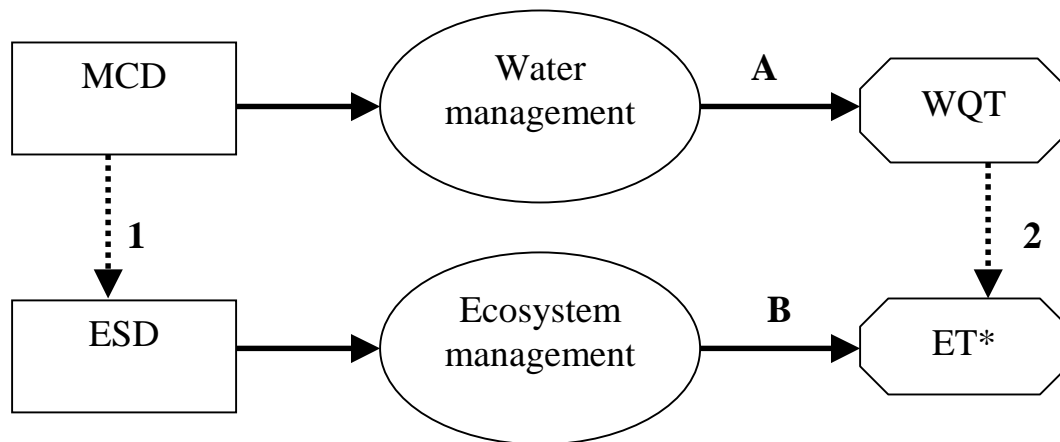


MCD Case Study Framework



ET*: Environmental transactions

Evolution 1:

1. Initial background research
2. Compare current MCD structure and functions against the ESD concept
3. The role of the water quality trading program
4. MCD synopsis/conclusions
5. What other GL watersheds can learn from MCD and how “the MCD model” can be promulgated.

Evolution 2:

Central theme: Use environmental transactions to find the socially optimal production supported by our ecosystem (natural capital)—establish prices for ecosystem services.

From WQT to Environmental Transactions

Ecosystem services/tradable credits: generation of improvements in water quality, hydrology (including flood control/prevention), carbon sequestration, habitat, natural resources production (e.g., timber) by activities such as agricultural BMPs, wetland restoration, reforestation, and conservation development, etc.

Quantify services/credits: important step preparing for transactions

Generate demand: OEPA water quality criteria, the Agreement, CCX (Kyoto), other existing or new regulations (legality?)

Connect buyers and sellers: the WQT program model, model contracts for water and other transactions.

A: how MCD created and manages WQT; **B:** how an ESC can create and manage ET