



Minnesota Wetland Conservation Act

Stakeholder Input for Program Changes

Business and Industry Sector Meeting

1:00 p.m.
August 21, 2014

Cloquet Forestry Center
175 University Road
Cloquet, MN

Meeting Notes

Participants: Paul Eger, Mn Association of Realtors; Ania Ediger, Cliffs Natural Resources; Paul Lehman, Enbridge; Keith Hanson, Barr Engineering/Mn Chamber of Commerce; Wayne Brandt, Mn Timber Producers Association/Mn Forest Producers; Kevin Pylka, Polymet Mining; Scott Gischia, Cliffs Natural Resources; Ryan Siats, Cliffs Natural Resources; Frank Ongaro, Mining MN; David Weetman, Builders Association of the Twin Cities; Jaime Johnson, ArcelorMittal; James Vagle, Builders Association of the Twin Cities; Peder Larson, Larkin Hoffman; Tony Kwilas, Mn Chamber of Commerce; Marsha Parlow, Great River Energy; Doug Norris, DNR; Colleen Allen, DNR; Kate Williams, DNR; Pete Clevestine, DNR; Tim Smith, U.S. Army Corps of Engineers; Les Lemm, BWSR; Dave Weirens, BWSR.

1. Background and purpose of this process and today's meeting.

Dave Weirens and Les Lemm provided an overview of the purpose of today's meeting and reviewed the following reports, with a focus on recommendations:

- Executive Order 12-04, Supporting and Strengthening the Implementation of the State's Wetland Policy; and
- Siting of Wetland Mitigation in Northeast Minnesota.

2. Discussion/Comments/Questions.

- Does the siting criteria change statewide, or only in NE?
- The recommendations in the NE report are a scheme to extort resources to agencies from the mines.
- Do the proposals, as you go through the siting criteria, levy additional obligations if suitable mitigation cannot be found in the same watershed as the impact?
- How will credit be determined and what is the value of the actions eligible for credit that are being proposed in the NE report?
- Would watershed plan based projects be eligible on public land?
- What needs to be done on upland areas to gain credit for preservation?
- The monitoring data collected by the Forest Resources Council on forest harvest activity in shoreland areas shows that there is no harvest in shoreland areas.

- The ratios for preservation are very low – how often is preservation used? The low credit turns people away from these types of projects. More credit should be allowed.
- What unregulated activities are referred to on page 20 of the NE report?
- How will someone know when they have done enough to generate credit for all of these alternative actions?
- Is the Corps on board with these recommendations?
- These ideas in concept make sense, however, they will only serve to extend the permitting process in reality.
- Isn't it the case under the Corps rule that 1:1 mitigation is Ok outside of the bank service area for mines?
- What does the first paragraph under 4.2.2 (Restoration and/or Protection of Riparian Corridors and Streams) in the NE report mean?
- What is expected of someone proposing to get replacement credit under 4.2.2?
- Can credit be generated by replacing vegetation in an area heavily dominated by ash that was decimated by emerald ash borer (re-forestation with other species)? If an area has been affected by a blow-down or fire - re-vegetate to receive credit?
- Is it anticipated that public entities will have a list of projects (local plans) available to generate credit?
- If forced to go outside of the watershed due to the magnitude of the impacts, the mitigation must be cost neutral as compared to doing the work in-watershed. Getting penalized because no opportunities are available inside the watershed is not right.
- The mitigation rules are geared towards small impacts, there is an ecological value of large replacements that should result in an offset of the ratio; the scale of projects should be considered when determining credit value.
- There needs to be a tie back to watershed plans being proposed throughout the state, use the existing system.
- The hurdle to get over is why this approach is better; why not replace at a 1:1 basis in high priority areas when the mitigation is not available in the watershed of impact?
- Is there an expectation that the benefit will have to be quantified? How will it be known that enough has been done?
- To what degree do you need credit in a given watershed?
- Where will the amount of credit for nontraditional actions be determined – legislation, rule, etc.?
- Whenever regulatory reach is expanded, permit timelines are increased.
- Quantification: Look at the cost to do replacement at 1.5:1 outside the BSA as comparison of adequacy, then do 1:1 worth of credits in priority area and take the value of the remaining .5:1 and do that inside the BSA. There should also be a discount to do mitigation in the BSA, otherwise they will go elsewhere.
- Its not just about the dollars, its risk and uncertainty, timelines and approvals, and challenges by other parties.
- The Watershed Plan Project implementation option makes the most sense. If do projects in the watershed, WQ will be quantified by the local plan.
- Credit requirement should not be too high; if the water quality benefit is known, then define the outcome and the market will follow.
- Each Clean Water Fund project requires a match, use private mitigation money for match, or have private money completely fund projects contained in local plans.

- If the project can bring a watershed into water quality compliance, that project should be all you have to do for in-watershed mitigation.
- There is a hurdle to get over when go to non-wetland for mitigation. The biggest question is “how do we credit these things?” More detail is needed on that.
- Actually addressing need or making it easier to do impacts in NE and doing replacement elsewhere. Are we better off to make it less punitive to go to areas of need (Red River Valley, Prairie Pothole, etc.)
- Meaningful shift in sequence – impacts before replacement under in lieu fee
- What impact will Sax-Zim have on wetland mitigation in the Lake Superior bank service area?
- Long-term financial assurances need to be included in an in-lieu fee program.
- The inventory idea is not new – ties back to the NE inventory project conducted 6-7 years ago.
- The forest inventory routines between the Forest Service, DNR, St. Louis County can help in monitoring.
- How many SWCDs charge for services under WCA?
- How likely is it that a package will be developed that all stakeholders can get behind?
- Is the goal to have actual bill language?
- Need to identify the 1, 2 or 3 really big things – it will be a lot of work to get to the end.
- Developing crediting is a major issue.
- Has a matrix been considered? Some wetlands are more important than others, some more important for some areas than others.
- Develop a ranking system including wetland type, acreage, and bank service area that will determine how much mitigation is required.
- Add to the list – change ratio for bank service areas 1 and 2 for when replacement is not available and look to go to a high priority area.
- I like the concept of establishing high priority areas.
- Business groups would like to be for something, rather than against, the likelihood of success increases the quicker that reasons for support can be identified.
- People will have to talk to others to get detailed input and information in developing proposals.
- To the extent information becomes available, keep us informed so we can support it or so we can let you know our concerns early.