



# Siting of Wetland Mitigation in NE Minnesota – The Way Forward

Minnesota’s wetlands today are roughly half what they were prior to European settlement, though some parts of the state have faced greater loss than others. Much of the southern and western agricultural regions of the state have lost over 90% of their original wetlands. In northeastern Minnesota (NE), where wetlands comprise from 30%-80% of county land, nearly 80% of pre-settlement wetlands are still intact.

This abundance of wetlands, combined with other factors such as large amounts of public land, creates problems for state and federal wetland regulatory programs which allow for unavoidable wetland impacts when they are replaced with other wetland areas of the same or greater public value. Wetland replacement (aka “mitigation”) is a system that enables state and federal regulatory agencies to allow for unavoidable

wetland impacts when they are replaced with other wetland areas of equal or greater public value. This can be problematic in an area like the NE, with its abundance of wetlands. While replacing wetlands within the same watershed is preferable, fewer drained or degraded wetlands in NE watersheds mean fewer opportunities to restore wetlands to compensate for the impacts.

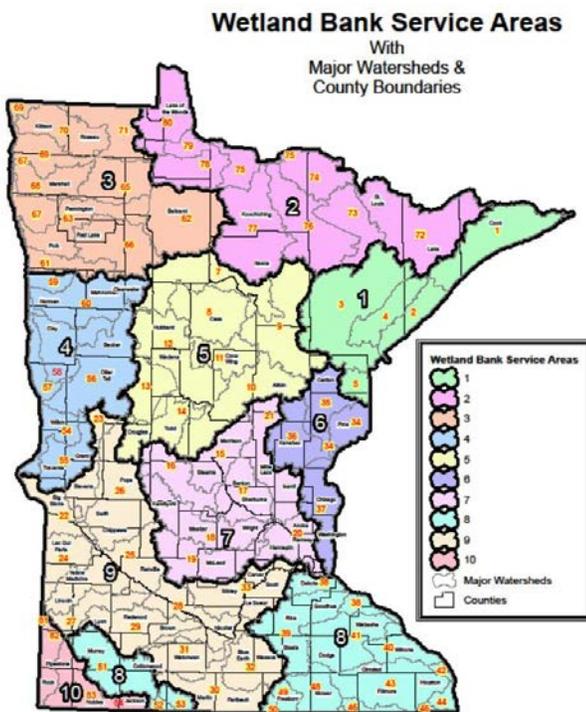
As a result, much of the wetland mitigation is leaving the area altogether, and most recent wetland mitigation projects have neither contributed to supporting the integrity of the impacted NE watershed, nor are they located in an area where wetland restoration is a high priority either on a watershed, drainage basin, or statewide basis.

The problem is not a new one but several recent large mitigation projects have focused greater attention to the issue. In 2012, an interagency staff team (Team) made up of staff from BWSR, DNR, MPCA, USACE, and EPA, was formed to take a coordinated approach to solving the problem. The combination of long-standing siting issues in the NE combined with the need to satisfy multiple regulatory programs made finding that solution a tough one.

After a lot of hard work, including soliciting stakeholder input, the Team has agreed on what they believe is “the way forward” and is currently finalizing their recommendations. Those recommendations are as summarized below.

Wetland Mitigation Search Criteria: Clarify and better coordinate the criteria used under state and federal regulatory programs to determine when applicants are allowed to search for mitigation sites farther away from the wetland impact.

Alternative Mitigation Options in NE Minnesota: Due to the relative lack of “traditional” wetland mitigation opportunities (such as wetland



*The Team addressed wetland replacement siting in NE MN, which corresponds to Wetland Bank Service areas 1 and 2 (the Lake Superior and Rainy River drainage basins).*

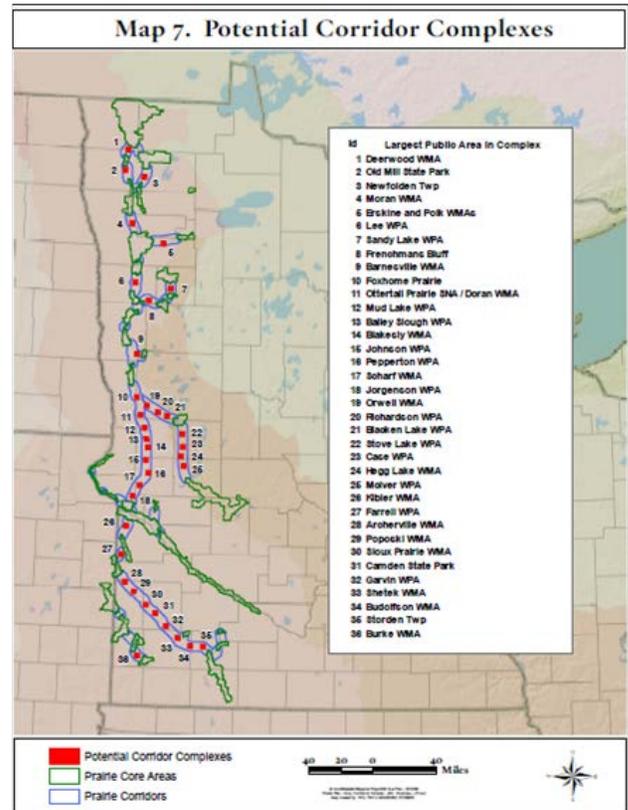
restoration) in the NE, the Team recommends several additional mitigation options that target specific aquatic resource functions in NE Minnesota watersheds, including: 1) expanding the eligibility criteria for preservation credit, 2) restoration and/or protection of riparian corridors and streams, 3) hydrology stabilization of altered waterways, 4) peatland hydrology restoration, and 5) credit for completion of certain approved watershed plan implementation projects.

**Replacement Wetland Siting Criteria:** Under current policy, mitigation may be located in a different major drainage basin than the impact when practicable in-watershed options are not available. In those cases, the link to watershed integrity is lost and there is currently no clear resource-based rationale for the location of the mitigation. When no practicable mitigation options are available in those watersheds, mitigation should be located in an area of the state that has been designated as high priority for wetland restoration. As a general example, the Team has cited a number of state-level strategies that identify the Prairie Pothole Region as high priority for wetland restoration.

**Other Recommendations for Program Improvement:** The Team has also developed recommendations for the inventory of siting analyses and potential mitigation sites evaluated, the establishment of an interagency “rapid response team” to improve the timing and consistency of agency review, and the promotion of private wetland banking.

**Alternative Mechanisms for Compensatory Mitigation:** Finally, the Team recognizes that there may be better, more effective implementation options that can improve outcomes relating to the quality and location of wetland mitigation. Two options identified for consideration include:

- A Northeast Regional Wetland Mitigation Cooperative (Umbrella Bank) -- A partnership between private entities that focuses on establishing in-advance wetland banking credits.
- A Statewide In-Lieu Fee Program – Applicants pay a fee to the ILF program, which uses the funds to



*This map from the MN Prairie Plan is an example of how wetland mitigation could be better targeted to locations that provide greater resource benefits.*

establish the required wetland mitigation.

This process is still in the early stages and there remains much work to be done, but these recommendations represent a significant first step in solving this issue for the betterment of Minnesota’s resources and the people who enjoy them.

*Les Lemm and Dale Krystosek represent BWSR on the interagency team. For more information, see the Wetlands page on the BWSR website at: <http://www.bwsr.state.mn.us/wetlands/index.html>.*