



Crediting for Wetland Banking

2013 BWSR Academy
Thursday, October 31



Session Overview

What are “actions eligible for credit”?

How do they work?

Why is it important?

Real life examples and details



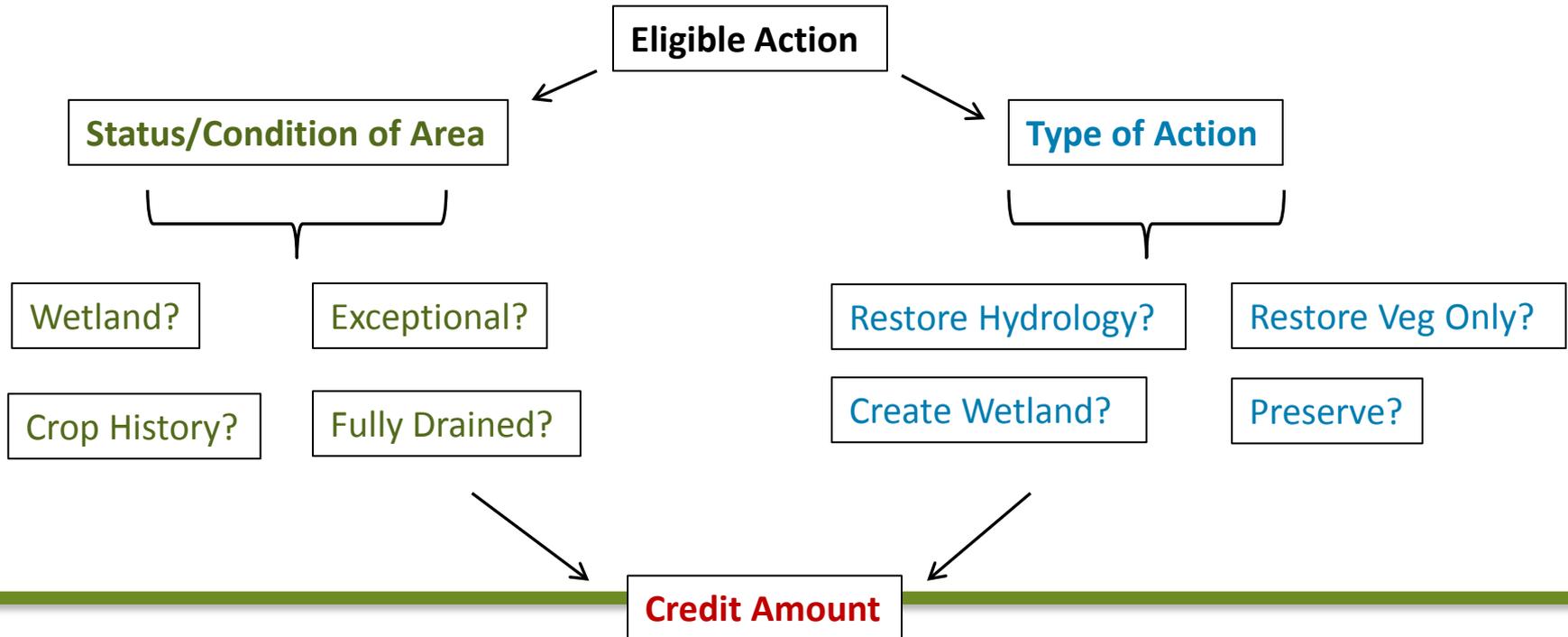
Actions Eligible for Credit

Actions that generate wetland replacement credit that can be used to offset (mitigate) regulated wetland losses.

- Restore a wetland (vegetatively, hydrologically or both)
- Create a wetland
- Permanently protect a restored wetland
- Permanently protect a high value wetland that is vulnerable to degradation
- Establish and protect buffer adjacent to a wetland



Eligible Actions Differentiated by Existing Conditions and Nature of Proposed Action





Action	Subpart	Percent of Acreage Receiving Credit ¹	Key Requirements ²
Establish upland buffer adjacent to a wetland	2	10, 25, or 50	<ul style="list-style-type: none"> Is upland adjacent to replacement wetland.
Restoration of a completely drained/filled wetland	3	100	<ul style="list-style-type: none"> Is currently a non-wetland. Was historically a wetland. Must restore natural hydrology and native vegetation.
Restoration of a partially drained/filled wetland with cropping history	4A	100	<ul style="list-style-type: none"> Is currently a wetland. Was cropped or in a crop rotation at least 10 of the last 20 years. Must restore natural hydrology and native vegetation.
Restoration of a partially drained/filled wetland without cropping history	4B	50	<ul style="list-style-type: none"> Is currently a wetland. Must restore natural hydrology and native vegetation.
Vegetative restoration of a farmed wetland in BSA's 2, 3, and 4	5A	90	<ul style="list-style-type: none"> Was cropped or in a crop rotation at least 10 of the last 20 years. Cannot have existing hydrologic alteration associated with drainage (tile, ditch, etc.).
Vegetative restoration of a farmed wetland in BSA's 1, 5, 6, 7, 8, 9, and 10	5B	50	<ul style="list-style-type: none"> Was cropped or in a crop rotation at least 10 of the last 20 years. Cannot have existing hydrologic alteration associated with drainage (tile, ditch, etc.).
Protection of a wetland restored under expired conservation contracts/easements	6	75	<ul style="list-style-type: none"> Was previously restored. Landowner has the right to drain or fill the wetland upon termination of the conservation contract/easement.
Creation of a wetland	7	75	<ul style="list-style-type: none"> Is currently non-wetland, but was not historically a wetland. Must meet certain design criteria (see WCA rule) if part of a wetland quality treatment system.
Restore and protect a wetland with exceptional natural resource value	8	Variable	<ul style="list-style-type: none"> Must include a restoration component. Must be protected by permanent conservation easement. Technical Evaluation Panel must determine eligibility for this action (see WCA rule and BWSR guidance document for specific criteria).
Preserve a wetland	9	12.5	<ul style="list-style-type: none"> Is located in a >80% area of the State. Must be protected by permanent conservation easement. Technical Evaluation Panel must determine eligibility for this action (see WCA rule and BWSR guidance document for specific criteria).



Crediting

Credit amount is tied to the area (acreage).

- Credit amount is based on % of acreage in which action occurs.
- Range is 0 to 100%
- Actions that result in the most increase in public value (functional gain/lift) receive the highest % credit.

Example

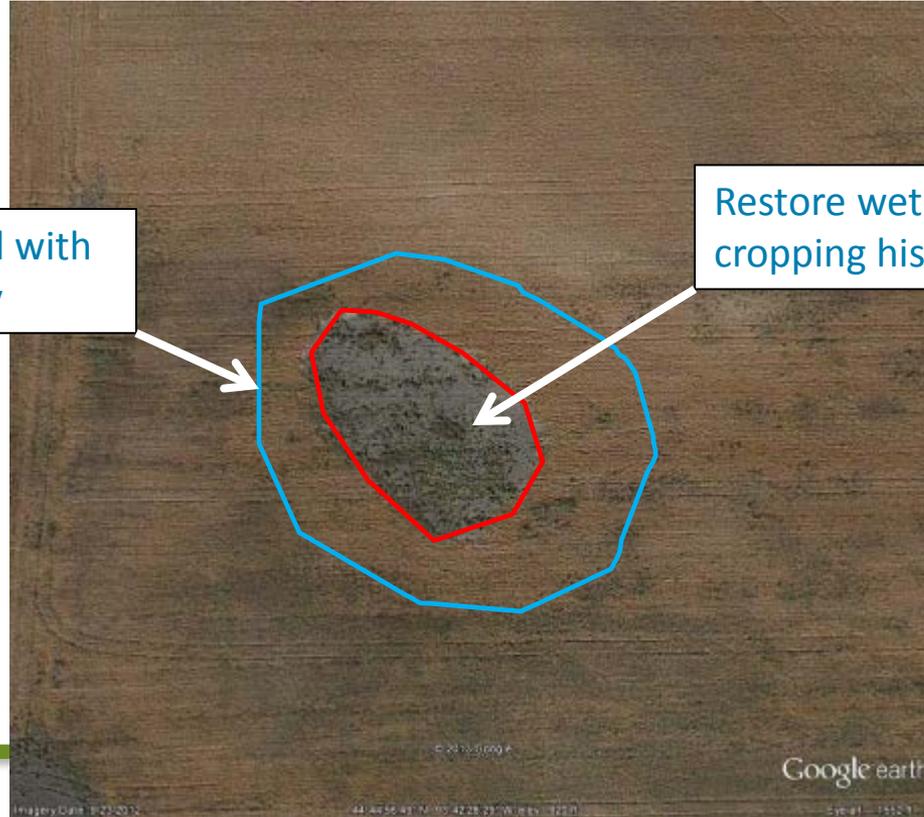
Restore Non-farmed
Wetland – less credit

Restore Farmed Wetland –
more credit

Multiple actions can be applied to the same wetland

Restore wetland with
cropping history

Restore wetland without
cropping history





When can we give less than max credit?

Tiered crediting approach tied to performance standards (you get x credits if you achieve A level, y credits if you achieve B level).

Example:

50% credit if hydrology restored and >90% native veg.

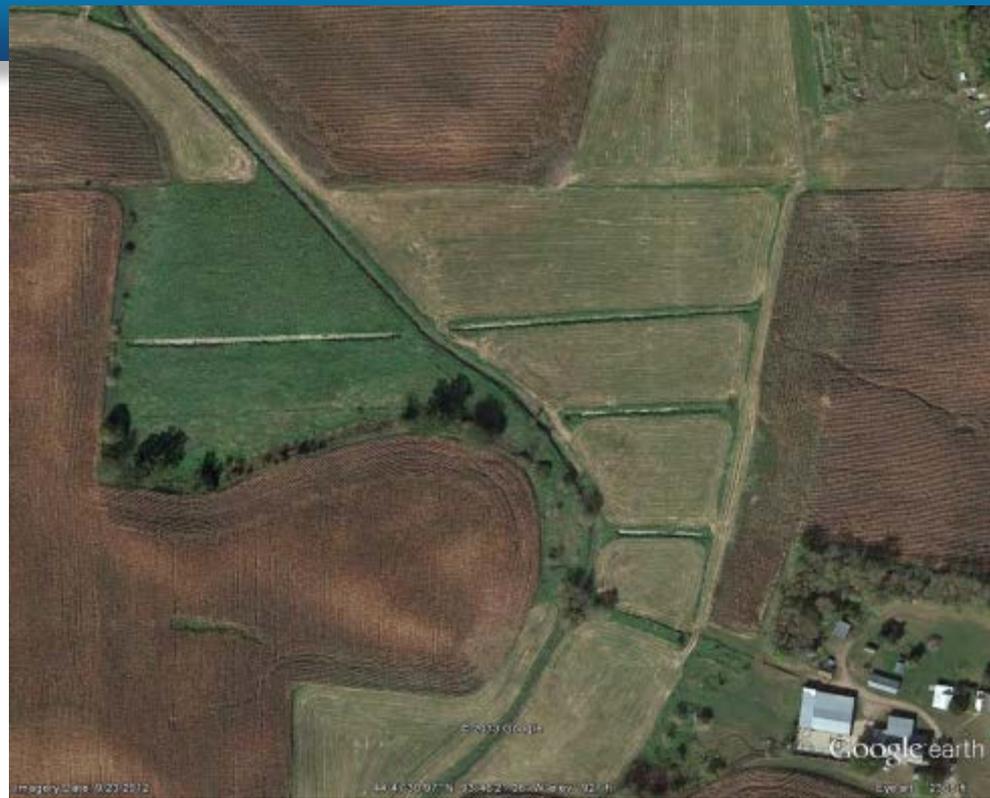
25% credit if hydrology restored and 50-90% native veg.



When can we give less than max credit?

Eligible action clearly does not result in as much functional lift compared to other projects.

Example: Restore natural hydrology, but current drainage is minimal. Qualifies for credit, but perhaps at a lower credit amount.





When allocating less than max credit:

- **Be consistent.**
- **Justify in writing (TEP findings)**
- **Think about the precedent you are setting and how you will need to apply it to future applications.**



Why is it important to dive into the details?

Why is banking so complicated compared to RIM and other conservation programs that restore wetlands?

Why do we make applicants go through so much hassle when they are doing something good for the resource?

Good questions.



Compare/Contrast

Conservation Programs

General goal of providing public value

Efficient use of public funds

Program approval only

Consequences if fail to meet goals?

Regulatory Bank Program

Goal is to offset wetland impacts

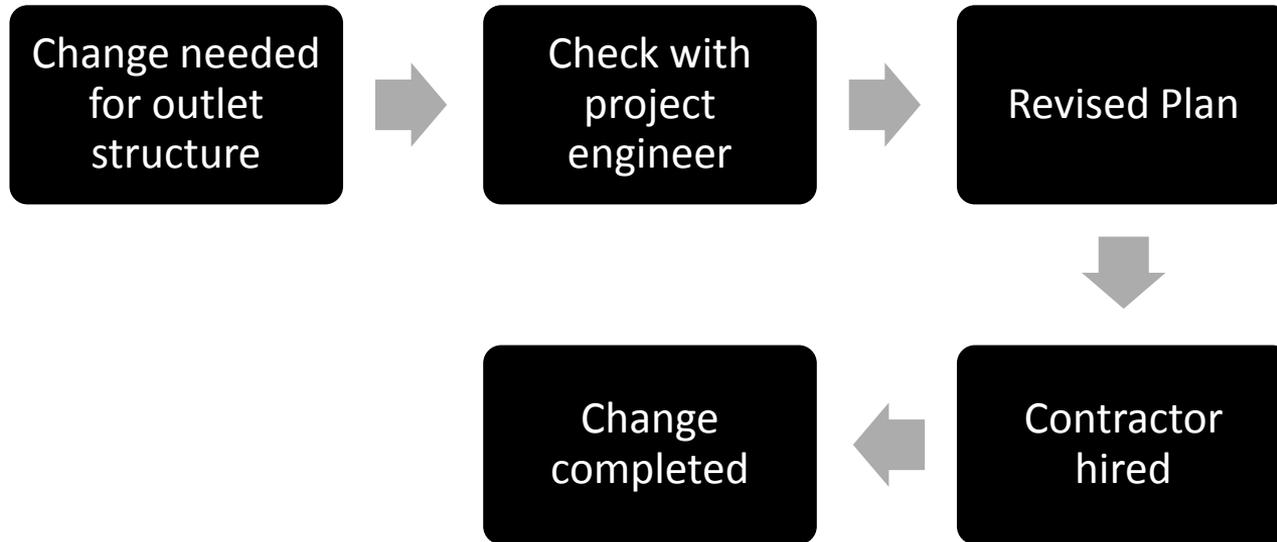
Private investment (risk, competition, fairness)

Multiple agency approvals needed

Failure has legal consequences for banker and bank users

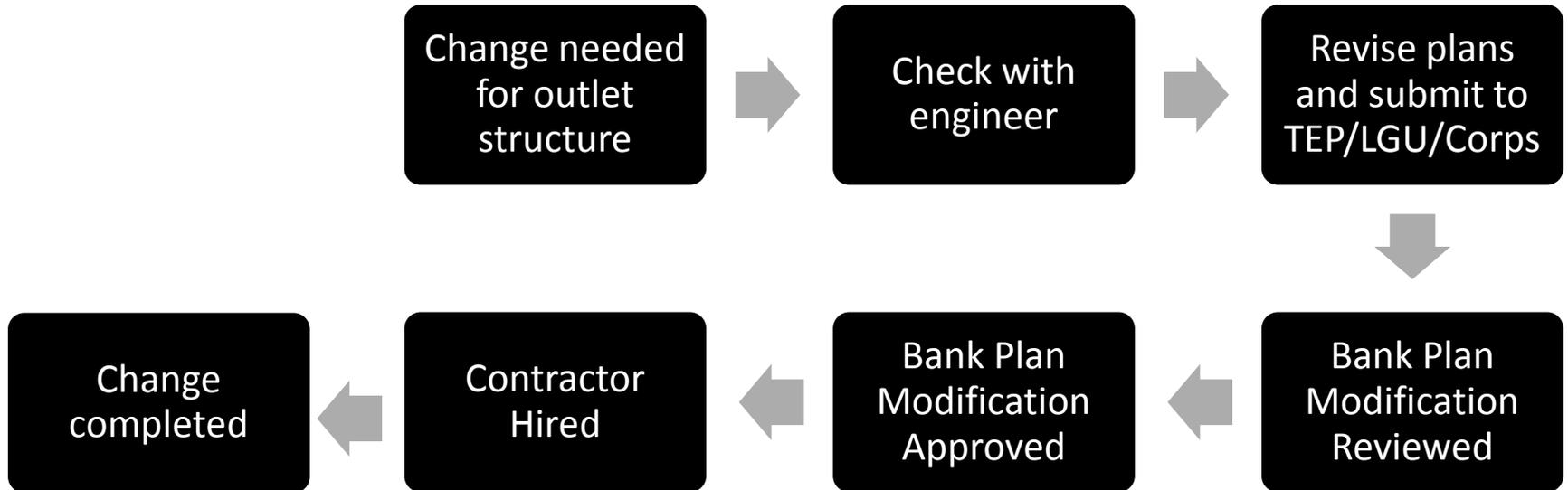


Conservation Program





Bank Program





Compare/Contrast

Conservation Programs

Plan implemented – walk away, some minimal monitoring and maintenance.

We can be flexible to try and get people to participate in the program.

Regulatory Bank Program

Plan implemented – 5 years of monitoring, credit releases, management and long-term compliance monitoring.

We want banks, but must be fair and consistent whether we like the applicant or not.



Regulatory Bank Program

Paperwork (plan, narrative, etc.) must be thorough and clear.

The same people who review the plan may not be there 5 years down the road. What do the new people base their decisions on?



Regulatory Bank Program

We have an obligation to:

- Be clear on expectations (performance standards) and rewards for meeting expectations (credit allocation).
- Be consistent in our requirements and reviews for all applicants (level playing field).



HOWEVER

The rules are not always clear.

The justification for drawing lines in the sand is almost always fuzzy when we are at the boundaries.

We have over 300 LGUs implementing the program, consistency is a challenge.



My Take on the 50% buffer credit

Should be used rarely, default is 25% and that is what we should tell applicants to expect.

Should not be used just because someone says they won't do a bank unless they get it.



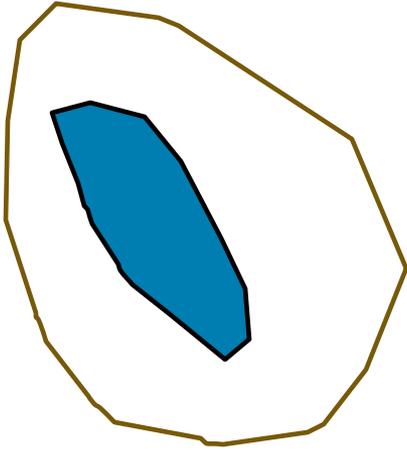
My Take on the 50% buffer credit

Should be used to encourage buffer in areas with high functional benefits where we would not otherwise require it to sustain the bank.

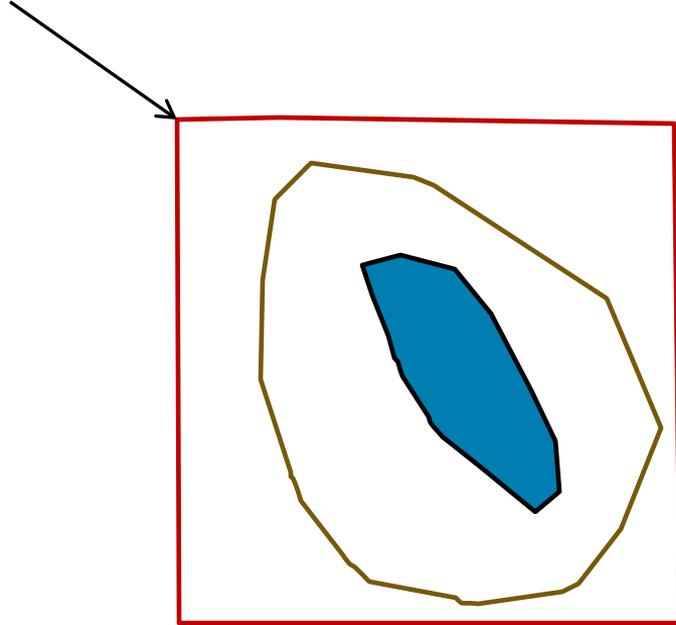
If applicant seeking Corps approval, 50% will not be given.



Expanded buffer



Buffer to wetland
area 1:1, 25% credit



Buffer to wetland
area 1.5:1



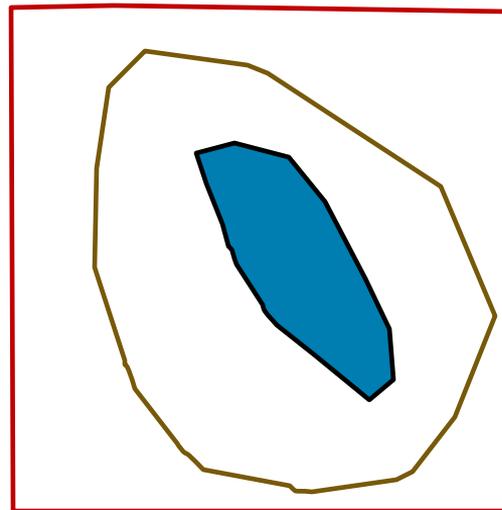
Cannot give credit for buffer area beyond 1:1.

Can consider giving 50% credit for 1:1 area *if*:

- Would not have required the buffer to be expanded to account for steep slopes or some other feature that could/would adversely effect restored wetland sustainability/function.

AND

- The expanded buffer area adds significant functional benefits (see rule).



Buffer to wetland
area 1.5:1



DELINEATIONS AND CROPPING HISTORY

Cropping History

Wetland Delineation

Cropping history
determination for use of Subp.
4A and Subp. 5

Separate determinations



NEXT