

# WI Wetland Conservation Trust



## ANNUAL REPORT FOR FISCAL YEAR 2015

(REPORTING PERIOD JULY 1, 2014 TO JUNE 30, 2015)

**Prepared on:**

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**Prepared by:**

WWCT SPONSOR

Wisconsin Department of Natural Resources  
141 NW Barstow St., Rm 180  
Waukesha, WI 53188

**Contact:**

Matt Matrise

Wetland In-Lieu Fee Coordinator

[Matthew.Matrise@wisconsin.gov](mailto:Matthew.Matrise@wisconsin.gov)

(262) 574-2124

**Contents**

Introduction ..... 3

Program Summary ..... 3

    Table 1 – Program Credit Sales Summary ..... 3

Overall Program Credit Transaction Summary ..... 3

    Table 2 – Overall Program Credit Ledger ..... 4

    Table 3 – Project Impact Acre Summary for Overall Program ..... 7

    Table 4 – Overall Program Credit Liabilities and Compliance ..... 7

    Table 5 – Primary Service Area Credit Availability ..... 8

Overall Program Financial Status ..... 9

    Table 6 – Annual Revenue Based Financial Report Fiscal Year 2015 ..... 9

    Table 7 - Annual Expense Based Financial Report Fiscal Year 2015 ..... 10

Request For Projects Summary ..... 11

Project Summary ..... 11

Credit Fee Evaluation ..... 11

    Table 8 – Credit Fee Schedule for Program Year 2016 ..... 12

Additional Information ..... 12

## Introduction

This annual report is respectfully submitted to fulfill the requirements detailed in 33 CFR 332.8(i)(3)(i)-(v) as well as those listed in Reporting Protocols section as detailed in Appendix C. of the approved [Program Instrument](#). The information contained herein reflects the 2015 state fiscal year reporting period from July 1, 2014 to June 30, 2015.

The WI Wetland Conservation Trust in lieu fee mitigation program (herein, “WWCT”) was established on November 19, 2014 through a legal agreement referred to as the Program Instrument, which was executed by signatories from the U.S. Army Corps of Engineers St. Paul District, U.S. Environmental Protection Agency and WI Department of Natural Resources.

The purpose of establishing the WWCT was to provide an additional method of compensatory mitigation to offset unavoidable adverse impacts to wetland resources focusing on the greatest watershed need. The overall objective of the WWCT is to complete compensatory wetland mitigation projects on the ground selected through a watershed approach. Through the sale of WWCT credits the Sponsor accepts the legal responsibility to satisfy wetland compensatory mitigation requirements specified by US Army Corps of Engineers-St. Paul District permits authorized under Section 404 of the Clean Water Act, Section 10 of the River and Harbors Act and Wisconsin DNR Wetland Individual Permits pursuant to Chapter 281.36, Wis. Stats. The Sponsor may also collect separate non-credit related funds including, but not limited to those resulting from supplemental environmental projects, donations and WI wetland General Permit surcharge fees.

This annual report reflects a single comprehensive report detailing both the financial activity of the program along with credit based actions.

## Program Summary

The WWCT program has been a successful way for permit applicants to satisfy their wetland compensatory mitigation obligations enabling projects to move forward. Advanced credits sales started within days of program establishment and remained fairly consistent within the reporting period as detailed below in **Table 1**:

**Table 1 – Program Credit Sales Summary**

Time Period	Total Credit Revenue	Total Advanced Credit Sales
4 <sup>th</sup> Quarter of 2014	\$961, 800	16.03
1 <sup>st</sup> Quarter of 2015	\$1,144,650	24.11
2 <sup>nd</sup> Quarter of 2015	\$951,860	15.73

## Overall Program Credit Transaction Summary

**Table 2** below provides an overall program ledger detailing each credit sales transaction along with the relevant permit details and associated impacts. It should be noted that the standard ratio applied to impacts was 1.45:1 (credits: impact acres) to account for the state minimum ratio of 1.2:1 plus an

additional 0.25:1 to address the temporal loss associated with selling advanced credits. **Table 3** below depicts the program wide impact acres per wetland community cover type in accordance with the 2013 WI Mitigation Guidelines. **Table 4** identifies the total advanced credits sold per service area as well as any credit generation to communicate the credit liabilities the program must produce in order to maintain program compliance. Since this reporting period is the first and does not yet even span a single year of operation no credits have been generated reflected as across the board discrepancies, which will be addressed within the next program year. **Table 5** provides details on the quantity of advanced credits sold per service area along with the remaining credits after considering any released credit generated. The percent of the total available credits that have been sold is shown as it is anticipated once a service area reaches at least 20% then on the ground compensatory mitigation projects should be sought to fulfill the advanced credit liability.

**Table 2 – Overall Program Credit Ledger**

Service Area Name	Service Area HUC #	Invoice #	Project Name	Credit Price	Total Advanced Credits Sold	Total Invoice	Date of Credit Purchase	Total Impact Acres	Ratio Applied (Credits: Impact)	DNR Permit Docket #	Corps File #	Impact HUC-8	Township-Range-Section
SW Lake Mich	40400	2074192	VOID - Alliance Corp Geneva Lakes Storage	\$61,000	0	VOID	VOID	0	VOID	VOID	VOID	VOID	VOID
Upper IL	71200	2063340	KTR Amazon	\$60,000	5.47	\$328,200	12/22/2014	3.77	1.45:1	IP-SE-2013-30-02377	2012-02086-MHK	7120004	2N-22E-30
UMBR	70400	2063440	BNSF	\$60,000	10.56	\$633,600	12/26/2014	7.28	1.45:1	IP-WC-2014-32-00454	MVP-2013-04758-DAS	7040006	16N-7W-28
Fox	40302	2067902	Brown Co Highway Dept	\$61,000	1.91	\$116,510	01/21/2015	1.32	1.45:1	IP-NE-2014-5-T00418	2012-04178-JRS	4030204	23N-20E-19/30

NW Lake Mich	40301	2074142	Koehne GM Car Dealer	\$61,000	2.89	\$176,290	03/12/2015	1.99	1.45:1	IP-NE-2014-38-00192	2008-03913-AMN	4030105	30N-23E-15
Fox	40302	2073725	MCMC Costco	\$61,000	0.73	\$44,530	03/13/2015	0.5	1.45:1	IP-NE-2015-45-00022	NA	4030204	21N-17E-30
Lake Superior	40103	2068782	Canadian National Hawthorne Hills	\$58,000	6.54	\$379,320	03/16/2015	4.51	1.45:1	IP-NO-2014-16-04203	2014-03326-WMS	4010301	37N-12W-20
Fox	40302	2075400	Menasha Packaging	\$61,000	2.6	\$158,600	03/16/2015	1.79	1.45:1	IP-NE-2015-71-00125	MVP-2014-03263-NTD	4030204	20N-17E-32
Chippewa	70500	2075860	Eau Claire Highway CTH X	\$60,000	1.43	\$85,800	03/23/2015	0.98	1.45:1	IP-WC-2015-18-T00246	MVP-2015-00298-SJW	7050005	27N-6W-6
Chippewa	70500	2075861	Eau Claire Highway CTH K	\$60,000	1.89	\$113,400	03/23/2015	1.3	1.45:1	IP-WC-2014-18-T04339	2015-00132-SJW	7050006	26N-7W-6
Chippewa	70500	2073701	CSP Source Energy	\$60,000	6.12	\$367,200	03/27/2015	4.22	1.45:1	IP-NO-2013-55-02735	MVP-2013-02194-DJM	7050001	34N-8W-17

Fox	40302	2078101	Outagamie Co CTH U	\$61,000	0.87	\$53,070	04/06/2015	0.6	1.45:1	IP-NE-2015-45-T00670	MVP-2014-02492-AMIN	4030204	22N-19E-27/28/33/34 & 21N-19E-3/4
Fox	40302	2078821	Village of Howard Badgerland Dr Pond	\$61,000	0.09	\$5,490	04/17/2015	0.06	1.45:1	IP-NE-2015-5-00812	2014-00783-JRS	4030204	24N-20E-21
Fox	40302	2081041	City of Oshkosh 9th and Washburn Wet Detention Basin	\$61,000	6.67	\$406,870	05/14/2015	4.6	1.45:1	IP-NE-2014-71-03372	2011-01080-JRS	4030201	18N-16E-28
Lake Superior	40103	2083925	Enbridge Energy East Substation	\$58,000	0.21	\$12,180	05/18/2015	0.15	1.45:1	IP-NO-2015-16-00847	2015-00300-WMS	4010301	49N-13W-30
Fox	40302	2084706	WI Central Oshkosh Industrial Siding	\$61,000	0.85	\$51,850	05/26/2015	0.58	1.45:1	NE-2015-71-00564	MVP-2014-03682-NTD	4030203	18N-16E-28
Upper IL	71200	2090620	Route 165 LLC Uline	\$60,000	2.07	\$124,200	06/02/2015	1.43	1.45:1	IP-SE-2014-30-04224	2013-02364-MHK	7120004	1N-21E-25
Upper IL	71200	2090862	Lannon Stone Products	\$60,000	4.71	\$282,600	06/30/2015	3.25	1.45:1	IP-SE-2015-68-00117	2013-02542-MHK	7120006	8N-19E-25/26/36

St. Croix	70300	2098561	Village of Clayton Wastewater Treatment Plant Expansion	\$60,000	0.26	\$15,600	07/10/2015	0.18	1.45:1	IP-NO-2015-49-00397	NA	7030005	33N-15W-13
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**Table 3 – Project Impact Acre Summary for Overall Program**

ACRES OF IMPACT PER WETLAND COVER TYPE											
Shallow, Open Water	Deep and Shallow Marshes	Sedge Meadows	Fresh (Wet) Meadow	Wet to Wet-Mesic Prairie	Calcareous Fens	Bog (Open or Coniferous)	Shrub Swamps (Shrub-Carr or Alder Thicket)	Wooded Swamps (Hardwood or Coniferous)	Floodplain Forests	Seasonally Flooded Basins	Total Impact Acres
7.47	0.44	2.81	20.06	-	-	-	4.77	2.66	0.30	-	38.51

**Table 4 – Overall Program Credit Liabilities and Compliance**

Service Area Name	Service Area HUC #	Total Advanced Credit Liability	Total Released Credit Generation	Proposed Project Released Credits	Compliance Discrepancy
Chippewa	70500	9.44	-	-	9.44
Fox	40302	13.72	-	-	13.72
Lake Superior	40103	6.75	-	-	6.75
Lower WI	070700-L	-	-	-	-
NW Lake Michigan	40301	2.89	-	-	2.89
Rock	70900	-	-	-	-
St. Croix	70300	0.26	-	-	0.26
SW Lake Michigan	40400	-	-	-	-
UMBR	70400	10.56	-	-	10.56
UMMP	70600	-	-	-	-
Upper IL	71200	12.25	-	-	12.25
Upper WI	070700-U	-	-	-	-
<b>TOTALS</b>		<b>55.87</b>	<b>-</b>	<b>-</b>	<b>55.87</b>

**Table 5 – Primary Service Area Credit Availability**

<b>Service Area</b>	<b>Authorized Advanced Credits</b>	<b>Advanced Credits Sold</b>	<b>Released Credits Fulfilled</b>	<b>Available Advanced Credits</b>	<b>% of Available Advanced Credits Sold</b>
Lake Superior	75	6.75	0.00	68.25	9%
St. Croix	30	0.26	0.00	29.74	1%
Chippewa	50	9.44	0.00	40.56	19%
UMBR	50	10.56	0.00	39.44	21%
Upper WI	100	0.00	0.00	100.00	0%
Lower WI	40	0.00	0.00	40.00	0%
UMMP	30	0.00	0.00	30.00	0%
NW Lake Mich	100	2.89	0.00	97.11	3%
Fox	55	13.72	0.00	41.28	25%
Rock	90	0.00	0.00	90.00	0%
SW Lake Mich	60	0.00	0.00	60.00	0%
Upper IL	30	12.25	0.00	17.75	41%



### Overall Program Financial Status

**Table 6 – Annual Revenue Based Financial Report Fiscal Year 2015**

Please note that several service areas did not sell any advanced credits resulting in no revenue or financial activity. Therefore, these service areas (Upper WI, Lower WI, UMMP, Rock, SW Lake Mich) are not included in the below table.

	Administrative	UMBR	NW Lake Mich	Fox	Upper IL	Non-Credit Revenue	Contingency	St. Croix	Chippewa	Lake Superior	
Invoice #	XBDA	XBDB	XBDD	XBDF	XBDG	XBDJ	XBDK	XBDM	XBDO	XBDP	INVOICE TOTAL
2063340	32,820.00				278,970.00		16,410.00				328,200.00
2063440	63,360.00	538,560.00					31,680.00				633,600.00
2067902	11,651.00			99,033.50			5,825.50				116,510.00
2068782	37,932.00						18,966.00			322,422.00	379,320.00
2073701	36,720.00						18,360.00		312,120.00		367,200.00
2073725	4,453.00			37,851.00			2,226.00				44,530.00
2074142	17,629.00		149,847.00				8,814.00				176,290.00
2075400	15,860.00			134,810.00			7,930.00				158,600.00
2075860	8,580.00						4,290.00		72,930.00		85,800.00
2075861	11,340.00						5,670.00		96,390.00		113,400.00
2078101	5,307.00			45,110.00			2,653.00				53,070.00
2078821	549.00			4,667.00			274.00				5,490.00
2081041	40,687.00			345,840.00			20,343.00				406,870.00
2083925	1,218.00						609.00			10,353.00	12,180.00
2084706	5,185.00			44,073.00			2,592.00				51,850.00
2090620	12,420.00				105,570.00		6,210.00				124,200.00

2090862	28,260.00				240,210.00		14,130.00				<b>282,600.00</b>
2098561	1,560.00						780.00	13,260.00			<b>15,600.00</b>
						39,100.00					<b>39,100.00</b>
<b>Revenue</b>	335,531.00	538,560.00	149,847.00	711,384.50	624,750.00	39,100.00	167,762.50	13,260.00	481,440.00	332,775.00	<b>3,394,410.00</b>
<b>FY15 Interest</b>	120.55	306.52	57.92	222.57	171.04	47.63	62.94		186.12	125.85	<b>1,301.14</b>
<b>ORG TOTAL</b>	<b>335,651.55</b>	<b>538,866.52</b>	<b>149,904.92</b>	<b>711,607.07</b>	<b>624,921.04</b>	<b>39,147.63</b>	<b>167,825.44</b>	<b>13,260.00</b>	<b>481,626.12</b>	<b>332,900.85</b>	<b>3,395,711.14</b>

**Table 7 - Annual Expense Based Financial Report Fiscal Year 2015**

The only expenses recorded within this reporting period were under the Administrative Category as no projects have yet been selected or built and therefore there was no activity under the Contingency account.

<b>Expense Category</b>	<b>Administrative Expenditures (WTLA)</b>
Salary	35,000.00
Fringe	13,885.40
Travel	1,236.31
Supplies & Services	2,602.90
Other	1,160.79
<b>Total Direct</b>	<b>53,885.40</b>
<b>Total Indirect</b>	
<b>Total Expenses</b>	<b>53,885.40</b>

## Request For Projects Summary

There were no submitted Request For Project announcements made during this reporting period, but they are anticipated to be activated during the next reporting period.

## Project Summary

There were no submitted Request For Project announcements made during this reporting period and therefore no project activity.

## Credit Fee Evaluation

During this reporting period the program utilized the inaugural credit fee established as detailed in the approved Program Instrument. Since the WWCT is the first in-lieu fee program in Wisconsin baseline costs to establish a meaningful true cost accounting calculation of these future expenditures was based on the costs associated with mitigation banks and permittee responsible mitigation projects in WI. The Sponsor evaluated the total construction and monitoring costs for these types of projects to establish an estimated total construction and monitoring cost. The Sponsor also utilized land sales data prepared by the U.S. Department of Agriculture's National Agricultural Statistics Service Wisconsin Field Office Total Agricultural Land Sales specific to 9 separate districts that span WI to provide the basis for land cost. These two costs provide the foundation for the credit fee method, which also considers the estimated long-term maintenance, contingency and administrative costs when ultimately setting the credit fee. Since adjacent Service Areas have the possibility to be combined under limited circumstances within the context of major HUC-4 basins the Sponsor has set the inaugural credit fee the same within these areas.

In order to evaluate the credit fee for the next program calendar year (Jan 1-Dec 31) we have reproduced the same method using updated data from both the mitigation program (banks, permittee responsible) as well as the latest U.S. Department of Agriculture land sales data to determine if the credit fee should be altered. Below is a synopsis of the changes to these baseline metrics utilized to set the credit fee:

Construction/monitoring: remained steady with inaugural fee figures

AG Land Sales Data: Total Agricultural Land Sales for 2014 (latest data 8/19/2015) have increased on average as indicated below:

- Superior HUC-4 Area – AG Land increased on average an estimated 21%
- Lake Michigan HUC-4 Area – AG Land increased on average and estimated 12%
- Mississippi River HUC-4 Area – AG Land increased on average an estimated 14%

In order to reflect the increases in agricultural land costs the credit fees will be increased for the corresponding HUC-4 areas as indicated below:

**Table 8 – Credit Fee Schedule for Program Year 2016**

The information below depicts the old credit fee of the preceding program year alongside the new credit fee for the subsequent 2016 program year organized by service areas within the three major HUC-4 basins.

<b>Service Area</b>	<b>Old Credit Fee (Effective Jan 1, 2015-Dec 31, 2015)</b>	<b>New Credit Fee (Effective Jan 1, 2016 – Dec 31, 2016)</b>	<b>Major HUC-4 Basin Area</b>
Lake Superior	\$58,000	\$59,000	Lake Superior Basin
St. Croix	\$60,000	\$61,000	Mississippi River Basin
Chippewa	\$60,000	\$61,000	Mississippi River Basin
Upper Mississippi – Black Root	\$60,000	\$61,000	Mississippi River Basin
Upper Wisconsin	\$60,000	\$61,000	Mississippi River Basin
Lower Wisconsin	\$60,000	\$61,000	Mississippi River Basin
Upper Mississippi – Maquoketa Plum	\$60,000	\$61,000	Mississippi River Basin
Rock	\$60,000	\$61,000	Mississippi River Basin
Upper Illinois	\$60,000	\$61,000	Mississippi River Basin
Northwestern Lake Michigan	\$61,000	\$62,000	Lake Michigan Basin
Fox	\$61,000	\$62,000	Lake Michigan Basin
Southwestern Lake Michigan	\$61,000	\$62,000	Lake Michigan Basin

**Additional Information**

Additional information related to the WI Wetland Conservation Trust can be found by visiting the following webpage:

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