



Getting Started on an ILF Program: One State's Perspective

February 10th, 2016

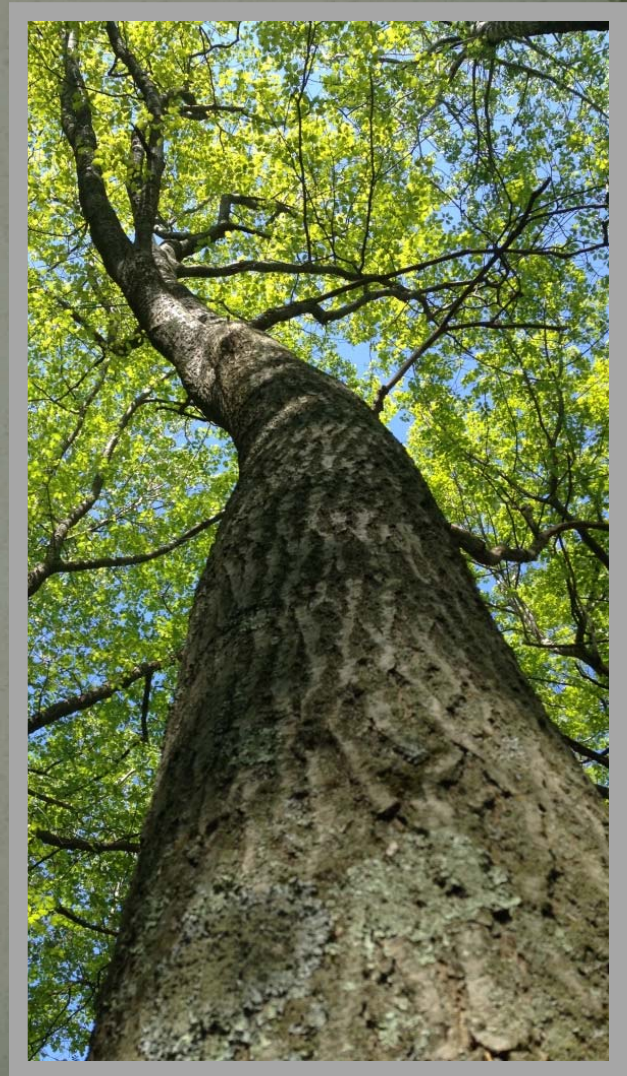


Presented by:
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Agenda



- The Process
- Required Resources
- Key Program Elements
 - Credit Fee
 - Advanced Credits
 - Released Credit Schedule
 - Compensation Planning Framework
- Staffing Considerations
 - Program Demand
- Mitigation Process
- Current & Future Challenges
- Helpful Resources



Perspective



- New Wetland Regulations effective July 2012
 - “...the Department may establish an in lieu fee subprogram...”
 - State Wetland Permits Required Mitigation for first time
- Mitigation Banking since 2002
 - not enough credits to new mitigation demand, backlog
- Provide full suite of Mitigation Options
 - Banking, In Lieu Fee, Permittee Responsible
- Our Program Objectives
 - Focus on the greatest watershed needs
 - Complete projects on the ground selected through a watershed approach

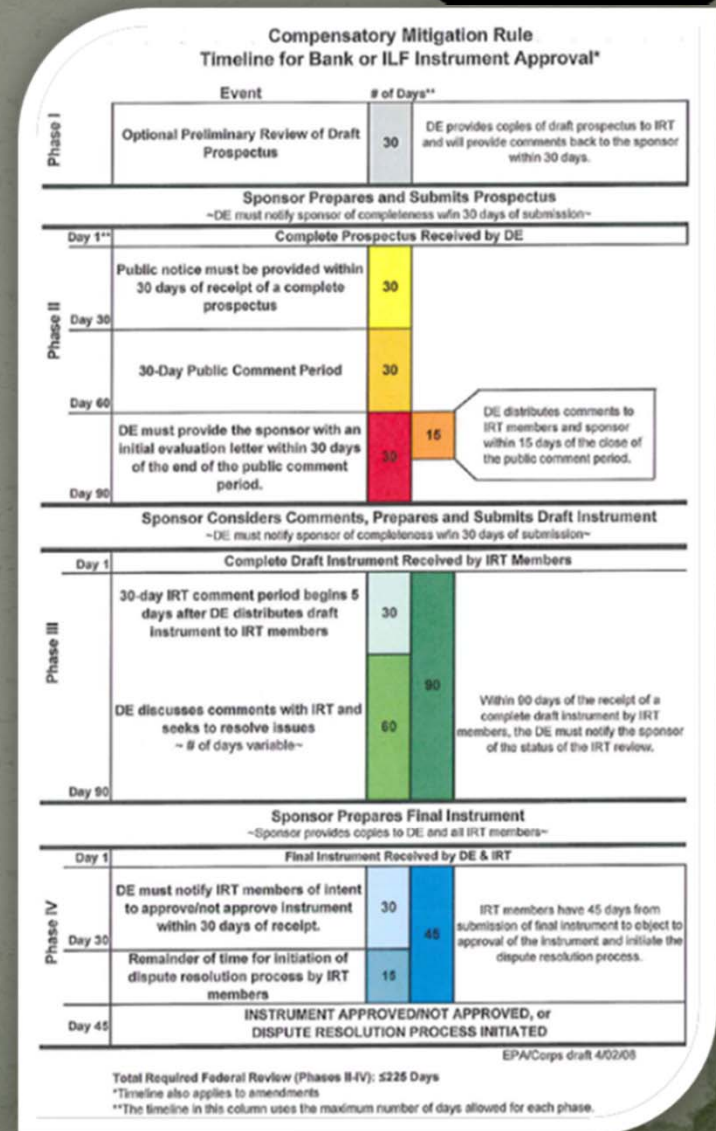


The Process



Setting Realistic Expectations

- Total Federal Review
 - 225 days / 7.5 months / 0.61 years
- Doesn't include Sponsor response
- Our WI Program Approval
 - 614 days / 20 months / 1.68 years
- Why the extra year?
 - Credit Fee
 - Advanced Credits
 - Compensation Planning Framework
 - GIS support



Required Resources



- Dedicated Staff & Funding
- Program Scope / Service Areas (HUC)
- GIS support
- Baseline Data
- Permit / mitigation demand
 - Advanced Credits
- Credit Fee
 - True cost accounting



Credit Fee



- True Cost Accounting
- Inaugural Fee vs. Annual Adjustments
- Financial Assurances for Banks & Permittee Responsible
- Ballpark check – National ILF scene
- Annual Adjustments
 - Not a modification to Instrument
 - Land Price Adjustment
 - Fee Components
 - Administrative +
 - Contingency +
 - Construction & Monitoring +
 - Long Term Management



How Many Advanced Credits?



- 33 CFR 332.8(n)
 - Compensation Planning Framework, Sponsor's project reputation, required project financing.
- Our WI Program:
 - Tangible equation
 - annual avg impact acres * Mitigation Ratio * 3 years to fulfill
 - Intangible adjustments
 - Service Area size & urbanization, Banking present current permit activity, anticipated activity (i.e. min)
- Hindsight
 - New regulatory climate, untested demands
 - Large utility projects, rail for non-metallic mining



Compensation Planning Framework

- Driving force behind your watershed approach.
 - Finding balance on the watershed spectrum?

Watershed-informed decision framework	Watershed analysis: Non-prescribed outcomes	Watershed plans: Prescribed outcomes
Decision-tree or questions to guide consideration of watershed factors.	Identifies watershed need(s).	Identifies watershed need(s).
Includes the consideration of watershed needs(s).	No or little translation of watershed need(s) into specific desired watershed outcome(s).	Describes specific, measurable desired watershed outcome(s).
Potential of site to develop and persist is determined through individual site assessments.	Includes analysis of the potential of sites to develop and persist in a particular location.	Includes analysis of the potential of sites to develop and persist in a particular location.
No assessment of the potential of sites to meet watershed need(s).	Assesses the potential of sites to meet watershed needs.	Assesses the potential of sites to meet watershed needs.
No comparison of the relative ability of sites to sustain desired characteristics and to address watershed needs.	Compares sites to evaluate their relative ability to sustain desired characteristics and to address watershed needs.	Compares sites to evaluate their relative ability to sustain desired characteristics and to address watershed needs.

Watershed Approach Handbook
 (ELI & TNC September 2014)

Program Staffing Considerations



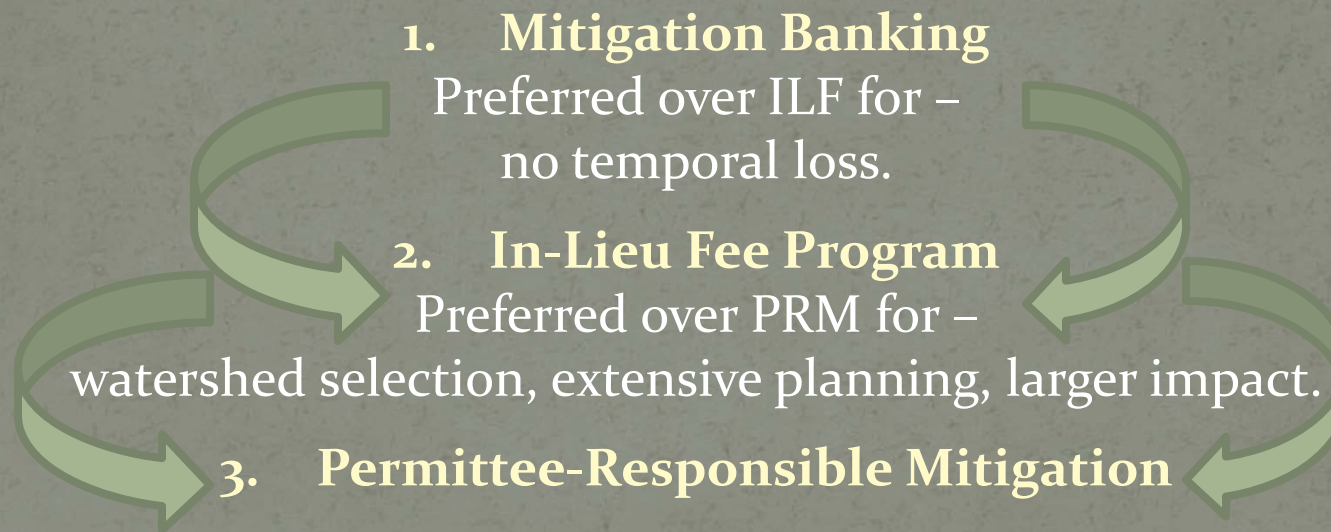
- Sponsor & Administrative Responsibilities
 - We serve both roles
 - Capture appropriate Administrative fee (5%-20%)
- How will you find projects?
 - We have two options
 - Open Solicitation Grant Program
 - Closed Internal project development
- What expertise do you have vs. want?
 - Started with a single Coordinator
 - Hiring a Wetland Ecologist
 - Identify major tasks
 - Administrative & Reporting / Credit Sales / Project Oversight



Mitigation Process



- **Does not change** the requirement to: **First Avoid, then Minimize and lastly mitigate.**
- Follow general hierarchy in the 2008 Federal Rule



- How will your program interact with Banking?

Challenges



● Current

- Creating a new program & related process
- Staying one step ahead of a puzzle of requirements
- Dwindling Advanced Credits vs. fulfillment Schedule
- Staffing up to meet task demands

● Future

- Credit Fulfillment vs. approval ladder
- Revisions to Instrument capturing best available data
- Sustainability vs. growth (finding your niche)



Helpful Resources



ELI Webinar Series on ILF Mitigation:

<http://www.eli.org/events/2013-in-lieu-fee-mitigation-training-webinar-series>

<http://www.eli.org/events/2015-16-in-lieu-fee-mitigation-training-webinar-series>

ELI Model Language:

<http://www.eli.org/research-report/lieu-fee-mitigation-model-instrument-language-and-resources>

Regulatory In-Lieu Fee & Banking Info Tracking System

https://ribits.usace.army.mil/ribits_apex/f?p=107:2

ELI/TNC Watershed Approach Handbook

<http://www.eli.org/research-report/watershed-approach-handbook>

Watershed Approach to Wetland Functional Assessment

Collaborative project between WI DNR & WI TNC, funded by EPA Wetland Dev. Grant

National In Lieu Fee Mitigation Workshop: July 13-14, 2016

<http://www.eli.org/events/lieu-fee-mitigation-workshop>

THANK YOU!



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<http://dnr.wi.gov/topic/Wetlands/mitigation/WWCT.html>