



Applegate Sustainable Aggregate Project
 April 9, 2009 1:00—4:00 pm
 RVCOG Conference Room, 155 N. 1st Street, Central Point

Purpose: *The Oregon Solutions Project Team for the Applegate Sustainable Aggregate Project will identify and procure necessary information, studies, and/or analyses to determine if, how, when, where, and to what level gravel can be removed from the Applegate watershed while protecting aquatic and riparian resources.*

Attendees: Attendee List – see email

Please read: Full Economic Study proposal (attached), see MacLeod 3/11/2009 email for more info

Please bring : statements of support for OWEB grant; draft statements for Declaration of Cooperation

Additional Instructions: Teleconference Line available: 1-800-270-1153, Code: 133804#

1:00	<p>Welcome</p> <ul style="list-style-type: none"> Participant & Guest Introductions Agenda Review <p>OWEB Grant Application Needs</p> <p>Floodplain and Terrace Data Needs</p> <ul style="list-style-type: none"> Tech Team Recommendations, Cost estimates, Implementation Timeline, leveraged support <p>Discussion & Call for Consensus:</p> <ul style="list-style-type: none"> Floodplain & Terrace Studies <p>Break</p>	<p>Dwight Ellis, C.W. Smith All Dwight Ellis</p> <p>Jeannell Wyntergreen</p> <p>Frank Schnitzer, Geoff Becker et al</p>
2:30	<p>Full Economic Study Proposal Discussion & Decision</p> <p>Project Management Overview</p> <ul style="list-style-type: none"> Goal Accomplishment-to-date Remaining Goals <p>Completion Strategy Discussion</p> <ul style="list-style-type: none"> Call for agreement, commitment 	<p>Jimmy MacLeod All</p> <p>Joan Resnick</p> <p>All</p>
3:30	<p>Agreements & Summary</p> <ul style="list-style-type: none"> Remaining OS Meeting Timeline Draft Declaration of Cooperation Next Meeting Topics 	All
3:55 p.m.	Close	

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March 10, 2009

TO: Jim MacLeod
FROM: Kristin Lee
SUBJECT: POTENTIAL APPLGATE STUDY

When we spoke last week, you asked if I could provide a description of potential economic analysis that ECONorthwest could undertake in connection with the Oregon Solutions project that is focused on sustainable aggregate extraction in the Applegate River watershed. In this memo I provide a brief overview.

I have reviewed the background documents posted on the Oregon Solutions website, and I understand that the governor described the scope of the group's work as addressing the "economic, environmental, and community needs for sustainable aggregate mining in the Applegate River watershed." Furthermore, I understand that the group will be addressing questions such as where, when, and how aggregate mining could occur in locations throughout the watershed, taking into account the condition of the river, the effects on fish, and the viability of a mining operation. In the course of the project, the Applegate group will be collecting relevant information, identifying data gaps, and commissioning studies.

Economic analysis can be useful to your endeavors in several ways. As a practical matter, most permitting processes require the collection of socioeconomic data. Doing so now, as a complement to the collection of biophysical data on the watershed, would facilitate such processes in the future. In addition, economic analyses typically incorporate and build upon data from other fields of study. When the economists can communicate directly with the biologists, for example, early in the data collection process rather than after the biologists have concluded their work, they can address jointly a number of issues up front. This ensures that data from one researcher is in an appropriate format to be useful to another researcher.

You and I spoke specifically about the value of an economic study that is sometimes referred to as a "full-cost accounting study." Such studies are particularly well suited to situations involving decisions about the use of natural resources, where an anticipated action has the potential to affect parties external to the activity in question through changes in goods or services provided by those natural resources. Because many such goods and services are not traded in markets, they can be difficult to incorporate explicitly into a decision framework. Today, however, there is no reason to exclude the values provided by natural resources from such analyses because there is much information readily available. The key is understanding how to do so.

A full-cost accounting approach would entail identifying all of the costs associated with the activity and its alternatives. These costs would include both (a) the costs faced by those involved in the activity and (b) the "external" costs—the costs borne by parties not involved