

Request for Letter of Interest
Reedy River Water Quality Group
Greenville, SC
Economic Impacts Study of Water Quality Improvements
September 5, 2016

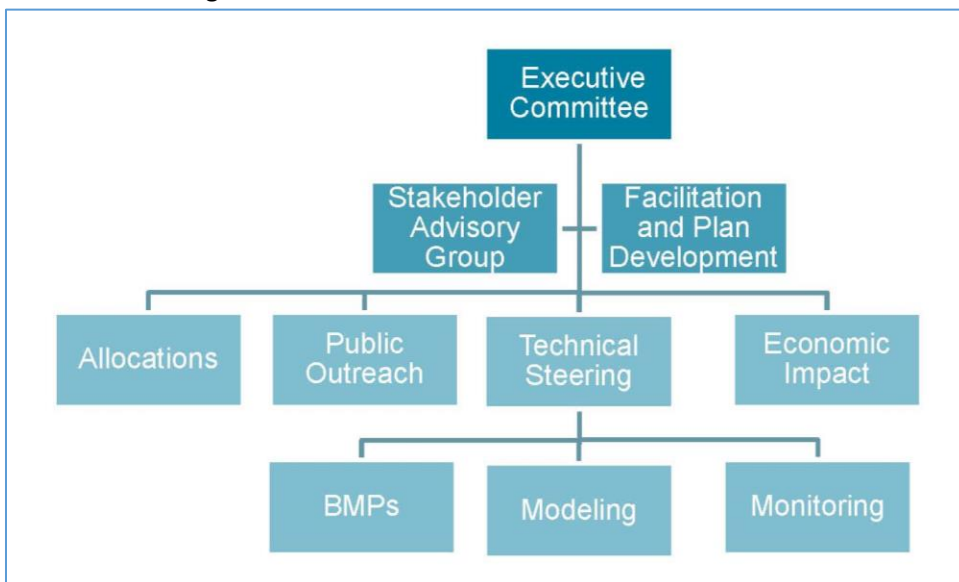
Summary

The Reedy River Water Quality Group is requesting invited professionals to indicate their interest in conducting a baseline study of the economic benefits associated with water quality in the Reedy River watershed. Background on the Group, the nature of the study, and information requested for response is detailed below. Deadline for receipt of the Letter of Interest is October 1, 2016.

Background

The Reedy River Water Quality Group (RRWQG) was established to protect, preserve, and improve water quality in the Reedy River. The RRWQG is comprised of thirty-one (31) stakeholder organizations (e.g. local city and county agencies, homeowner groups, conservation groups, and business groups) to work together to reduce the amount of nutrients impacting the water quality in the Reedy River. Historically, water quality restoration efforts of this type have been driven by regulatory mandates (Consent Decrees, Total Maximum Daily Loads (TMDLs), etc.) from State and Federal Regulators. The RRWQG is pursuing an alternative water quality restoration approach (the 5R Process) that was established in 2013 by the United States Environmental Protection Agency (USEPA) in order to increase opportunities for successful restoration of waters identified on each States list of impaired waters (the 303(d) list). The RRWQG will monitor water quality, model the river system, conduct educational outreach efforts to inform the public about pollution prevention, review successful practices in other areas, and analyze economic impacts of the selected alternatives. The selected alternatives will have the highest benefit to the community and the environment and the greatest cost efficiency (the triple bottom line).

The RRWQG works through its committee structure: The committees are:



The committees perform under the auspices of the Executive Committee, which is comprised of the three permit holders in the Watershed who are the sponsors: the City of Greenville (City), Greenville County and its NPDES Co-Permittees (County) and Renewable Water Resources (ReWa). The projected date for the completion of the 5R Implementation Plan (Plan) is May 2019.

More information on the RRWQG is available at www.cleanreedy.org.

Economic Impacts

The Economic Impact Committee is charged with estimating the regional community costs and benefits that will result from the selected water quality improvement plan. In order to fully assess the economic benefits that the area receives from a healthy Reedy River, the Committee proposes a study that will provide an economic analysis of the value of Reedy River to Greenville County and the surrounding areas. This “value” will be an important part of the message that the City, County, ReWa and others use in the public involvement and education phases of the Plan’s implementation.

There are several categories of benefits or avoided costs that should be included in this study. The following list is not intended to be all inclusive or the analysis limited only to the categories on the list.

1. The Reedy River affects the recreational tourist economy from Downtown Greenville to Boyd’s Mill Pond. This fact is evident to everyone but its value or impact has not been quantified. One area of investigation in this study is to determine the economic impact that the Reedy River has on the regional tourist economy.
2. Everyone assumes that “clean” water increases property values. This study should evaluate the impact of water quality on property values in the Reedy River watershed.
3. Many businesses and industries are dependent on “clean” water in their processes. The availability of abundant water supplies is often a determining factor in where businesses and industries locate. This study should examine the economic impact that the nutrient impairment has had on current industries in the watershed as well as the potential impact on new industries wishing to locate in the watershed.
4. It is widely accepted that healthy waters reduce public health costs. The nutrient impairment in Boyd’s Mill pond is somewhat unique in that it is a numeric impairment and not a physical impairment. This study should examine the health impacts, if any, that the nutrient impairment has caused.
5. Clean water helps sustain aesthetic and cultural values. It is recognized that these categories are not easily measured and quantified. However, in a triple bottom line analysis, the social components must be analyzed. This study should consider the economic impact that a “clean” Reedy River watershed will have on the area to attract businesses and visitors to the region and nourish industries that rely on healthy and productive waters.
6. There is a recreational fishing industry (and possibly a commercial industry) that may be affected by water quality in the Reedy River. This study should analyze the economic impact of this industry and how reduced water quality has affected it.

7. Any other categories of economic impacts that are determined to be applicable for this economic analysis.
9. Finally, the study will identify the cost differential between complying with the traditional TMDL and complying with the alternative stakeholder-led process. This will include two types of costs:
 - A .Establish the costs of complying with the draft TMDL:
 - a. direct costs borne by the permit holders to comply with the draft TMDL prepared by SCDHEC. These costs are generally known by the entities, such as engineering and capital costs; the life-cycle costs of improvements required.
 - b. indirect costs, such as growth limitations in the community because of WRRF restrictions, potential loss of new business and industry, affordability hardships for taxpayers and rate payers. These costs are not known and will be supplied by the consultant.
 - B. Estimate the costs of meeting the alternative process:
 - a. the costs of conducting the alternative process are known to date and can be projected to plan completion
 - b. the costs of complying with the plan will become more apparent as the plan is developed and BMPs are identified (with corresponding construction, installation, and maintenance costs). RRWQG will provide this information

Resources

The City, County and ReWa all have background resources that will be provided to the selected team. The RRWQG stakeholder group is widely representative of watershed interests and will serve as the stakeholder group for this study. No additional organization of stakeholders is needed by the consultant. The confirmation of scope and outcomes will be the responsibility of the Economic Impact Committee. As with other protocols of the RRWQG project, the recommendations of those committees will be approved by the Executive Committee which is comprised of the sponsors.

Funding and Cost Estimate

RRWQG is submitting for at least one grant to support the economic study, and may obtain other donations as a result of the grant award. In order to submit the grant application, it is necessary to provide planning levels costs of the study. The RRWQG does not have an informed estimate for the cost of the study, and hopes that information will be obtained through responses to this Letter of Interest.

Indirect Costs

The RRWQG will not compensate indirect costs charged by consultant or other sponsoring agencies of the project study principal or team.

Response Information

Respondents are asked to provide the following information:

1. Confirm their interest in consulting with the RRWQG and conducting the study referenced above.

2. Provide a brief qualifications statement (no more than two pages) of their expertise to conduct the study.
3. Provide a planning level cost estimate range for the study.
4. Outline a scope for the study based on the information in this document (no more than three pages).

It is anticipated that the Committee will be able to make a consultant selection from the Letters of Interest, however, it reserves the right to interview candidates.

Schedule

The schedule for the study is dependent on the timing of funding and the work of several other committees, particularly the Best Management Practices Committee, but RRWQG estimates that the consulting contract could be awarded in November 2016, and the study could commence in December 2016.

We hope that you are interested in the opportunity to assist in the decisions that will benefit residents of the watershed and to augment the body of literature that exists on the topic of water quality economic impacts. In the future, as more impaired watersheds are improved through the stakeholder-centric approach, this study will help others make informed decisions on how to analyze the value that water has to their citizens. Please provide your Letter of Interest electronically by October 1, 2016, to Sandra Ralston, sandraraalston@wqr-inc.com. Respondents are welcome to ask clarifying questions.

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