

# Water WoRDs

*Updates from the Water Resources Division*



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## **Wetland Mitigation Banking: The Future of Wetland Mitigation in Michigan**

Michigan is one of only two states (New Jersey being the other) that are authorized to administer Section 404 of the Clean Water Act (CWA) protecting wetland resources. When a proposed project will result in unavoidable losses to wetland resources, state and federal laws require permit applicants to mitigate for those losses through the restoration or creation of new wetland.



*Allegan County Drain Commissioner's Bear Swamp Drain Wetland Mitigation Bank Site.  
Photo Courtesy of Elise Tripp, FTCH.*

### **What is compensatory wetland mitigation?**

Compensatory wetland mitigation is the replacement of wetland functions and values through the restoration, creation, or in exceptional cases, preservation of other wetlands, as compensation for impacts to wetlands. Historically, the success of wetland mitigation efforts on a national level has been spotty. In 2001, the National Research Council came out with several recommendations aimed at improving the success of mitigation, including the concept of wetland mitigation banking which was incorporated into the federal mitigation rule when it was finalized in 2008.

### **What is wetland mitigation banking?**

Wetland mitigation banking is the establishment of new wetland areas, or "banks," before impacts to wetlands occur. Wetlands established in a mitigation bank provide "credits" which can be sold to permit applicants, or used by the bank sponsor to meet permit conditions. Wetland banks offer several benefits over traditional mitigation practices. Unlike traditional mitigation which occurs just prior to, or concurrent with projects, wetland banks are on the ground and functioning before any

credit can be released. Mitigation banking benefits the state's wetland resources by providing new wetlands in advance of losses; by consolidating small mitigation projects into larger, better designed and managed units; and by encouraging integration of wetland mitigation projects with watershed based resource planning. Applicants also receive the benefit of reduced permit processing times and increased certainty regarding the availability of adequate mitigation sites. In 2008 and 2009, the United States Environmental Protection Agency (USEPA) and the Michigan Department of Environmental Quality (MDEQ), respectively, passed regulations placing a preference on mitigation using bank sites.

### **What is the MDEQ doing to increase wetland mitigation banking in Michigan?**

Michigan currently has 16 approved bank sites, 6 of which are owned and operated by the Michigan Department of Transportation (MDOT). In an effort to further promote wetland mitigation banking in Michigan, the legislature has enacted a new, innovative approach to increase the establishment of wetland banks by developing a Wetland Mitigation Banking Fund Program (WMBF) to be managed by the MDEQ. The WMBF provides grants and low interest loans to eligible municipalities interested in developing a wetland mitigation bank. The primary purpose of the program is to promote the development of bank sites in areas that don't currently have them. Grants can be used to develop a wetland banking proposal, notify local units of government and adjacent property owners, plan and design a wetland bank, and complete the WMBF program loan application or a loan application for other funding sources. Loans can be used to complete the banking agreement, complete engineering and design for the bank, purchase land for the bank, construct the bank, and conduct monitoring and maintenance of the bank. The first round of grant and loan applications under the WMBF may be submitted to the MDEQ starting July 1, 2014.

In advance of the opening date for submitting applications, the MDEQ's WRD will be conducting a Webinar on June 25, 2014, at 9:30 a.m. to provide information on this new program, and allow interested parties to ask questions and provide feedback on program materials. Information is also available on the MDEQ's new Web site for the WMBF.

### **What do you do in the WRD? Meet Michael Pennington**

Michael Pennington is the MDEQ's Wetland Mitigation Specialist and Wetland Mitigation Banking Specialist. He administers the MDEQ's Wetland Mitigation Banking Program and coordinates the MDEQ's new WMBF Grant and Loan Program. Michael also serves as a technical resource for MDEQ staff on a statewide basis and has provided wetland mitigation training to all field staff involved in wetland permitting. Prior to working at the MDEQ, Michael worked at MDOT for 14 years as their Wetland Mitigation Specialist. Michael is a former board member for the Michigan Wetlands Association (MWA) and currently co-chairs the MWA's Training Committee which is responsible for providing high quality training to wetland professionals.

