

**Programs, Projects & Operations  
Subcommittee Meeting  
January 7, 2003  
7:30 p.m.  
Agenda**

**Programs, Projects & Operations**

John Conley, Chairperson  
Rich Jansen, Vice-Chairperson  
Tim Fowler  
Joe Neary  
Rich Tesar

**Alternate Members:** Dick Connealy  
Pete Rubin

**Staff Liaison:** Gerry Bowen \*  
Jerry Herbster  
Ralph Puls  
Paul Woodward

1. Meeting Called to Order – Chairperson John Conley
2. Quorum Call
3. Adoption of Agenda
4. Review and Recommendation on Wetland Mitigation Bank Fees and Credits – Paul Woodward

NOTE: This item will require a serious discussion. All Directors are encouraged to attend the Subcommittee Meeting

5. Review and Recommendation on Sunset Valley Family Golf Association vs. P-MRNRD  
*[Executive Session]* – Paul Peters
6. Outlook for P-MRNRD – Present and Future!! – Steve Oltmans
7. Other Items of Interest
8. Adjourn

# Memorandum

**To:** PPO Subcommittee  
**From:** Paul Woodward, Water Resources Engineer  
**Date:** December 30, 2002  
**Re:** Wetland Mitigation Banking Update

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Construction of the District's first Wetland Mitigation Banking Program Site known as Rumsey Station is now complete. The site is located directly south of the West Papillion Creek between Papillion and Bellevue, approximately 54<sup>th</sup> to 62<sup>nd</sup> Street. The site is designed to create at least 10 acres of Wetland Bank credit that can be sold to parties that need to mitigate for disturbed wetlands. Fifteen percent (15%) of the total credits are available upon approval of the as-built plans and the remaining eighty-five percent (85%) are available when the site is established in approximately 3 years.

A summary of the District's expenses to create this wetland site has been prepared and is attached. Included in these expenses are anticipated future maintenance and monitoring costs, associated District personnel and equipment costs, along with previous engineering and land acquisition costs. A five percent (5%) rate of return was assumed over a 50 year service life for maintenance and during the following 3 years until the wetland bank is established.

The District needs to establish a fee schedule for credits available through our wetland bank. After researching and contacting other wetland banks nationally, it would seem that there are a couple of questions that need answered before a price per credit can be established for our bank. These questions are:

1. Should we set a price that applies only to credits from Rumsey Station, or should a set fee apply to all future wetland sites as well?
2. What should our price be based on? (Our expenses or the cost a buyer would incur if he/she had to mitigate for the wetlands)
3. What type of areas should we expect to mitigate wetlands? (rural or metropolitan)
4. Should we have different prices for different areas?
5. Should we even set a price, or should we initiate a system to solicit and/or negotiate bids?
6. Should costs vary based on the size of wetland mitigation needed?

Responses from other wetland mitigation banks in the Midwest have ranged in prices per credit of \$3,000 in rural areas to around \$80,000 in metropolitan areas such as Denver and Minneapolis\St. Paul. Most bank managers base their prices on either expected costs that a buyer would incur in order to mitigate for the wetland or on competitor's prices. Not many wetland banks exist in Nebraska, and those that do are operated by entities such as the Department of Roads and railroad companies and used primarily for their own mitigation.

Staff recommends that the subcommittee recommend to the Board that a minimum cost per credit be set at \$35,000 in order to sustain the District's expenses for the program per previous direction from the Board.

	<b>EQUIPMENT</b>		
District Equipment		\$21,594.78	
Rental Equipment		\$21,000.00	
<b>SUBTOTAL</b>			<b>\$42,594.78</b>
	<b>ENGINEERING</b>		
Rumsey Station		\$19,964.00	
Wetland Banking Instrument		\$19,200.00	
Future Monitoring (3 years)		\$15,000.00	
<b>SUBTOTAL</b>			<b>\$54,164.00</b>
	<b>MATERIALS</b>		
Hancor Pipe		\$415.00	
Fence		\$2,813.67	
Seed		\$1,485.00	
<b>SUBTOTAL</b>			<b>\$4,713.67</b>
	<b>PERSONEL</b>		
<b>SUBTOTAL</b>			<b>\$33,568.85</b>
	<b>PROPERTY</b>		
Westgate Plaza		\$21,450.00	
Meisingers		\$51,816.00	
Woodle		\$4,430.00	
<b>SUBTOTAL</b>			<b>\$77,696.00</b>
	<b>MAINTENANCE</b>		
Annual		\$2,000.00	
Assume 5.0% for annual inflation rate over 50 years			
<b>SUBTOTAL</b>			<b>\$95,238.10</b>
<b>TOTAL EXPENSE</b>			<b>\$307,975.40</b>
ASSUME 10 ACRES OF WETLANDS IS 10 CREDITS AND THAT THE DISTRICT WILL RECEIVE 15% OF THE CREDIT THIS YEAR AND THE FOLLOWING 85% IN THREE YEARS.			
15% of Total Expense		\$46,196.31	
85% of Total Future Expense		\$303,042.01	
<b>PRESENT WORTH OF WETLAND BANK</b>			<b>\$349,238.32</b>
<b>COST PER WETLAND BANK CREDIT</b>			<b>\$34,923.83</b>