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STATE OF WASHINGTON

RECREATION AND CONSERVATION OFFICE

July 2008

Item #16: **Mitigation Banking**

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Approved by the Director:

Proposed Action: Briefing

Summary

Recreation and Conservation Office staff has received questions about the possibility of creating mitigation banks on lands acquired through Board grants and about how Board grants might work with mitigation and/or conservation banks.

In response to a Salmon Recovery Funding Board (Board) request, staff will provide a presentation about compensatory mitigation, specifically wetland mitigation and conservation banking, at the July 2008 Board meeting.

Background

Wetlands mitigation banking

Private entrepreneurs and public entities can establish mitigation banks by restoring, creating, enhancing, or preserving a wetland so that they (or others) can use it to compensate for future development-related impacts to other wetlands located within the same watershed.

When development activity has an unavoidable effect on wetlands, the developer must take steps to avoid and minimize ecological impacts at the site itself. If the development occurs in a bank's service area and regulatory agencies approve, developers also can purchase credits from a mitigation bank to meet their requirements for compensatory mitigation. The value of these "credits" is determined by quantifying both the wetland functions or acres lost and those restored or created.

Conservation banking

Conservation banking is the practice of restoring, enhancing, or preserving non-wetland habitats or habitats for rare species. It is similar to mitigation banking because it is done to fulfill expected future obligations to compensate for negative impacts to the habitats or species.

The U.S. Department of the Interior Fish and Wildlife Service defines a conservation bank as

> "a parcel of land containing natural resource values that are conserved and managed in perpetuity, through a conservation easement held by an entity responsible for enforcing the terms of the easement, for specified listed species and used to offset impacts occurring elsewhere to the same resource values on non-bank lands."

Other tools

Mitigation and conservation banking policies and practices currently are being evaluated in the "Mitigation That Works" forum, administered by the Department of Ecology. Other agencies are evaluating other new approaches to conservation. For example, the Department of Community, Trade, and Economic Development is reviewing the transfer of development rights and the Conservation Commission is considering ecosystem services markets.

Analysis

Acquisition and restoration funded with Board grants may relate to the protection and restoration activities resulting from these new conservation tools. Staff will provide more detailed analysis at the July meeting.

Attachments

A. U.S. Environmental Protection Agency Mitigation Banking fact sheet
B. U.S. Fish and Wildlife Service Conservation Banking fact sheet

Mitigation Banking Factsheet

Compensating for Impacts to Wetlands and Streams

What is a Mitigation Bank?

A mitigation bank is a wetland, stream, or other aquatic resource area that has been restored, established, enhanced, or (in certain circumstances) preserved for the purpose of providing compensation for unavoidable impacts to aquatic resources permitted under Section 404 or a similar state or local wetland regulation.[1] A mitigation bank may be created when a government agency, corporation, nonprofit organization, or other entity undertakes these activities under a formal agreement with a regulatory agency. Mitigation banks have four distinct components:

Restored perennial and season marsh and riparian forest at Wildlands Mitigation Bank, Placer County, California

- The bank site: the physical acreage restored, established, enhanced, or preserved;
- The bank instrument: the formal agreement between the bank owners and regulators establishing liability, performance standards, management and monitoring requirements, and the terms of bank credit approval;
- The Interagency Review Team (IRT): the interagency team that provides regulatory review, approval, and oversight of the bank; and
- The service area: the geographic area in which permitted impacts can be compensated for at a given bank.

The value of a bank is defined in "compensatory mitigation credits." A bank's instrument identifies the number of credits available for sale and requires the use of ecological assessment techniques to certify that those credits provide the required ecological functions. Although most mitigation banks are designed to compensate only for impacts to various wetland types, some banks have been developed to compensate specifically for impacts to streams (i.e., stream mitigation banks).

Mitigation banks are a form of "third-party" compensatory mitigation, in which the responsibility for compensatory mitigation implementation and success is assumed by a party other than the permittee. This transfer of liability has been a very attractive feature for Section 404 permit-holders, who would otherwise be responsible for the design, construction, monitoring, ecological success, and long-term protection of the site.

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Background

Guidance from U.S. Fish and Wildlife Service (FWS) in 1983 supported the establishment of the first banks, most of which were sites of advanced consolidated compensatory mitigation for impacts planned by state Departments of Transportation or other state agencies.[2] The subsequent expansion of mitigation banking was catalyzed by the release of several important reports that challenged the effectiveness of compensatory mitigation practices under the Section 404 program, particularly on-site and single-project off-site compensatory mitigation.[3] EPA and the Corps, the primary federal agencies responsible for implementing the federal Section 404 program, began to view banking as a way of addressing these shortcomings of mitigation policy and in response issued interim Banking Guidance in 1993. Mitigation banking programs were well-positioned to address many of these issues by providing for easier monitoring, long-term stewardship, and unambiguous transfer of liability for assuring mitigation success from the permittee to the banker. The promise of regulatory simplification for permit applicants that use a bank to satisfy permit conditions has also spurred activity in mitigation banking. In addition, language supporting the development of banking was included in the White House Office of Environmental Policy's 1993 Federal Wetlands Plan as well as in the Intermodal Surface Transportation Equity Act of 1993.

In November 1995, EPA, the Corps, FWS, National Oceanic and Atmospheric Administration's National Marine Fisheries Service, and U.S. Department of Agriculture's Natural Resources Conservation Service released the final Federal Guidance on the Establishment, Use, and Operation of Mitigation Banks.[4] The guidance gave state agencies, local governments, and the private sector the regulatory certainty and procedural framework they needed to move forward on seeking approval to operate mitigation banks. Following its issuance, banks proliferated across the country and became a mainstream compensatory mitigation option.[5] With the passage of the Transportation Equity Act for the 21st Century (TEA-21) in 1998, banking became the preferred compensatory mitigation alternative for impacts involving the federal funding of transportation projects.[6] Since 1998, conferences have been held annually devoted to sharing and encouraging advances in mitigation banking policy and practice.[7]

Elevated interest in banking has spurred many Corps Districts to adopt regional guidance regulating banking, and to date approximately 15 of the 38 Districts have done so. Also, by 2001, 23 states had either statutes or regulations in place that authorized the use of mitigation banks and an additional eight states had issued guidelines to govern the use of mitigation banks.[8]

In response to comprehensive and independent critiques of the effectiveness of compensatory mitigation at offsetting impacts to wetlands and other aquatic resources under Section 404, EPA, the Corps, and the Departments of Agriculture, Commerce, Interior, and Transportation released the National Wetlands Mitigation Action Plan on December 26, 2002.[9] The Plan includes 17 action items designed to improve the ecological performance and results of all forms of compensatory mitigation, including banking. Approximately half of these 17 action items have been implemented while the remaining items are currently under development.

In 2004, the Society of Wetland Scientists | released a position paper describing mitigation banking as a sound mechanism which can improve compensatory mitigation success and contribute to the goal of no net loss of wetlands and other aquatic resources.[10] Nevertheless, there continues to be a need to improve and refine the practices of site selection, design, implementation, monitoring, and long-term management for all compensatory mitigation projects, including mitigation banks.[11]

The Water Resources Development Act (WRDA) of 2007 identifies mitigation banking as the preferred mechanism for offsetting unavoidable wetland impacts associated with Corps Civil Works projects. Section 2036 of the Act states that "In carrying out a water resources project that involves wetlands mitigation and that has impacts that occur within the service area of a mitigation bank, the Secretary [of the Army], where appropriate, shall first consider the use of the mitigation bank if the bank contains sufficient available credits to offset the impact..."

In 2008, EPA and the Corps issued revised regulations governing compensatory mitigation.[12] These regulations established equivalent and effective standards for all three compensatory mitigation mechanisms: mitigation banks, in-lieu fee mitigation, and permittee-responsible mitigation. Since mitigation

banking is the most reliable form of compensatory mitigation, these regulations establish a preference for the use of banks when appropriate credits are available.

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Status of Mitigation Banking

Restored marsh preserve at the Pope Ranch Conservation Bank in the Yolo Bypass near Davis, California

In 1992 there were only 46 banks permitted, almost all of which were publicly-sponsored single-user banks, in which entities such as state agencies or large corporations stockpile wetland credits for their own later use. The first entrepreneurial banks to sell credits to any permittee were developed between 1991 and 1994. By the end of 2001, the Environmental Law Institute (ELI) had identified approximately 219 approved wetland mitigation banks nationwide, more than 130 of which were entrepreneurial banks, and 22 of which had sold out of credits. This represented a 376% increase in the number of banks over 10 years, nearly all of which occurred following the release of the 1995 Banking Guidance. An estimated 139,000 acres were included in the 219 approved banks that provide a combination of wetland restoration, creation, enhancement, and/or preservation. ELI also identified an additional 95 banks under review with approval pending as of December 2001. The 95 banks under review at that time included an additional 8,000 acres. ELI also listed 40 approved "umbrella banks" (i.e., banks developing multiple compensation sites under a single instrument) with approximately 26,848 acres of mitigation wetlands approved at 308 individual sites.[13]

A 2005 inventory by the Corps' Institute for Water Resources estimates a total of 450 approved mitigation banks (59 of which have sold out of credits) and an additional 198 banks in the proposal stage. Since this survey counted umbrella banks as a single bank, the number of bank sites is likely considerably larger than this estimate.

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Benefits of Mitigation Banking

Mitigation banking has a number of advantages over traditional permittee-responsible compensatory mitigation because of the ability of mitigation banking programs to:

- Reduce uncertainty over whether the compensatory mitigation will be successful in offsetting project impacts;
- Assemble and apply extensive financial resources, planning, and scientific expertise not always available to many permittee-responsible compensatory mitigation proposals;
- Reduce permit processing times and provide more cost-effective compensatory mitigation opportunities; and
- Enable the efficient use of limited agency resources in the review and compliance monitoring of compensatory mitigation projects because of consolidation.

In its 2001 critique of compensatory mitigation, the National Research Council (NRC)

concluded that third-party compensatory mitigation such as mitigation banks offer advantages over permittee-responsible mitigation in the fulfillment of regulatory goals.[14] One such advantage identified by NRC is the consensus-driven, interagency review process used to approve banks.[15] The 2002 National Mitigation Action Plan acknowledges that more expertise and collaboration should be brought to bear on the Section 404 mitigation process. The 2008 Corps/EPA compensatory mitigation regulations codify the consensus-based interagency review team approach endorsed by the NRC. NRC also noted that banks are more likely than traditional compensatory mitigation to achieve desired long-term outcomes and to create mitigation sites that are protected in perpetuity by organizations dedicated to resource conservation.[16]

Additionally, banking represents an increasingly important economic component of the environmental consulting sector, showcasing the synergies that can arise between effective environmental protection and economic expansion. Sixty two percent of the banks identified in ELI's 2002 study were privately-owned entrepreneurial mitigation banks; entrepreneurial providers of bank credits have emerged as a nationally-organized industry[17] contributing hundreds of millions of dollars annually to the domestic product.

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Looking Ahead

EPA looks forward to working with the Corps and our other partners on continuing to improve mitigation banking's effectiveness at offsetting authorized impacts to wetlands, streams, and other aquatic resources. Improving IRT training, increasing mitigation bank tracking and monitoring, and expanding the evaluation of bank performance are a few of the areas the EPA plans to focus on in the coming years.

Black-necked stilts in a restored seasonal wetland at the Plummer Creek Mitigation Bank in Newark, California

Related Links

Federal Compensatory Mitigation Regulations
http://www.epa.gov/owow/wetlands/pd

EPA mitigation website
www.epa.gov/wetlandsmitigation/

Corps Regulatory Program website
www.usace.army.mil/cw/cecwo/reg/

National Mitigation Action Plan
www.mitigationactionplan.gov

2001 National Research Council Compensatory Mitigation Study
www.nap.edu/books/0309074320/html/

Environmental Law Institute Research on Compensatory Mitigation website
www2.eli.org/wmb/index.htm

Society of Wetland Scientists' Mitigation Banking Position Paper
www.sws.org/wetland_concerns/banking.mgi

National Mitigation Banking Association
www.mitigationbanking.org/

National Mitigation and Conservation Banking Conference
www.mitigationbankingconference.com/

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3. Eliot, Wendy. 1985, *Implementing Mitigation Policies in San Francisco Bay: A Critique*. Oakland, CA: California State Coastal Conservancy; Race, Margaret Seluk. 1985. Critique of Present Wetlands Mitigation Policies in the United States Based on an Analysis of Past Restoration Projects in San Francisco Bay. *Environmental Management 9* (1):71-82; Erwin, Kevin L. 1990. Wetland Evaluation for Restoration and Creation. In *Wetland Creation and Restoration: The Status of the Science*, edited by J. A. Kusler and M. E. Kentula. Washington, DC: Island Press.
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7. National Mitigation and Conservation Banking Conference, www.mitigationbankingconference.com/
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13. ELI, 2002.
14. NRC, 2001, p. 9.
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16. NRC, 2001, p. 163.
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View the graphical version of this page at: http://www.epa.gov/owow/wetlands/facts/fact16.html

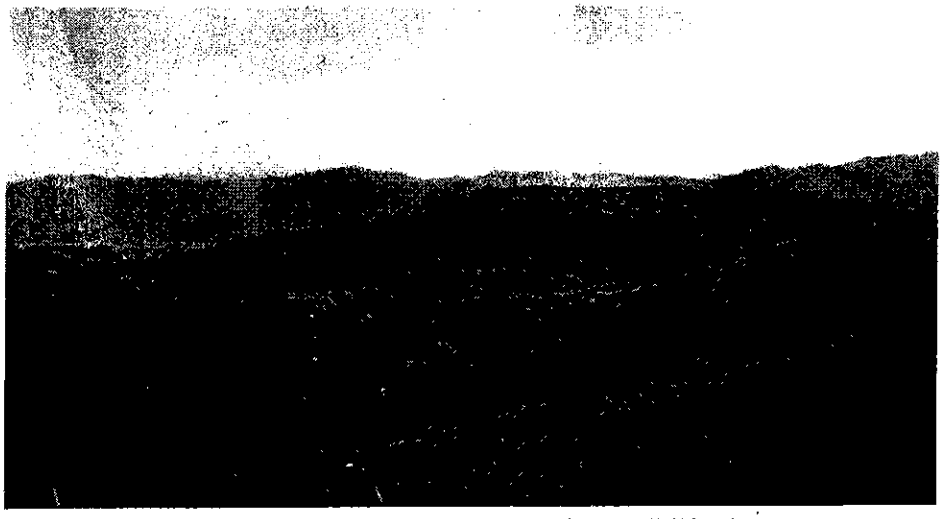
U.S. Fish & Wildlife Service

Conservation Banking

Incentives for Stewardship

Conservation banks are permanently protected privately or publicly owned lands that are managed for endangered, threatened, and other at-risk species. A conservation bank is like a biological bank account. Instead of money, the bank owner has habitat or species credits to sell.

The U.S. Fish and Wildlife Service (FWS) approves habitat or species credits based on the natural resource values on the bank lands. In exchange for permanently protecting the bank lands and managing them for listed and other at-risk species, conservation bank owners may sell credits to developers or others who need to compensate for the environmental impacts of their projects.



The 1200 acre Wilson Valley Mitigation Bank, Riverside County, California. USFWS photo by Michelle Morgan

Conservation banking offers a range of opportunities. Lands used for ranching, farming, and timber operations can function as conservation banks if habitat is managed for listed and at-risk species. Habitat may also be restored for listed species. Streams or other corridors that provide habitat linkages between existing protected areas may be enhanced and managed. Rather than building on their lands, developers may choose to establish conservation banks.

Who benefits?

A conservation bank is a market enterprise that offers landowners incentives to protect habitats of endangered, threatened, and other at-risk species. Landowners can profit from selling habitat or species credits to parties who need to compensate for environmental impacts. Landowners can generate income, keep large parcels of land intact, possibly reduce their taxes, and preserve open space.

Developers and others whose activities result in adverse environmental impacts typically are required to compensate for such impacts. Providing compensatory habitat off-site is often the best solution. However, it is difficult to locate appropriate lands and costly to restore and protect them and provide for their long-term management. Conservation banks provide a simple, economical alternative for developers and other project proponents. A one-time purchase of credits saves developers time and money and provides regulatory certainty.

Conservation banking benefits listed species and other wildlife and plants by establishing large reserves that function as compensatory conservation areas for multiple projects. It costs less per acre to manage a conservation bank than the equivalent acreage divided among many small, isolated reserves. Larger reserves are more likely to ensure ecosystem functions, foster biodiversity, and provide opportunities for linking existing habitat. In coordination with other tools, this collaborative, incentive-based approach to conservation may aid in the recovery of listed species.

Conservation banking also benefits the public and the community by protecting open space and contributing to a healthy environment. It works best in concert with regional conservation planning where the community is involved in determining which areas are conserved and which areas are developed to achieve an environmentally and economically healthy community.

Background

Conservation banking for federally listed species has its roots in wetland mitigation banking. In the early 1990s, the FWS began working with other Federal agencies to establish wetland mitigation banks. In 1995, the final policy on wetland banking, Federal Guidance for the Establishment, Use, and Operation of Mitigation Banks, was published (60 FR 58605-58614). In that same year, the State of California established a policy to promote regional conservation by encouraging a second generation of mitigation banks, called conservation banks, to preserve existing habitats. At that time, the FWS began approving conservation banks for a variety of federally listed species, many in cooperation with other Federal agencies and the State of California. Between 1995

and 2006 approximately 60 conservation banks were approved, most of them in California.

In May 2003, in what has been termed "a hallmark event in the 30-year history of the Endangered Species Act," the FWS issued the first comprehensive Federal guidelines designed to promote conservation banks as a tool for mitigating adverse impacts to species listed as endangered or threatened under the Endangered Species Act. Although no two banks will be developed or used in an identical fashion, the guidelines foster national consistency by standardizing establishment and operational criteria for conservation banks. A copy of the guidance is available at *http://endangered.fws.gov/policies/conservation-banking.pdf.*

What lands are eligible?
Private, Tribal, State and local government lands are eligible to become conservation banks. Federal lands may require special consideration concerning applicability of the lands for mitigation purposes and review and approval by the FWS for consistency with other regulations and policies. Generally, lands previously designated for conservation purposes through another program are not eligible unless designation as a bank provides an additional conservation benefit to listed species. Before the FWS can approve a conservation bank, landowners are required to:

- enter into a Conservation Banking Agreement with the FWS;
- grant a conservation easement to an eligible third party, precluding future development of the property and restricting certain land uses;
- develop a long-term management plan for the bank lands; and
- provide funding for monitoring and long-term management of the bank lands.

In return, the FWS approves landowners to sell credits to those requiring mitigation for species that occur on the bank lands and that are within the bank's designated service area.

What is a conservation easement?
A conservation easement is a legal contract between the landowner (grantor) and the easement holder (grantee) in which the landowner gives up certain development rights and agrees to certain restrictions on the property. Public agencies, land trusts, and other nonprofit conservation organizations are typical groups that States authorize to hold conservation easements. Restrictions on the property may include a reduction in the number of livestock that may be grazed, prohibition of recreational off-road vehicle use, or prohibition of construction of new roads and buildings. Any activities that are inconsistent with the purposes of the conservation bank are restricted under the easement. Because perpetual conservation easements are binding on future owners, the resource values of these properties are protected indefinitely. Many States and local governments offer tax benefits associated with this type of property encumbrance.

What is a management plan?
A management plan identifies tasks for operating and maintaining a bank site as well as methods for monitoring and maintaining desired habitats for listed and at-risk species. A management plan may include removing trash on a regular basis; mending and replacing fencing; monitoring the listed species or habitat conditions; controlling exotic, invasive species that interfere with the naturally functioning ecosystem; conducting prescribed burns; and other activities to maintain the habitat. A management plan is long-term, requires careful development, and should take into account any foreseeable changes that may affect property management. A management plan should be as specific as possible, but flexible enough to allow changes in management practices in response to monitoring results (sometimes referred to as an adaptive management approach).

How is management funded?
Most often a perpetual, or non-wasting, endowment is established to fund the long-term management of the conservation bank. The landowner deposits money, typically referred to as an endowment, in an interest-bearing account in an amount sufficient to generate enough yearly income to fund the annual management of the conservation bank. Since only the interest is available for use and the principal is not withdrawn, the endowment is "non-wasting," providing a perpetual source of funding for management of the conservation bank. Other methods of funding the long-term management of the bank may be used, provided they ensure adequate funding.

What are credits?
Credits are units representing listed and other at-risk species or habitat for those species on the conservation bank lands. A credit may be equivalent to
(1) an acre of habitat for a particular species;
(2) the amount of habitat required to support a breeding pair;
(3) a wetland unit along with its supporting uplands; or
(4) some other measure of habitat or its value to the listed species.

Methods of determining available credits may rely on ranking or weighting of habitats based on habitat condition, size of the parcel, or other factors. A conservation bank may have more than one type of credit if more than one listed species or habitat type occurs at the bank.

What is a service area?
The service area for a conservation bank is the area outside the bank property within which the bank owner may sell credits. The FWS and the banker determine service areas for conservation banks based on physical and ecological attributes such as watersheds, soil types, species recovery units, and/or species and population distributions. Banks with more than one type of credit may have different service areas designated for different credit types.

What projects are eligible?
Only projects that would otherwise be permitted and are suitable for off-site mitigation may use conservation banks. The species and habitats for which the project proponent requires mitgation must be present at the conservation bank. Conservation banking is not a substitute for avoiding and minimizing effects on listed species. The purpose of conservation banking is not to encourage development of listed species' habitats, but rather to provide an ecologically effective alternative to small on-site preserves,which are not defensible.

Contact Us
If you would like more information on conservation banking, please contact the FWS Regional Office with responsibility for the State or Territory in which the project is being proposed. A map of our Regional Offices can be found at http://offices.fws.gov/directory/listofficeregion.cfm

U. S. Fish and Wildlife Service
Endangered Species Program
4401 N. Fairfax Drive, Room 420
Arlington, VA 22203
703/358 2106
http://endangered.fws.gov

October 2006

Mitigation Banking

Salmon Recovery Funding Board

July 11 and 12, 2008

Mitigation 101

- What it is
  - Wetland
  - Conservation
- How it relates to Salmon Recovery
- Ask Jim if we need to mention what's happening on the RCFB side with banking & WWRP
- What you're going to tell them today -- overview

Main Mitigation Drivers

- Wetlands
  - Clean Water Act Section 404 – guided by national goal of no net loss of wetland acres and functions

- Habitat
  - Endangered Species Act Sections 7 and 10, HCPs

Mitigation Sequence

- Avoid
  - Adverse impacts should be avoided
- Minimize
  - If you can't avoid impacts, take appropriate and practicable steps to minimize
- Compensatory mitigation
  - Required for remaining unavoidable impacts

Methods of Compensatory Mitigation

- Restoration
  - Re-establish a wetland and its historic functions at a former or degraded wetland site
- Establishment
  - Develop a wetland where one did not previously exist
- Enhancement
  - Improve one or more wetland functions as an existing site.
- Preservation
  - Protect existing wetlands in perpetuity

Three Types of Mitigation

1. Permittee-Responsible
   - Permittee responsible for implementation and success

2. In-Lieu Fee
   - Third party sponsor pools resources from multiple permittees
   - Builds and maintains a mitigation site
   - Typically occurs after permitted impacts

3. Mitigation Banking

Mitigation Banking

- Mitigation Banking is one of three ways to provide compensatory mitigation.

- Wetlands
  - A wetland is restored, established, enhanced or preserved in advance of development
  - Creates "credits" that can be applied to offset the "debits" caused by future development projects

- Conservation/habitat
  - Habitat conserved and managed in perpetuity for the conservation of identified natural resource values
  - Offsets negative impacts to the resource occurring elsewhere from land use activities

Guidance

- Wetlands
  - EPA/Corps - March 2008 Wetlands Compensatory Mitigation Rule
  - Washington State: Chapter 90.84 RCW; Chapter 173-700 WAC

- Conservation
  - US Fish and Wildlife Service – 2003 Guidance for the Establishment, Use and Operation of Conservation Banks (68 Fed. Reg. 24,753)

Wetland Bank Components

- Bank site
  - The physical acreage of the bank

- Bank instrument/agreement
  - Agreement between bank owners and regulators. Includes:
    - Bank development and design
    - Objectives
    - Performance standards
    - Procedures for use of credits and debits
    - Financial assurances
    - Plan for monitoring, reporting, maintenance, and remedial action

Wetland Bank Components

- Review Team
  - Interagency Review Team/ Mitigation Bank Review Team oversees establishment, use and operation
  - Standing Washington State Mitigation Bank Review Team members include Corps, EPA, and Ecology.
  - Invited members participate in discussions and decision-making for specific banks.
    - Includes DNR, WDFW, USFW, NOAA, appropriate tribes and local governments.

Wetland Bank Components

- Service Area
  - Region where development projects can apply for mitigation credits from the bank

Conservation Bank Components

- Banking agreement
  - Identifies entity responsible for enforcing terms of conservation easement;
  - Identifies funding source for perpetual operation, management, allowable activities;
  - Identifies long-term monitoring and reporting requirements

- Conservation easement
  - Places certain restrictions on uses of the property to preserve conservation values

Conservation Bank Components

- Long-term management plan
  - Description of baseline info for property
  - Management activities, objectives and goals to maintain/improve habitat
  - Administrative information re: funding, monitoring, reporting
  - Incorporates adaptive management

- Financial Assurances
  - Funding for monitoring and long-term management

Determining Credits

- Wetlands Credits
  - Unit of measure representing the accrual or attainment of aquatic functions
  - Generally characterized by function, acreage or combination of

- Conservation Credits
  - Take into account criteria such as:
    - habitat quality, quantity,
    - species covered,
    - conservation benefits,
    - property location and configuration
    - available or prospective resource values.

Conservation Credits

- Credits can be equivalent to :
  - an acre of habitat for a particular species
  - amount of habitat required to support a breeding pair
  - a wetland unit along with supporting uplands; or,
  - some other measure of habitat or its value to the listed species

Advantages of Banking

- Efficiency
- Large scale wetland restoration often cheaper on a per-acre basis
- Puts mitigation where it offers significant environmental benefit
- Larger sites could secure certain environmental benefits unattainable at smaller sites
- Most mitigation bank credits released after showing success
- Offers private land owners economic incentives to protect natural resources
- Larger preserves, so better habitat connectivity

Disadvantages/Issues

- Generally
  - Administrative performance – failure to meet administrative performance measures; lack of administrative oversight
  - Ecological performance – not necessarily more successful at replacing lost acres and functions

- Washington State - Wetlands
  - Bank review and certification process is lengthy and expensive
  - Bank review needs to be more transparent with clear technical standards
  - Shifts natural resources from urban to rural areas
  - Banking program is underfunded and understaffed; inconsistent with local rules and regulations

Status

- Nationwide
  - September 2005: 405 approved banks
    - 330 active
    - 75 sold- out
    - 169 pending approval
- State of Washington
    - 11 existing, 9 processing
    - Actual banking credits available = 73.17
    - Potential credits available = 409

Conclusion

- Mitigation banking is an emerging tool in ….
- Reiterate relationship to Board projects
- What the Board may need to think about