The Eugene Water and Electric Board’s McKenzie River payment for watershed services program:

Research findings on ratepayers, landowners, and local stakeholders

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McKenzie River Drinking Water: Forestry, Agriculture, and Development
Voluntary Incentive Program

- Reward good stewardship through payments to landowners who maintain healthy riparian areas over long term
- Pays dividends on natural capital provided by their land
- Landowners must be within designated program boundary
Research Objectives:

• How much are ratepayers willing to pay and what effects that willingness? *(Surveys)*
  ✓ Sense of place and connectedness to McKenzie

• How much do landowners need to receive and what affects their interest? *(Surveys, Focus Groups)*
  ✓ Past experience and succession plans
EWWEB Customer Willingness to Pay

Program 1: All of the money collected will be used to fund water quality improvements projects within the McKenzie River corridor only. For each price level, would you participate in the program?

<table>
<thead>
<tr>
<th>Added cost to your water bill:</th>
<th>Definitely Yes</th>
<th>Probably Yes</th>
<th>Unsure</th>
<th>Probably No</th>
<th>Definitely No</th>
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<tbody>
<tr>
<td>50 cents per month</td>
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<td>$1 per month</td>
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<td>$3 per month</td>
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<td>$5 per month</td>
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<td>$10 per month</td>
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Legend:
- Definitely Yes
- Probably Yes
- Unsure
- Probably No
- Definitely No
Landowner Interest in the VIP program

10) The voluntary incentive program would pay landowners to maintain existing healthy streamside forests. A partner program would fund projects to restore degraded streamside forests or convert areas currently under other uses to forest. How interested or uninterested would you be in participating in these programs? (select one response for each)

<table>
<thead>
<tr>
<th>Activity</th>
<th>Definitely Interested</th>
<th>Possibly Interested</th>
<th>Unsure</th>
<th>Probably Uninterested</th>
<th>Definitely Uninterested</th>
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<tr>
<td>Maintaining existing healthy streamside forests</td>
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<td>Restoring streamside forests that are currently degraded or unhealthy</td>
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<td>Creating streamside forests on land that is not currently forested</td>
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Bar charts showing the percentage of landowners expressing different levels of interest in the VIP program.
POTENTIAL FUNDING

- EWEB
  Rate Payer Funds
  Bond/Ballot Measure

- CORPORATIONS
  Offsets, Sponsorship

- Grants/Foundations
  One-Time Investments

- OWEB/DSL
  Restoration / Protection funds

- USFS/BLM
  Stewardship Contracting
  % of O & C Receipts

- Federal Programs
  NRCS Progs, BPA, FEMA, Tax deductions

- Mitigation Funds
  Developers, ODOT
  Hydroelectric, WWTP

- SWCDs
  % of tax base

WATERSHED INVESTMENT FUND

PARTNERS

- McKenzie River Trust
- McKenzie Watershed Council
- Upper Willamette SWCD
- Lane Council of Governments
- Cascade Pacific RC&D

PROGRAM INFRASTRUCTURE

- Riparian Health Assessments
- Landowner Agreements
- Fiscal Mngt/Accounting
- Monitoring & Planning
- Agreement Compliance
- Education/Outreach/Marketing

LANDOWNERS

- Residential
- Agriculture
- Forestry (F2)
- Nonprofits
- Local Governments

Dividend Payments for Stewardship

(Grants/Funding for Restoration)