



Testimony on Senate Bill 169

Ron Grasshoff, Wisconsin's Green Fire

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My name is Ron Grasshoff and I am here representing Wisconsin Green Fire. I **appear today for information only, but we hope if our concerns are addressed that we can change our position to support.**

We like the fact that SB 169 emphasizes mitigating wetland losses from permit actions near to where the impacts occur. With mitigation banking, the goal should be to have an even distribution between the location of wetland losses including wetland types and compensation locations. This will assure that the environmental services (i.e. flood storage capacity, water quality protection, and wildlife habitat) that wetland systems provide will be maintained and ideally expanded. A watershed approach is the foundation for the Federal Clean Water Act and establishing a preference for mitigation in 22 watersheds (i.e. Geographic Management Units) is stronger application of the watershed approach to water resource management.

However, we do have significant concerns in the bill related to the release of credits. Our concerns are with items number 1 and 4 in the section on releasing credits.

The bill states a **developing mitigation bank** may sell credits under the mitigation program under sub. (3r) only if the mitigation bank has met the financial assurance requirements established by the department under sub. (3t)(g) And in accordance with the following schedule:

1. No more than 20 percent of the estimated credits after the department approves and executes the bank document.

The mitigation bank is an accounting system only and we believe releasing credits without construction of a mitigation site is risky even with a financial instrument (i.e. a performance bond). At a minimum 20 percent of the estimated credits should not be released until the mitigation site is constructed and as built plans are submitted and approved by the department.

4. No more than 85 percent of the estimated credits can be released from a restored site after the department approves of a monitoring report or after 2 years have passed.



We believe this number is too generous. When wetlands are restored, it often takes at least 3 to 4 years for the wetland hydrology to reach an identifiable trend or equilibrium. This condition is because of the interactions between wetland vegetation as it develops and restored hydrology. Crediting all but 15 percent of the mitigation site could result in a negative balance for the site and complicate the regulatory process. The cumulative impacts could be significant if this trend were to continue with several mitigation bank sites. We recommend that mitigation sites should be monitored for at least 4 years before up to 85 percent of the credits are released. The bank sponsor will still be able to recover significant costs associated with bank site development at 65 percent (post construction stage). Perhaps the cost per credit could be adjusted slightly to account for a longer monitoring requirement.

Finally, we have a few minor suggestions on wording in the bill. It is important not to confuse the term mitigation bank which is an accounting system and the actual mitigation site where wetlands are restored. In most cases a mitigation bank will apply to a single mitigation site, but it may apply to any number of sites. Also it is important to note that both DNR and the U.S. Army Corps of Engineers (USACE) must approve the establishment of a mitigation bank.

In summary, we hope that you can make the changes we ask for so that we can support SB 169 that will streamline regulatory processes to assure wetland mitigation systems are developed without compromising the ultimate goal of protecting, restoring, and enhancing wetland resources in our state.

Thank you for allowing me to comment on the bill and I would be happy to answer any questions.

Wisconsin's Green Fire: Voices for Conservation (WGF) is an independent nonpartisan organization formed in 2017. WGF supports the conservation legacy of Wisconsin by promoting science-based management of its natural resources. Members represent extensive experience in natural resource management, environmental law and policy, scientific research, and education. Members have backgrounds in government, non-governmental organizations, universities and colleges and the private sector. More information about WGF can be found at www.wigreenfire.org.