

Attachment to the DNR/DOT Cooperative Agreement

Memorandum of Understanding
by and between the
WISCONSIN DEPARTMENT OF NATURAL RESOURCES
and the
WISCONSIN DEPARTMENT OF TRANSPORTATION
on
**Compensatory Mitigation for Unavoidable Wetland
Losses Resulting from State Transportation Activities**

A. Purpose

The purpose of this document is to provide mutual departmental procedures for compensatory mitigation for unavoidable wetland losses resulting from State transportation activities.

B. Applicability

This memorandum of understanding applies to any transportation activity subject to the DNR/DOT Cooperative Agreement (CoA) which establishes interagency liaison procedures in accordance with *s. 30.2022 Wis. Stats.*

C. Liaison Procedures for Wetland Compensatory Mitigation


1. All practical measures to avoid/minimize wetland impacts related to the transportation project shall be conducted in accordance with state and federal wetland rules. Measures to avoid and minimize may include reducing roadway footprint, modifying the alignment, selecting an alternative route, avoiding higher quality wetlands, bridging over sensitive wetlands, and implementing modified construction techniques.
2. After wetland impacts related to the proposed transportation project have been avoided and minimized to the maximum extent practicable, compensation for all unavoidable wetland losses shall occur.
3. Compensation for wetland acres lost shall be based on an evaluation of direct impacts, and may also include indirect impacts, which are caused by the project but occur later in time and are reasonably foreseeable and estimated (for example, drainage changes resulting from the project).
4. Compensatory mitigation should be accomplished in concert with, or prior to, the construction of the transportation project, and as near as practicable to the loss, recognizing important factors such as resource sensitivity, project schedules, and the linear nature and length of DOT projects that may cross multiple watersheds or ecoregions. The use of bank sites within bank service areas, but beyond the local watershed is acceptable. Further, the agencies recognize that mitigation banking is the preferred compensation option, though DOT and DNR agree that other practicable and ecologically valuable permittee responsible opportunities may be pursued on a case-by-case basis.
5. Consistent with federal rules, the Wisconsin Mitigation Guidelines Version 2, and the provisions within this attachment, interagency agreements and approved mitigation bank instruments, the preferred hierarchy for WisDOT credit usage is as follows:
 - a. WisDOT bank site within the primary bank service area
 - b. WisDOT bank site within secondary, adjacent bank service areas

- c. WisDOT bank within the major 2-digit Hydrologic Unit Code (HUC) drainage basin (Great Lakes or Mississippi River)
 - d. Private bank credits, provided there are no WisDOT credits available as specified above
 - e. In-lieu fee credits
 - f. Permittee-responsible mitigation
6. Compensatory mitigation should be planned based on replacement of the acreage of the impacted wetlands using ratios established in Appendix A of this document.
7. Wetland mitigation bank site development, including plan preparation, performance standards, monitoring and long-term protections, will be consistent with federal rules and guidance, as well as the procedures and policies outlined in the Procedures for Developing Wetland Compensatory Mitigation Sites in Wisconsin, Version 2, with coordination occurring through DNR-DOT liaison procedures.
8. DNR and DOT agree to coordinate on compensatory wetland mitigation banking activities, including site development, monitoring, annual reporting, and long-term projections to enable both agencies to prioritize new statewide wetland mitigation banking initiatives.
9. Any compensatory mitigation site proposal shall include coordination with U.S. Army Corps of Engineers and may include U.S. Environmental Protection Agency, U.S. Fish and Wildlife Service, and Federal Highway Administration, where appropriate. Bank and bank site decisions will be made in accordance with the provisions of the Procedures for Developing Wetland Compensatory Mitigation Sites in Wisconsin, Version 2.
10. DOT and DNR agree to continue exploring opportunities to collaborate in regard to the Wisconsin Wetland Conservation Trust, the state's in-lieu fee (ILF) program managed by DNR. WisDOT may use the ILF program on occasion and such use will be coordinated through the DNR ILF Program.
11. WisDOT will prepare and distribute an annual program report for each calendar year.
12. This memorandum of understanding shall supersede the 2012 version entitled: Compensatory Mitigation for Unavoidable Wetland Losses Resulting from State Transportation Activities.

D. Signatures

Signed by:

AA6377AF96B8451... August 5, 2025
Greg Pils, Bureau of Environmental Analysis & Sustainability Director Date
Wisconsin Department of Natural Resources

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79B6497E9895446... August 5, 2025
Rebecca Burkel, Division of Transportation Systems Development Administrator Date
Wisconsin Department of Transportation

Appendix A – Wetland Mitigation Compensation Ratios

Use of Wetland Mitigation Bank Credits

The base compensation ratio for permanent wetland loss is 1.0:1.0 (compensation: loss) when utilizing credits from wetland mitigation banks. **Add the appropriate increment from the table below onto the base ratio.** These increments account for compensation with a different wetland type and/or compensation occurring in a different HUC 6 hydrologic bank service area (BSA)*. See sections following the table for additional guidance on professional discretion and other impact/compensation scenarios.

Wetland Impact Type (Loss)		Bank Credit Type (Compensation)	Bank Service Area (HUC 6)	
			Within	Outside*
Not Degraded	Floodplain Forest (FF)	FF	0.0	0.5
		WM, MR, SOW, SFB	0.5	1.0
		SS, WS	0.3	0.8
	Wet Meadow (WM), Marsh (MR), Shallow Open Water (SOW), Seasonally Flooded Basin (SFB)	FF	0.1	0.6
		WM, MR, SOW, SFB	0.0	0.5
		SS, WS	0.2	0.7
	Shrub Swamp (SS), Wooded Swamp (WS)	FF	0.1	0.6
		WM, MR, SOW, SFB	0.2	0.7
		SS, WS	0.0	0.5
	Bog (BOG)	FF	0.5	1.0
		WM, MR, SOW, SFB	0.5	1.0
		SS, WS	0.5	1.0
Degraded	Floodplain Forest (FF)	FF	0.0	0.5
		WM, MR, SOW, SFB	0.1	0.6
		SS, WS	0.1	0.6
	Wet Meadow (WM), Marsh (MR), Shallow Open Water (SOW), Seasonally Flooded Basin (SFB)	FF	0.0	0.5
		WM, MR, SOW, SFB	0.0	0.5
		SS, WS	0.0	0.5
	Shrub Swamp (SS), Wooded Swamp (WS)	FF	0.0	0.5
		WM, MR, SOW, SFB	0.0	0.5
		SS, WS	0.0	0.5

Professional Discretion

Degraded Wetlands

Impacted wetlands may receive the degraded modifier if they have been exposed to deleterious activities such as excessive use as pasture, agricultural cultivation, over exposure to urban effects or storm water runoff to the extent that their natural characteristics have been severely compromised and where wetland function has been substantially reduced. The modifier should be proposed at the time of the wetland delineation/determination and its use is subject to WDNR and USACE approval.

Riparian Emergent Wetlands

This legacy WisDOT community type does not exist in WDNR Wetland Mitigation Guidelines V2. It was historically used to describe emergent wetlands in the floodplain of a river, stream or lake that experience periodic flooding. Following the V2 wetland types, impacts to emergent riparian areas shall be classified as: Meadow (WM), Marsh (MR), or Seasonally Flooded Basin (SFB). Professional discretion may be used to

*If credits are used from a wetland bank grandfathered under the 2025 USACE/WDNR/WisDOT MOU, they can be applied to impacts in secondary BSAs, as defined in the MOU, without incurring the 0.5 ratio add-on for being outside the HUC 6 BSA.

Wetland Mitigation Compensation Ratios

apply an add-on to the compensation ratio determined by the above bank ratio table in the following situations:

Impacted emergent riparian wetland (WM, MR, SFB) is not degraded and is compensated with WM, MR, SOW, SFB: 0.3 add-on

Impacted emergent riparian wetland (WM, MR, SFB) is degraded and is compensated with WM, MR, SOW, SFB, SS, WS: 0.1 add-on

Special Circumstances of Wetland Function Loss

WisDOT will coordinate with WDNR and USACE on a case-by-case basis to determine the appropriate compensation ratios for special circumstances of wetland impact/loss. Such examples include long-term temporary impacts, conversion of wetland type without a reduction in wetland acreage (e.g., WS to WM), and indirect impacts.

ADID Wetlands

Impacts to wetlands mapped by an Advance Identification of Disposal Areas (ADID) process will result in a 0.5 add-on to the ratio determined by the above bank ratio table.

Wetlands with Special Status (aka red flag wetlands)

WisDOT will coordinate with WDNR and USACE on a case-by-case basis to determine the appropriate ratio for an impact to a special status wetland. These wetlands may include one or more of the following characteristics:

1. Wetland is unique to its locality.
2. Wetland is ecologically unique. In Wisconsin these include calcareous fens and wild rice producing wetlands.
3. A resource agency has placed a nationwide emphasis on its protection.
4. Presence or use by federal or state threatened or endangered species.
5. Public or private expenditure has been made to restore, protect or ecologically manage the wetland on either public or private land.
6. Wetland is a traditional cultural property, or on a listing of historic places or archeological sites.

Use of In-Lieu Fee (ILF) Credits

Wetland impacts compensated with ILF advanced release credits will result in a temporal loss of wetland functions and will be subject to a standard compensation ratio of 1.5:1. This ratio also accounts for any change in wetland type.

The above bank ratio table may be used for wetland impacts compensated with ILF released credits (non-advanced) in lieu of 1.5:1, subject to USACE and WDNR approval.

Permittee-Responsible Mitigation (PRM)

Permittee-responsible wetland mitigation generally occurs concurrently with the permitted wetland impacts and results in a temporal loss of wetland functions. The compensation ratio for wetland losses occurring concurrently with PRM will be use a standard ratio of 1.5:1. This ratio also accounts for any change in wetland type.

If a PRM site is fully functioning (i.e., secured, protected, restored, and has concluded all performance standard based monitoring) prior to the permitted wetland losses occurring, the above bank ratio table may be used in lieu of 1.5:1, subject to USACE and WDNR approval.