



MISSOURI
DEPARTMENT OF
NATURAL RESOURCES

Promoting, Protecting and Enjoying our Natural Resources.

Water Quality Trading 8/24/15

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Director's Office



Today's Proposed Agenda

1. Introductions
2. Ground Rules
3. Changes to notes from last meeting?
4. Trading Areas
5. Types of Trading
6. Time Terms of Trades
7. Organizing Baseline/Practices discussion
8. Homework (next topics)
9. Closing

Ground Rules

1. Informed Consent
2. Agreement before recommendation
3. Lack of agreement = opinions shared with CWC
4. Civil and constructive
5. Use expertise and opinions
6. Best information informs decisions
7. Transparency

Ground Rules (cont.)

8. Orderly process, then revisit
9. Facilitator's responsibilities

Edits?

Additions?

Ready to move on?

Meeting Notes

- Any suggested changes to July notes?
- Will become more detailed with time
- Expect comments at the following meeting
- Please take review responsibilities seriously

Proposed Process

- Considerations
- Discussion
- Decisions
- Recap
- Comfort level

Decision

Process

Needs (information, revisit, etc.)

Trading Areas - Considerations

- Guidance vs. rule? “One-size-fits-all”?
- Who/How/When to set?
- Smallest? Largest? Most fitting?
- PS Location within watershed
- Local factors (Pre-TMDL; TMDL; watersheds)
- Hot Spot avoidance, minimization
- Changes in area – approval process?



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Trading Areas Considerations



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Trading Areas – Decisions

Comfort level

Types of Trades - Considerations

Point to Point

Point to Non-Point

Benefits of restricting?

Risks of restricting?

Conditions under which restricting would be good?

Locational factors?



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Types of Trades - Considerations



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Types of Trades - Decisions

Comfort level

Time Terms of Trades – Considerations

“Naturally” Existing Timelines

Point Sources?

NPS practices?

Surety and Risk vs timeframe selected?

Ease of Renewal?

Adjustments in the Value of Practices?



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Time Terms of Trades - Considerations



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Time Terms of Trades - Decisions

Comfort

Baseline and Eligibility of Practices

Proposed mode to move forward

Divide into PS and NPS

Work “Off-line”

Leaders

Group membership

Timeline

Any suggested adjustments?

Comfort

Baselines - Considerations

What are the baselines?

Bases for baselines?

How to determine/measure/validate?

Point source and NPS needed?

Project timing?

Legal requirements/constraints?



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Baselines - Considerations

Eligibility of Practices - Considerations

Valuation, calibration and validation?

Meeting regulatory requirements?

Timeframe for environmental benefits?

Maintenance of practices?

Public funds? (SRF, Cost Share, EQIP)

Environmental Justice?



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Eligibility of Practices - Considerations

Baselines and Eligibility of Practices

- Directions clear?
- Considerations clear?
- What questions do you have now?

Progress today

Recap decisions

Review process

Rate of progress

Level of understanding

Comfort

Homework (September topics)

Review today's notes

Review today's decisions (before meeting)

Trading workshop – Lessons learned

Regulatory instruments and tools

Specie(s) for trading

Another topic? (change from original plan)

Revise factors and calendar?

Factors for Consideration

- Point to point source and point to non-point source trading
- Service (or trading) areas
- Time terms of trades
- Baselines (how to set)
- Eligibility of practices (how to set)
- Regulatory instruments
- Specie(s) for trading
- Trading margins

Factors for Consideration

- Liability
- Extreme events and responsibilities
- Monitoring and enforcement
- Market structures and transaction mechanisms
- Trading Ratios
- Role and responsibilities review
- Incentive approach (Rewarding early implementation)
- Role of Ecosystem Services in crediting
- Adaptive Management

Comments, Questions, Suggestions

- What's working?
- What's not?
- What changes should we consider?