

# Siting of Wetland Mitigation in Northeast Minnesota

Key Concepts Forwarded by the Interagency Northeast Mitigation Siting Team

November 2013

**Issue Statement:** *Ongoing and projected impacts to wetlands in northeast (NE) Minnesota are creating high demand for compensatory wetland mitigation. Due to the high prevalence of wetlands and the relative lack of drained wetlands in NE Minnesota, opportunities to efficiently achieve ecologically beneficial mitigation through traditional approaches are limited. The Interagency Northeast Mitigation Siting Team (Team) was established to analyze current replacement siting policies and develop alternatives and recommendations for efficiently achieving high quality wetland replacement while improving coordination between state and federal programs. The following recommendations pertain only to compensatory mitigation for unavoidable wetland impacts; they do not address or affect existing requirements under state and federal wetland regulations to first avoid and minimize wetland impacts.*

**Recommendations:** The key concepts developed by the Team are summarized below.

- Wetland Mitigation Search Criteria – Clarify and better coordinate the criteria used under state and federal regulatory programs to evaluate the acceptability of wetland mitigation proposals. These criteria are important, as they play a role in determining when applicants are allowed to proceed to subsequent steps in the wetland replacement siting sequence (see below).
- Alternative Mitigation Options in NE Minnesota – Develop an expanded suite of alternative mitigation options for NE Minnesota aimed at maintaining and improving the aquatic resources in those watersheds. State and federal wetland regulations have an established preference for mitigating for wetland impacts in the same watershed in which the impacts occur. However, NE Minnesota has a relative lack of “traditional” wetland mitigation opportunities such as wetland restoration. The Team recommends the following alternative mitigation options that provide an opportunity to target specific aquatic resource functions that would benefit 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 Sequence – Develop a wetland replacement siting sequence for wetland impacts in NE Minnesota that addresses NE Minnesota watershed needs where practicable and otherwise addresses state wetland policy goals. Under current policy, mitigation may be located in a different major drainage basin than the impact when practicable in-watershed options are demonstrated to be 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. The Team recommends a watershed-based replacement siting sequence, consistent with current policy that emphasizes replacement in NE Minnesota watersheds (beginning with minor watersheds and

progressing to the Lake Superior and Rainy River Basins). However, when no practicable mitigation options are available in NE Minnesota watersheds, the Team recommends mitigation should be located in an area of the state that has been designated as high priority for wetland restoration. As an example, the Team has cited a number of state-level strategies that identify the Prairie Pothole Region of Minnesota as high priority for wetland restoration. Smaller scale high priority areas could also be designated, and the details of a designation process are under consideration. Mitigation projects may be considered in areas of the state not identified as high priority areas but at higher replacement ratios.

- Other Recommendations for Program Improvement – Procedural recommendations that include 1) establishing an inventory of siting analyses and potential mitigation sites evaluated, 2) establishing a “rapid response” interagency review team, and 3) promoting private wetland banking.

Alternative Mechanisms for Providing Compensatory Mitigation – In addition to the concepts discussed above, the Team identified, for consideration, the following alternative mechanisms for accomplishing mitigation that may be more effective than current processes in producing outcomes that maximize public benefits:

- Northeast Regional Wetland Mitigation Cooperative (Umbrella Bank) -- A partnership between private entities that focuses on establishing in-advance wetland banking credits.
- In-Lieu Fee Program – Wetland permit applicants pay a fee to an entity operating the ILF program (a non-federal public entity or a non-profit organization with expertise in NE Minnesota and other priority areas), which uses the funds to develop the required mitigation credits.