfully implement a funding strategy. PSC reviewed and summarized the results of the community conversations, and discussed them with the West Michigan Watershed Collaborative and other stakeholders on August 29, 2017. Highlights of the community conversations are summarized below.

- **New funding approaches are needed.** During the community conversations, consensus emerged that current funding models for watershed management are insufficient. The funding that is available has enabled many organizations to develop management plans and implement some priority actions, but available funding is not enough to fully implement plans to restore, protect, and enhance watersheds. There is also growing uncertainty about the availability of state and federal funds to continue to support watershed management, underscoring the need to develop local solutions to support local priorities.
- **Partners from across the 13-county region want to work together.** The 13 counties included within the West Michigan prosperity region cover a geographic area about the same size as the state of New Jersey. The region comprises a variety of communities, including urban, suburban, and rural, with a multitude of land uses and watershed conditions and with different economic and political considerations. Despite these differences, the counties all associate with West Michigan and have a common interest in Lake Michigan. Through the community conversations, a significant majority of participants affirmed their interest in continuing to work together on a single strategy to develop a source of sustainable funding for watershed management.
- **Collaboration enhances decision making and improves outcomes.** Participants noted that under the current funding model, which is largely grant driven, watershed groups dedicate a fair amount of time to competing for the limited funding that is available. Watershed partners suggested that developing local funding sources would decrease the level of competition and could be structured to support collaborative decision making. Furthermore, greater coordination has the potential to achieve economies of scale when working on issues such as educational activities that affect large and/or multiple watersheds.

- **Partners are willing to pursue new legislation if needed.** Participants discussed whether pursuing new legislation would be practical and desirable if new legislation was necessary to implement a funding strategy. While participants recognized the potential challenges of this option, there was broad consensus that it would be appropriate to pursue new legislation if it would lead to a viable funding model.
- **Regardless of which funding strategy is pursued, there is much more work to do.** Participants identified numerous areas, such as the governance and administrative structure, that will need additional research and planning to lead to the successful implementation of a sustainable funding strategy.

## STAKEHOLDER PERCEPTIONS OF ALTERNATIVE FUNDING APPROACHES

Participants of the community conversations discussed their views and perceptions of each of the four funding approaches analyzed. A summary of each funding approach and key points of consideration are provided below. Detailed analysis of each approach is available in the 2016 report: *A New Approach to Fund Watershed Management: An Evaluation of Funding Mechanisms*.

### Pay for Success Bonds

Unlike the other mechanisms analyzed, Pay for Success Bonds are a financing mechanism rather than a funding mechanism. In other words, this approach is a new method for government to borrow money rather than generate income. PFS Bonds are also sometimes referred to as environmental impact bonds and are similar to social impact bonds.

PFS Bonds are frequently project based. Through this financial instrument, the government essentially repays and compensates investors for assuming the risk of trying a new approach to solve a problem. If the project is successful in reaching agreed-upon metrics, investors are repaid and given an agreed-upon rate of return. The approach can be appealing to philanthropic entities that may choose to invest their funding as a bond in place of a grant.

Points of consideration: In the context of watershed management, PFS Bonds may provide an opportunity to finance new and innovative projects that have the potential to achieve cost savings or better environmental outcomes than traditional approaches. For example, PFS Bonds could be used to finance green infrastructure projects when there may be uncertainty regarding the outcomes. Another potential consideration for this approach is that it can test proof of concept methods that could ultimately reduce government spending over the long run. These bonds have been used in Washington, D.C. to help reduce combined sewer overflows.<sup>2,3</sup>

Unlike the other methods, it would be project based. New financial arrangements would need to be established for each project.

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<sup>2</sup> DC Water and Sewer Authority. September 29, 2016. "DC Water, Goldman Sachs and Calvert Foundation Pioneer Environmental Impact Bond." *DC Water*. Accessed October 31, 2017. <https://www.dewater.com/whats-going-on/news/dc-water-goldman-sachs-and-calvert-foundation-pioneer-environmental-impact-bond>

<sup>3</sup> U.S. EPA. April 2017. *DC Water's Environmental Impact Bond: A First of its Kind*. Accessed October 31, 2017. [https://www.epa.gov/sites/production/files/2017-04/documents/dc\\_waters\\_environmental\\_impact\\_bond\\_a\\_first\\_of\\_its\\_kind\\_final2.pdf](https://www.epa.gov/sites/production/files/2017-04/documents/dc_waters_environmental_impact_bond_a_first_of_its_kind_final2.pdf)



## Community Feedback

Through the community conversations, participants suggested that PFS Bonds are an intriguing approach that have significant potential to finance innovative, large-scale watershed projects. Participants suggested that the approach should continue to be evaluated as a financing mechanism but, due to its structure, would not provide a source of sustainable funding. Thus, PFS Bonds should not be the primary strategy pursued at this time.

## **Watershed Management Districts**

Forming watershed management districts is an approach that could be used to develop a sustainable funding mechanism. This approach would use special assessment districts at a watershed scale and assess property owners for the costs to manage their watershed. Special assessments are currently used at a smaller scale for lake management and drainage districts.

Points of consideration: This approach may be more equitable than others because it could better connect watershed conditions to property assessments. It would require complex models that estimate the contributions of each property to watershed impairments, which would be used to determine each property owner's watershed assessment and could incent owners to change land use practices to improve watershed conditions. This approach would require new legislation.

## Community Feedback

Participants in the community conversations suggested that the districts would align well with principles of watershed management by operating at a watershed, rather than municipal, scale. Additionally, the approach may provide an effective model for a governance framework. Participants also suggested that this approach had the potential to create additional opportunities for education because watershed assessments would be tied with individual land use practices. This approach was also recognized as being more complex than others evaluated and would require significant investment in the administrative framework and development of assessment models. Participants also noted that the approach overlaps with existing funding models for drainage districts and lake management, which would need to be further evaluated before watershed management districts could be implemented.

## **Millages**

Voter-approved millages are a relatively common way that communities raise revenue to support their priorities. Mills are property tax assessments that voters are asked to approve over a defined period of time for a specific purpose. Many are familiar with library and park millages—this approach would develop a millage to support watershed management.

Points of consideration: This approach may be more familiar to voters, could be implemented through existing legislation, and there is a relatively high rate of millage approval (approximately 80 percent in 2014). This approach would require voter approval at a municipal or county level and would associate property value with watershed management expenses. The project team is not aware of any millages currently used for watershed management purposes.

## Community Feedback

Participants suggested that millages are relatively well understood, and may be the most familiar approach for residents. Furthermore, funding generated through millages is relatively predictable, which can enhance longer-term planning efforts. People who participated in the conversations also suggested

that significant resources are required to successfully pass a millage campaign and that a millage would need to be placed on the ballot of each county in the region. Participants also suggested that some areas within West Michigan are facing “millage fatigue,” where many millages have recently been considered, decreasing the public interest in additional millage campaigns. Finally, participants suggested that voters in some counties within West Michigan may not be supportive of a millage for watershed management purposes, regardless of millage fatigue.

## **Voluntary Watershed Contributions**

A voluntary watershed contribution is another approach that could be used to develop a sustainable funding mechanism. The method would allow a county to collect a contribution from property owners on their property tax bill. A similar method has been used to support recycling programs in Michigan, but new legislation would be needed to enable counties to collect a surcharge for watershed management purposes.

**Points of consideration:** This funding approach evolved from the flat fee method that was previously studied in which all property owners would be required to contribute to watershed management. A mandatory contribution would have potential legal challenges because of a Michigan Supreme Court ruling (*Bolt v. City of Lansing*) and the Headlee Amendment. The *Bolt* decision clarifies distinctions between taxes and fees—assessing all property owners a fixed amount for watershed management purposes meets the criteria of a tax. The Headlee Amendment requires voter approval of new taxes. Structuring this funding mechanism as a voluntary contribution is expected to overcome these concerns.

### Community Feedback

People who participated in the community conversations suggested that voluntary watershed contributions may be more feasible than other approaches under consideration. Because contributions would be voluntary, anyone opposed would have an opportunity to decline to participate in the funding initiative. However, because people could decline to contribute, the amount of funding generated may be lower than other approaches. Despite a lower rate of funding, people participating in the community conversations suggested that even modest participation rates could yield substantially more funding to support watershed management than under current funding models. Participants suggested that administering the collection of funding through a tax bill would decrease the administrative burden, enhancing the program’s efficiency.

## **Critical Elements of Program Design**

During the community conversations, participants identified elements of the program design that would be critical to its success, shared goals for how they believe a program should be structured, and identified areas that will need continued evaluation regardless of the funding mechanism pursued. Critical elements of a funding program and areas for continued evaluation are summarized below.

### Critical Elements

- A robust governance and administrative structure will be key to the success of the initiative.
- Accountability mechanisms to ensure that funding is appropriately spent need to be in place.
- Administrative costs associated with collecting and disbursing funding should be kept as low as possible while ensuring the initiative is run effectively.
- Mechanisms will need to be established to assist in the prioritization of funding.

## Areas for Continued Evaluation

- The scale at which the initiative operates is an important matter for further evaluation.
  - To what extent should funding remain in the watershed or county from which it is raised?
  - Is it desirable to establish a proportional structure where some money remains in the county or watershed from which it is raised and some money is pooled for projects of greater regional significance?
- What is the right balance of funding dedicated to on-the-ground work and operational funding for watershed groups?
- What projects should be eligible for funding? Should funding be limited to activities associated with state- and federally approved watershed management plans (Section 319 of the Clean Water Act)?

## CONSENSUS BUILDING

Based on the input provided during the six community conversations, the project team developed a proposed framework for a sustainable funding model that was discussed by the West Michigan Watershed Collaborative on August 29, 2017. The collaborative discussed developing a voluntary watershed contribution that would be collected from property owners as well as utilizing watershed-based decision-making structure to inform the allocation of funding. This approach could be pursued in the near term and would grow capacity of watershed groups to develop and implement management plans. This would better position West Michigan to evaluate and pursue another funding mechanism in the future if stakeholders deem the action appropriate. This framework draws on the advantages of the approaches previously analyzed and minimizes their disadvantages. Compared to the other mechanisms evaluated, this approach may be more viable at this time because of its voluntary nature. While a voluntary collection method may generate a lower level of funding than a mandatory program, an unsuccessful campaign won't generate any funding. This approach would require new legislation that enables counties to collect the funding and provide an operational framework to administer the program. Members of the collaborative were generally supportive of the proposed approach.

## A FRAMEWORK FOR SUSTAINABLE WATERSHED FUNDING

Partners in West Michigan have been working to develop a sustainable funding mechanism to support watershed management. This initiative began with the recognition that water resources are critical to West Michigan's vibrancy. Water resources are an essential element of the economy, the health of communities, and the region's way of life. Despite the significance of water resources to Michigan, current funding models that support watershed management are insufficient. Groups that work to restore, protect, and enhance watersheds consistently lack funding and are left competing for limited state and federal dollars while important work goes uncompleted. Partners in West Michigan have led the effort to address this issue but these challenges are faced throughout Michigan.

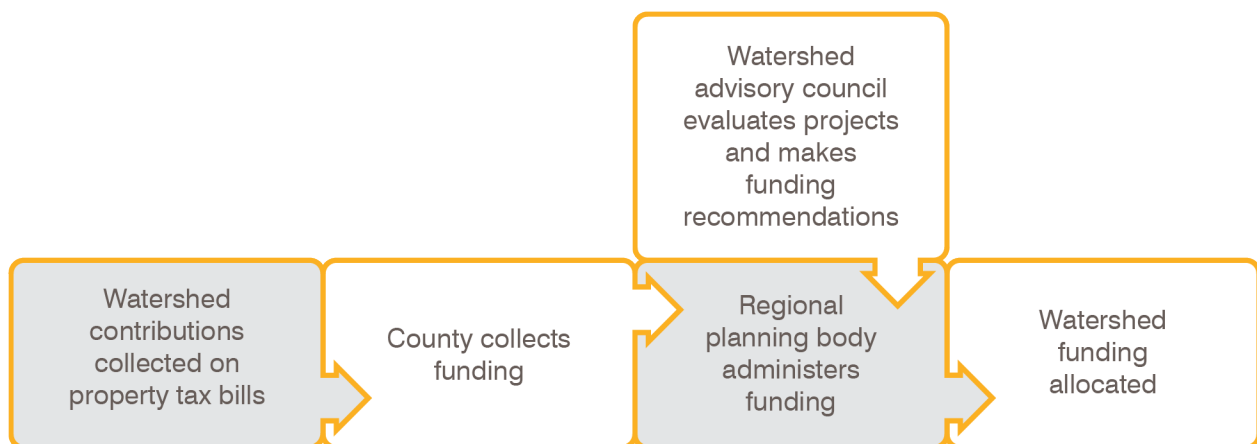
The proposed funding approach would require new statewide legislation and has the potential to advance watershed management throughout Michigan. While a statewide model presents substantial opportunities, it also means that the framework needs to provide enough flexibility that it can be tailored to meet the needs of the entire state.

Michigan’s regions vary significantly in terms of watershed conditions, land use features, population, economic wellbeing, organizational structure and capacity, community priorities, and many other factors. Rather than dictating a one-size-fits-all approach for all of Michigan’s regions, the proposed framework delegates decision making to the regional level for many critical elements of the program design so that the funding and implementation approach can be tailored to the unique conditions of Michigan’s regions.

After evaluating the alternatives, a voluntary watershed contribution that uses a watershed-based decision-making structure was developed as a new framework for sustainable funding. Through this funding approach, counties would have the ability to collect a voluntary watershed contribution through property tax bills, and would pass this funding through to existing regional planning bodies to administer. Watershed advisory councils would be formed to guide funding decisions that reflect regional watershed priorities (see Exhibit 1 for the funding structure).

**EXHIBIT 1. Voluntary Watershed Contributions Funding Structure**

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Key elements of the proposed funding model and a rationale for each are provided below.

- **Enable counties to collect a voluntary watershed contribution through property tax bills.**  
**Rationale:** Rather than establishing a new administrative framework, using the existing property tax collection system would streamline efforts, decrease costs, and may increase participation.
- **Require counties to pass funding through to an existing regional planning body.**  
**Rationale:** Operating through existing regional planning bodies would leverage existing decision-making and administrative frameworks, which would decrease administrative burden. Regional bodies are accustomed to facilitating conversations among their member jurisdictions regarding contribution levels and allocations of funding. Furthermore, regional planning bodies are well equipped to address watershed issues, especially those that span multiple communities.

- **Require regional planning bodies to establish one or more watershed advisory councils that would guide funding allocations.**

**Rationale:** Watershed advisory councils that include representatives of organizations involved in the development and implementation of watershed management plans would be well suited to prioritize projects. Each region would be able to determine whether it would establish one advisory council guiding all decisions for watersheds within its jurisdiction or multiple councils at a watershed scale that is appropriate for the region. This approach provides watershed groups the ability to inform funding decisions while providing accountability through an existing governmental organization.

- **Enable regional planning bodies to enter into cooperative agreements with each other to enhance coordination of efforts and fill capacity where needed.** These cooperative agreements may include assigning fiduciary responsibilities to another regional planning body.

**Rationale:** Regional planning bodies are well suited to operate on a watershed scale because they are accustomed to planning across multiple jurisdictions. In instances where watersheds cross regional boundaries or when a region may need additional capacity, multiple regions could partner to administer watershed funding through cooperative agreements.

- **Enable regional planning bodies, in coordination with member counties to tailor the initiative to suit Michigan’s varying interests.** The following elements would be determined by each region.

- A voluntary program could be structured as either an opt-in or an opt-out system. Regional planning bodies and counties are well suited to determine the structure that will fit their goals.
- A voluntary watershed contribution as well as county and regional administrative expenses should be capped at a specified rate (yet to be determined). Regions and counties would be able to determine the rates up to the cap that would be appropriate for their constituents.
- Funding allocations dedicated to each county and watershed as well as allocations dedicated to on-the-ground projects and staff support should be determined at the regional level to meet the unique needs of the watersheds in the region.
- Watershed management can be conducted at a wide range of scales. Regions are well suited to evaluate the scale at which programs should be implemented to reflect social dynamics and existing organizational structures.

**Rationale:** Michigan’s regions and watersheds are unique and vary significantly in terms of watershed conditions, land use features, population, economic wellbeing, organizational structure and capacity, community priorities, and many other factors. Enabling regions to tailor the initiative to fit their needs will better position the success of the initiative at both a regional and statewide basis. There are simply too many considerations to dictate a one-size-fits-all approach.

## IMPLEMENTATION STRATEGY

Developing a new sustainable funding mechanism to support watershed management will require a substantial amount of effort in designing a successful program and shepherding new legislation through the Michigan Legislature. Project partners will need to continue to engage stakeholders, refine and further develop the framework, collect additional information, and develop supporting materials that will

position the effort for success. Project partners should consider the following tasks, which are generally presented in the order they should occur, but some tasks may take place simultaneously.

- Create a centralized webpage where information about this initiative can be shared with people who are interested.
- Seek funding to support additional stakeholder outreach as well as further development and refinement of the funding strategy. The funding framework and implementation strategy are expected to evolve as additional stakeholder groups are engaged.
- Engage key stakeholder groups through focused outreach to discuss and refine the funding strategy to increase support. Groups to engage may include:
  - Counties within the West Michigan Prosperity Alliance (Allegan, Barry, Ionia, Kent, Lake, Mason, Mecosta, Montcalm, Muskegon, Newaygo, Oceana, Osceola, Ottawa)
  - Watershed groups from other areas of the state
  - Michigan Association of Regions
  - Michigan Association of Counties
  - Michigan Municipal League
  - Michigan Townships Association
  - County drain commissioners and the Michigan Association of County Drain Commissioners
  - Elected officials (municipal, county, state)
  - Michigan Farm Bureau
  - County conservation districts and the Michigan Association of Conservation Districts
  - State government (Office of the Great Lakes, Michigan Department of Agriculture and Rural Development, and Michigan Department of Environmental Quality)
  - Tribal governments
  - Institutions of higher education
  - Business community
  - Philanthropic community
- Refine the strategy as appropriate based on feedback from a broader group of stakeholders.
- Evaluate potential caps on contribution levels collected through property taxes as well as expenses to collect and administer the funding.
- Estimate participation rates and develop revenue projections. A public opinion survey may be appropriate to conduct such analysis with a high degree of certainty.
- Develop a communications campaign that helps demonstrate why funding is necessary and how funding would be used.
- Develop materials that help demonstrate the economic significance of water resources to Michigan.
- Develop an on-the-ground implementation strategy that clearly identifies specific projects that could be funded once the initiative is implemented. The strategy should include projects in watersheds and counties across West Michigan.
- Collaborate with legislators and partners in statewide associations to craft and introduce legislation.

- Develop guidance documents to assist regions in establishing the funding program by outlining alternative operational structures, such as opt in versus opt out, the watershed scale at which to operate, and formation of watershed advisory councils.

## CONCLUSION

Water resources are an essential element of West Michigan's vibrancy. They support the economy, the health of communities, and the region's way of life. Despite the significance of water resources, current funding models are insufficient to implement management plans to restore, protect, and enhance the lakes, rivers, and streams in the region, and throughout the state. To address this challenge, three regional planning bodies covering West Michigan led an effort to evaluate different approaches for developing sustainable funding to support watershed management. This evaluation included in-depth analysis of four alternative methods as well as robust discussion amidst watershed groups to determine the most suitable path forward.

Through this effort, a new framework for funding watershed management has been developed. Under the proposed approach, property owners would be able to make a voluntary contribution to support watershed management on their property tax bill. Funding generated would be administered through existing regional planning bodies with the guidance of watershed advisory councils to ensure wise use of financial resources.

This approach will require new legislation that specifically enables counties the authority to implement the program and provide guidelines for how funding may be allocated. Pursuing new legislation is a substantial effort, but this pragmatic funding approach, developed through a consensus-based community engagement process, positions regional partners for success.

## APPENDIX A: COMMUNITY CONVERSATIONS

In the summer of 2017, a series of six community conversations were held throughout the 13 counties of the West Michigan prosperity region to discuss community members' views and perceptions of the four funding approaches and obtain input on the best strategy to pursue. A total of 45 people representing watershed groups, local units of government, drain commissions, conservation districts, regional planning bodies, educational institutions, and others participated in the conversations. The meetings were facilitated by representatives of the project team, and PSC provided facilitation support and summarized the meetings. Questions that participants were asked are provided below. Summaries of each of the meetings follow.

### DISCUSSION GUIDE

- Do you think our current models for funding watershed management are successful? Do you think there is a need to identify approaches that are more sustainable?
- Do you think it is more important to develop a single approach over all 13 counties or independent approaches at a more local level? As we consider how to move forward, do you think we are stronger together by working across all 13 counties or are there differences that are significant enough that we should pursue independent approaches at a more local level?
- Watershed management districts and flat fees would require new statewide legislation. Is that an approach you think we should pursue, or is it better to pursue an approach that does not require new legislation?
- Each of the four approaches evaluated—millages, flat fees, Pay for Success Bonds, and watershed management districts—may have advantages and disadvantages. What barriers or challenges to success would you anticipate for each of the approaches? What are the opportunities? (Each option was reviewed individually to foster focused discussion.)
- Which of the four approaches do you think is the best strategy to pursue?
- What information do you think the public and decision makers would want before pursuing a strategy?
- How might your organization be willing to be involved in pursuing a funding strategy?
- The four approaches evaluated may not be the only approaches that could be pursued. Are there other methods that we should be thinking about?



# West Michigan Watershed Collaborative:

## Muskegon, Michigan Community Conversation Summary

06.22.17

Kathy Evans, the environmental program manager for the West Michigan Shoreline Regional Development Commission, facilitated a community conversation with 11 participants to discuss potential funding mechanisms to support watershed management. The meeting was held on June 22, 2017, at the Annis Water Resources Institute in Muskegon, Michigan. The following is a summary of the conversation prepared by Public Sector Consultants.

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**Do you think our current models for funding watershed management are successful? Do you think there is a need to identify approaches that are more sustainable?**

Participants generally believed that watershed projects are successful but they are strained by limited funding. All participants agreed that there is a need to develop sustainable funding approaches to support watershed management.

**Do you think it is more important to develop a single approach over all 13 counties or independent approaches at a more local level? As we consider how to move forward, do you think we are stronger together by working across all 13 counties or are there differences that are significant enough that we should pursue independent approaches at a more local level?**

Participants suggested that partners within the region should pursue a single funding approach across the 13-county region. They also noted that the governance structure would need to be further developed and the scale at which resources are pooled would need further consideration.

**Watershed management districts and flat fees would require new statewide legislation. Is that an approach you think we should pursue, or is it better to pursue an approach that does not require new legislation?**

Participants suggested that the prospect of pursuing new legislation should not preclude advancing any of the approaches if stakeholders within the region support the approach.

**Each of the four approaches evaluated—millages, flat fees, watershed management districts, and Pay for Success Bonds—may have advantages and disadvantages. What barriers or challenges to success would you anticipate for each of the approaches? What are the opportunities?**

### **Millages**

Participants suggested that millages could be beneficial because they are better understood or more commonly used than other approaches summarized and they provide a predictable source of funding. Alternatively, some participants suggested that communities are being asked to consider a high number of millages and expressed that the public is experiencing “millage fatigue.”

### **Flat Fees**

Participants discussed the relative advantages and disadvantages of a voluntary flat fee structured as an opt-in or opt-out system. Participants also discussed the framework to collect and administer funding under this approach (summarized further under the additional information section).

### **Watershed Management Districts**

Participants suggested that this approach is more complex than the other options and may have some barriers to implementation. Participants suggested that using watersheds as the organizing unit would be more productive than municipal boundaries.

### **Pay for Success**

This approach was recognized as a method to finance individual projects that could be used in conjunction with other funding mechanisms.

### **Which of the four approaches do you think is the best strategy to pursue?**

Many participants suggested pursuing a voluntary flat fee as the funding mechanism but using a watershed management district framework as the governance structure to administer funding.

### **What information do you think the public and decision makers would want before pursuing a strategy?**

Participants identified multiple items that the public and decision makers may find beneficial when pursuing a strategy. Participants suggested developing:

- An education campaign that discusses the importance of watershed management and the need to develop a sustainable funding mechanism
- A governance structure on a watershed basis that provides guidance on the scale at which funding is pooled and disbursed as well as the process to prioritize projects within and among watersheds
- A review of the anticipated administrative costs to collect and distribute the funding

**How might your organization be willing to be involved in pursuing a funding strategy?**

Participants suggested that their organizations may be able to support pursuing a funding strategy in various ways, such as advancing a common communications strategy and serving as ambassadors within their communities.

**The four approaches evaluated may not be the only approaches that could be pursued. Are there other methods that we should be thinking about?**

In addition to the four approaches discussed, participants suggested evaluating alternative approaches, such as developing an excise tax on water- and recreation-related consumer goods (kayaks, canoes, hiking equipment, etc.), to support watershed management.

# West Michigan Watershed Collaborative:

## Grant, Michigan Community Conversation Summary

07.12.17

Kathy Evans, the environmental program manager for the West Michigan Shoreline Regional Development Commission, facilitated a community conversation with ten participants to discuss potential funding mechanisms to support watershed management. The meeting was held on July 12, 2017, at the Bridgeton Township Hall in Grant, Michigan. The following is a summary of the conversation prepared by Public Sector Consultants.

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### **Do you think our current models for funding watershed management are successful? Do you think there is a need to identify approaches that are more sustainable?**

Participants generally believed that watershed organizations have been successful in advancing goals and implementing watershed management plans with the limited sources of funding available but that these funding sources are insufficient. Participants suggested that grant funding is beneficial and should continue to be pursued, but the priorities of the funder can drive the priorities of local watershed groups, which may not be the most strategic approach. Participants reached consensus that new funding approaches should be pursued.

### **Do you think it is more important to develop a single approach over all 13 counties or independent approaches at a more local level? As we consider how to move forward, do you think we are stronger together by working across all 13 counties or are there differences that are significant enough that we should pursue independent approaches at a more local level?**

Participants suggested that partners within the region should pursue a single funding approach across the 13-county region. They also noted that administrative frameworks to distribute funds would need to be established.

### **Watershed management districts and flat fees would require new statewide legislation. Is that an approach you think we should pursue, or is it better to pursue an approach that does not require new legislation?**

Participants discussed whether it would be feasible to seek new legislation to develop a sustainable funding mechanism for watershed management. They suggested that if stakeholders were supportive and the region reached a consensus on an approach, new legislation may be feasible.

**Each of the four approaches evaluated—millages, flat fees, watershed management districts, and Pay for Success Bonds—may have advantages and disadvantages. What barriers or challenges to success would you anticipate for each of the approaches? What are the opportunities?**

### **Millages**

One relative advantage of millages is that counties and municipalities can immediately pursue this option now without any new legislation. Participants discussed the relative success and failure rates of millages and suggested that they have a higher rate of success in more urban areas. In more rural areas in the region, however, millages have been unsuccessful for requests to improve schools and libraries. Thus, some participants felt that it may be difficult for a millage to pass in some rural areas. Participants also noted that for millages to be implemented at the county level, the board of commissioners of each county would need to approve a ballot proposal. Furthermore, participants noted that a significant education and communications campaign would be necessary but also acknowledged this need regardless of the funding mechanism pursued.

### **Flat Fees**

Some participants suggested there could be some benefits to an optional funding approach, but others saw it as less sustainable than other approaches because of uncertainty regarding participation rates.

### **Watershed Management Districts**

Participants suggested that this approach is more complex than the other approaches and could have some barriers to implementation (e.g., property access to conduct assessments, lack of geographic information system data for modeling, etc.).

### **Pay for Success**

Participants suggested that Pay for Success Bonds could be a viable approach to implement projects but may not generate new sustainable funding. The approach could be used in conjunction with one of the other three sustainable funding approaches.

### **Which of the four approaches do you think is the best strategy to pursue?**

Many members suggested that a voluntary flat fee would be the most palatable to the public and the easiest to communicate, thus making it the most viable option. Some participants suggested a phased approach to pursuing a voluntary flat fee in the short term and working toward the development of watershed management districts in the future. A few participants suggested that the voluntary nature of flat fees may not generate funding at the same level as other approaches and thus recommended pursuing millages.

### **What information do you think the public and decision makers would want before pursuing a strategy?**

Participants identified multiple items that the public and decision makers may find beneficial when pursuing a strategy. Participants suggested developing:

- A communications campaign that could be used across the 13-county region, which should help make the case for additional funding and provide information on how funds would be used
- An assessment of participation rates for the Michigan Department of Natural Resources recreation passport program, which is structured as an opt-in program to access state parks and recreation areas, if pursuing a flat fee
- A fundraising strategy to provide resources to assist with developing a funding approach, a public education/communications strategy, and potentially pursuing new legislation
- A governance structure that guides how funds would be distributed

**How might your organization be willing to be involved in pursuing a funding strategy?**

Participants suggested that their organizations may be able to support pursuing a funding strategy in various ways, such as sharing information through newsletters (print and electronic) and serving as ambassadors within their communities. Participants also suggested partnering with organizations such as the Michigan United Conservation Clubs, the Michigan Municipal League, Michigan Townships Association, faith-based communities, and tribal entities as project partners advance a funding strategy.

**The four approaches evaluated may not be the only approaches that could be pursued. Are there other methods that we should be thinking about?**

In addition to the four approaches discussed, participants suggested evaluating alternative approaches, such as a water consumption/withdrawal fee, a statewide sales tax, or a development fee.

# West Michigan Watershed Collaborative:

## Walker, Michigan Community Conversation Summary

07.13.17

Wendy Ogilvie, director of environmental programs for the Grand Valley Metropolitan Council, facilitated a community conversation with eight participants to discuss potential funding mechanisms to support watershed management. The meeting was held on July 13, 2017, at Walker City Hall in Walker, Michigan. The following is a summary of the conversation prepared by Public Sector Consultants.

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### **Do you think our current models for funding watershed management are successful? Do you think there is a need to identify approaches that are more sustainable?**

Participants suggested that under the current funding model, which is largely grant driven, watershed organizations spend a significant amount of time pursuing funding rather than conducting watershed management projects. They believed that a sustainable funding model would enable them to be more effective and strategic in their work.

### **Do you think it is more important to develop a single approach over all 13 counties or independent approaches at a more local level? As we consider how to move forward, do you think we are stronger together by working across all 13 counties or are there differences that are significant enough that we should pursue independent approaches at a more local level?**

Some participants suggested that different approaches may be more appealing in different settings, so it may be prudent to not limit options to a single approach. Participants also suggested that developing a single strategy across the whole region could be more effective than trying to develop individual strategies throughout the region.

### **Watershed management districts and flat fees would require new statewide legislation. Is that an approach you think we should pursue, or is it better to pursue an approach that does not require new legislation?**

Participants suggested that current funding models are not working effectively to fully implement watershed plans and that new funding models may be appropriate. Considering this, while recognizing that pursuing new legislation may present challenges, it has the potential to lead to better outcomes for watershed management.

**Each of the four approaches evaluated—millages, flat fees, watershed management districts, and Pay for Success Bonds—may have advantages and disadvantages. What barriers or challenges to success would you anticipate for each of the approaches? What are the opportunities?**

### **Millages**

Participants suggested that millages are generally well understood by residents and could be an effective model to raise funding for watershed management. They noted that some counties may be more apt to approve a millage, which could lead to some counties serving as models for others within the region to demonstrate feasibility of the approach.

### **Flat Fees**

Some participants suggested that voluntary flat fees provide uncertainty with respect to how much funding would be raised and could lead to high rates of people declining to participate. Alternatively, some participants suggested that even modest participation rates could lead to significant funding to support watershed management. Some participants expressed that this approach could be less equitable than other approaches because all people would be charged the same amount regardless of their property value or the relative contribution to watershed management concerns.

### **Watershed Management Districts**

Participants suggested that this approach is intriguing but may be more complex than others and would require a significant amount of work to establish the assessment models. Furthermore, they suggested the scale of watershed management districts would be critical to the success of the approach. Participants also suggested that this approach, more so than others, creates opportunities to educate residents about their land use practices and watershed management.

### **Pay for Success**

Participants suggested that the Pay for Success approach could be an effective source of financing for watershed projects that could be supported with funding by the other options discussed.

### **Which of the four approaches do you think is the best strategy to pursue?**

Participants generally agreed that millages may be the most desirable approach to pursue because they can be advanced without new legislation. They recognized that it is unlikely that all counties would pass a millage, but any counties that did could lead to significant improvements in water quality.

### **What information do you think the public and decision makers would want before pursuing a strategy?**

Participants identified multiple items that the public and decision makers may find beneficial when pursuing a strategy. Participants suggested developing:

- A survey of residents to assess their willingness to support a funding initiative
- A governance structure that guides the prioritization and selection of projects that would receive funding



- An evaluation of the scale at which resources would be pooled and scaled
- An education and outreach strategy to inform residents about the need to increase funding for watershed management

**How might your organization be willing to be involved in pursuing a funding strategy?**

Participants suggested that their organizations may be able to support pursuing a funding strategy by serving as ambassadors within their communities and to their constituencies.

**The four approaches evaluated may not be the only approaches that could be pursued. Are there other methods that we should be thinking about?**

In addition to the four approaches discussed, participants suggested evaluating alternative approaches, such as a water consumption/withdrawal fee, as well as assessing approaches that are used to fund watershed management activities in other states.

# West Michigan Watershed Collaborative:

## Hamilton, Michigan Community Conversation Summary

07.17.17

Kelly Goward, the watershed project manager for the Macatawa Area Coordinating Council, facilitated a community conversation with five participants to discuss potential funding mechanisms to support watershed management. The meeting was held on July 17, 2017, at the Heath Township Hall in Hamilton, Michigan. The following is a summary of the conversation prepared by Public Sector Consultants.

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### **Do you think our current models for funding watershed management are successful? Do you think there is a need to identify approaches that are more sustainable?**

Participants generally believed that watershed organizations can successfully implement watershed projects using state and federal watershed funding but that the funding source is insufficient to achieve watershed goals. Participants agreed that there is a need to develop a local source of sustainable funding to support watershed management.

### **Do you think it is more important to develop a single approach over all 13 counties or independent approaches at a more local level? As we consider how to move forward, do you think we are stronger together by working across all 13 counties or are there differences that are significant enough that we should pursue independent approaches at a more local level?**

Participants suggested that a single funding mechanism could be established across the region and that regional stakeholders could work together to develop strategies for implementing a funding mechanism at a local level. Participants also suggested that funding should be kept at the local level, which would lead to a higher rate of success.

### **Watershed management districts and flat fees would require new statewide legislation. Is that an approach you think we should pursue, or is it better to pursue an approach that does not require new legislation?**

Participants were supportive of pursuing new legislation if there was consensus among stakeholders within the region regarding a funding approach to pursue.

**Each of the four approaches evaluated—millages, flat fees, watershed management districts, and Pay for Success Bonds—may have advantages and disadvantages. What barriers or challenges to success would you anticipate for each of the approaches? What are the opportunities?**

### **Millages**

Participants suggested that a millage can be a positive way to fund community initiatives but expressed concerns about whether a millage would pass for watershed management purposes. Participants also suggested that an unsuccessful millage can be counterproductive to the overall goal of the initiative because voters sometimes form their opinion of an issue the first time it is presented. Participants also noted that millages can generate a predictable amount of funding over a defined period of time and, after a difficult initial push, they do become easier to pass as a millage renewal.

### **Flat Fees**

Participants suggested that flat fees may be easier to communicate to residents than other approaches and could provide a clearer picture of how much each property would be charged. Integrating the fee with the property tax bill could establish a relatively simple method of collecting funding with a lower administrative cost than a separate request. Participation rates across the 13-county region may vary, but even modest participation could generate significant funding to support watershed management.

### **Watershed Management Districts**

Participants suggested that watershed management districts may be the most complex method but believed there were advantages to the approach. This method may be better suited to working at a watershed scale, could incent landowner behavior (creating additional educational opportunities), and better connect each watershed's needs to assessments. Participants also suggested the governance structure formed under this model could be beneficial to develop and prioritize projects that receive funding.

### **Pay for Success**

Participants suggested that Pay for Success Bonds could be an effective method of financing individual projects but may not generate sustainable funding because it is a project-based approach.

### **Which of the four approaches do you think is the best strategy to pursue?**

Participants discussed the four approaches and suggested a hybrid model made up of two of them—collecting revenue using a voluntary flat fee and a governance structure using a watershed management district approach. An optional flat fee would decrease risk of the funding initiative being unsuccessful and could help build organizational capacity as it is implemented.

### **What information do you think the public and decision makers would want before pursuing a strategy?**

Participants identified multiple items that the public and decision makers may find beneficial when pursuing a strategy. Participants suggested developing:

- A governance structure that identifies which entities/individuals are represented on a decision-making body to determine which projects are funded
- Parameters that provide guidance on projects that would be eligible to receive funding. Participants suggested limiting funding to projects included in state- and federally approved watershed management plans. This may also include the development of watershed management plans.
- A communications strategy that clearly articulates why the funding is needed and how funding will be used
- An implementation plan that would position demonstration projects for speedy implementation

**How might your organization be willing to be involved in pursuing a funding strategy?**

Participants suggested that their organizations may be interested in supporting the pursuit of a funding strategy in a variety of ways, including serving as ambassadors within their communities and helping educate constituents about the need to increase funding for watershed management.

**The four approaches evaluated may not be the only approaches that could be pursued. Are there other methods that we should be thinking about?**

In addition to the approaches discussed, participants suggested evaluating alternative approaches, such as a statewide sales tax, a one-cent surcharge on all transactions, and a watershed-oriented license plate.

# West Michigan Watershed Collaborative:

## Lowell, Michigan Community Conversation Summary

07.17.17

Wendy Ogilvie, director of environmental programs for the Grand Valley Metropolitan Council, facilitated a community conversation with one participant to discuss potential funding mechanisms to support watershed management. The meeting was held on July 17, 2017, at Lowell Township Hall in Lowell, Michigan. The following is a summary of the conversation prepared by Public Sector Consultants.

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### **Do you think our current models for funding watershed management are successful? Do you think there is a need to identify approaches that are more sustainable?**

The participant suggested that current models, which rely significantly on grant funding, are not successful and supported developing a more sustainable funding approach to watershed management.

### **Do you think it is more important to develop a single approach over all 13 counties or independent approaches at a more local level? As we consider how to move forward, do you think we are stronger together by working across all 13 counties or are there differences that are significant enough that we should pursue independent approaches at a more local level?**

The participant saw value in the entire region working together to pursue sustainable funding mechanisms and suggested that there may be reasons for different funding mechanisms to be pursued. While areas within the region may use different tools, all should be pursuing sustainable funding.

### **Watershed management districts and flat fees would require new statewide legislation. Is that an approach you think we should pursue, or is it better to pursue an approach that does not require new legislation?**

The participant was supportive of pursuing new legislation to develop a sustainable funding mechanism if new legislation was necessary to enable the desired strategy.

### **Each of the four approaches evaluated—millages, flat fees, watershed management districts, and Pay for Success Bonds—may have advantages and disadvantages. What barriers or challenges to success would you anticipate for each of the approaches? What are the opportunities?**

#### **Millages**

The participant suggested that one of the advantages of a millage is that it provides a relatively predictable source of revenue. However, the participant was uncertain that millage proposals would pass.

## **Flat Fees**

The participant believed that a voluntary flat fee would be relatively well understood and simpler to communicate to residents. The participant suggested that the voluntary nature may be a disadvantage on one hand because it limits participation; however, it may also be an advantage because it could increase the feasibility of approval.

## **Watershed Management Districts**

The participant suggested that the watershed management district approach may be the most desirable option because it functions at a watershed scale and creates additional opportunities to educate residents about how their land use practices impact water quality.

## **Pay for Success**

The participant suggested that the model may be more complex than others and difficult to communicate to the public.

## **Which of the four approaches do you think is the best strategy to pursue?**

The participant believed that watershed management districts may be the most desirable approach to pursue because it would function at a watershed scale and help educate residents and incent behavior changes.

## **What information do you think the public and decision makers would want before pursuing a strategy?**

The participant identified multiple items that the public and decision makers may find beneficial when pursuing a strategy. The participant suggested developing:

- A governance structure that guides how funds would be distributed, including the decision-making structure and watershed scale
- An education and outreach component that articulates why additional funding is needed and what outcomes residents can expect

## **How might your organization be willing to be involved in pursuing a funding strategy?**

The participant suggested that their organization would likely be supportive of an initiative to develop a sustainable funding model for watershed management and could serve as an ambassador within their community.

## **The four approaches evaluated may not be the only approaches that could be pursued. Are there other methods that we should be thinking about?**

In addition to the four approaches discussed, the participant suggested evaluating funding models used in other states.

# West Michigan Watershed Collaborative:

## Grand Rapids, Michigan Community Conversation Summary

07.19.17

Wendy Ogilvie, director of environmental programs for the Grand Valley Metropolitan Council, facilitated a community conversation with ten participants to discuss potential funding mechanisms to support watershed management. The meeting was held on July 19, 2017, at Grand Rapids Township Hall in Grand Rapids, Michigan. The following is a summary of the conversation prepared by Public Sector Consultants.

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### **Do you think our current models for funding watershed management are successful? Do you think there is a need to identify approaches that are more sustainable?**

Participants believed that current funding models are insufficient to fully implement watershed management plans. Under the current model, organizations spend a significant amount of their resources competing against each other for limited grant funding. Participants were supportive of working collaboratively to pursue sustainable funding for watershed management.

### **Do you think it is more important to develop a single approach over all 13 counties or independent approaches at a more local level? As we consider how to move forward, do you think we are stronger together by working across all 13 counties or are there differences that are significant enough that we should pursue independent approaches at a more local level?**

After discussion, the group suggested that a single approach across all 13-counties would be the most effective method but that if an alternative approach proved to be more effective at a more local level, it could also be pursued.

### **Watershed management districts and flat fees would require new statewide legislation. Is that an approach you think we should pursue, or is it better to pursue an approach that does not require new legislation?**

Participants believed that pursuing new legislation would be appropriate if legislation was required to implement a consensus strategy to develop a sustainable source of funding for watershed management.

**Each of the four approaches evaluated—millages, flat fees, watershed management districts, and Pay for Success Bonds—may have advantages and disadvantages. What barriers or challenges to success would you anticipate for each of the approaches? What are the opportunities?**

### **Millages**

Participants believed that millages are more familiar to voters than other mechanisms and suggested there may be benefits to using an existing framework. However, participants also suggested that a millage may not be successful in all counties and significant resources are required to support a successful millage initiative.

### **Flat Fees**

Participants discussed whether voluntary flat fees would be an effective method of generating revenue and suggested there may be uneven distribution of participation. Like other approaches, participants also identified the need to further evaluate the scale at which resources are pooled and distributed.

### **Watershed Management Districts**

Participants suggested that watershed management districts could be desirable because they use watersheds as the organizing framework, could create additional opportunities for education, and would likely alter land use practices, resulting in better water quality outcomes and reduced costs over a long time horizon. Participants also suggested that the approach would require development of complex models that would take time and resources to develop. If partners decided to pursue this approach additional analysis may be needed to evaluate how it would interact with other existing frameworks, such as lake management boards and drainage districts. Participants also discussed whether watershed management districts would be formed through legislation or organically. Furthermore, participants noted that the scale at which districts are formed would need additional consideration.

### **Pay for Success**

Participants suggested that Pay for Success Bonds could be a useful model to support innovative projects but may not be a standalone funding mechanism

### **Which of the four approaches do you think is the best strategy to pursue?**

Many participants suggested that watershed management districts, while complex, could lead to the best outcomes. Additionally, some participants suggested that residents are experiencing “millage fatigue,” which may result in a millage proposal being declined at the ballot.

### **What information do you think the public and decision makers would want before pursuing a strategy?**

Participants identified multiple items that the public and decision makers may find beneficial when pursuing a strategy. Participants suggested developing:

- A governance structure that guides how projects that receive funding are prioritized
- An evaluation of the scale at which resources are pooled and disbursed



- A strategy to engage more stakeholders in the evaluation of alternatives

**How might your organization be willing to be involved in pursuing a funding strategy?**

Participants suggested that their organizations may be willing to support the development of a funding strategy but would need to evaluate the extent of their participation with the leadership and/or governing bodies of their organizations.

**The four approaches evaluated may not be the only approaches that could be pursued. Are there other methods that we should be thinking about?**

In addition to the four approaches discussed, participants suggested evaluating alternative approaches, such as monetizing ecosystem services and water-trading models.



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