

Wetland Replacement Program Opportunity

Policy Brief

AT ISSUE

Municipalities in Alberta have been presented with an opportunity to become actively involved in wetland management through the Province of Alberta's new Wetland Replacement Program. The Province is attempting to secure municipal involvement and has approached Wheatland County directly due to our high priority location for wetland replacement. Municipal involvement in the Wetland Replacement Program requires that Wheatland County sign a Memorandum of Understanding (MOU) with the Province committing us to seek wetland replacement opportunities, submit a minimum of one application for a wetland replacement opportunity per year, and carry out wetland replacement work that is approved and 100% funded by the province.

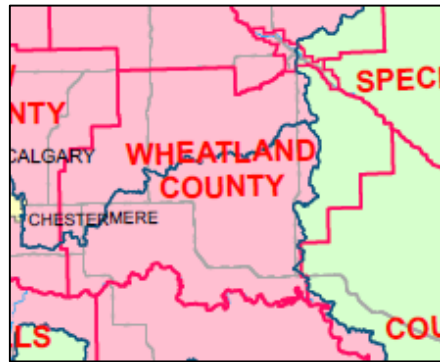
Wheatland County staff have participated in conference calls with provincial staff responsible for the program to obtain further information and have initiated critical thought about the fit of the Wetland Replacement Program within Wheatland County. We now require the Board's direction in determining how best to proceed. To this end, we present three possible courses of action and a recommendation as described in the remainder of this brief.

BACKGROUND INFORMATION

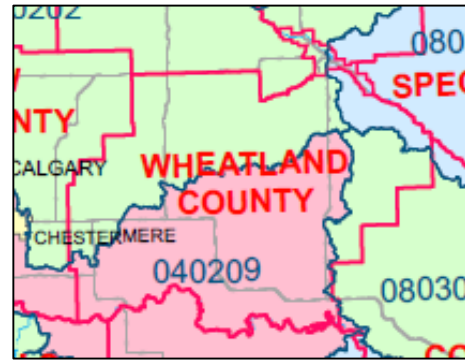
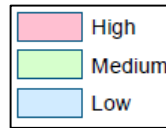
- When wetlands are impacted by any entity including municipalities, developers, industries, or landowners, the *Alberta Wetland Policy* offers two options: permittee-responsible wetland replacement (do it yourself) or payment of compensation to a provincial fund slated for wetland replacement (more cost-effective).
- The provincial fund for wetland replacement is growing. The collecting, holding, and use of funds has been controversial; resolutions discussed at RMA noted magnitude of the expense for necessary impacts like road construction, ability for municipalities to make use of funds collected, and discontent with funds transferring out of the region in which costs were incurred.
- In response to public perspectives, the Province created the Wetland Replacement Program with mechanisms for prioritizing use of funds in the watersheds from which they came, and for creating equal access to dollars by any entity capable of restoring or creating wetlands on the landscape through an application process.
- Wheatland County contains portions of both the Bow and Red Deer River watersheds. County operational contributions to provincial compensation fund allocations in each watershed are outlined below:

2015 - 2020		Provincial Fund	County Contributions	County Contribution (% of total)
Bow River Basin	Wetland Area Impacted (ha)	244	5	2%
	Area to be restored (ha)	843	12	1%
	Compensation Paid	\$15 Million	\$217,000	1%
Red Deer River Basin	Wetland Area Impacted (ha)	58	3	4%
	Area to be restored (ha)	137	6	4%
	Compensation Paid	\$2.5 Million	\$112,000	4%

- Fund distribution priorities are based on rates of loss and compensation collected per watershed (hydrologic units) since implementation of the Alberta Wetland Policy. Wheatland County is identified as high priority for wetland replacement as per the maps below:



HUC 4 Map Excerpt (Broader Units)



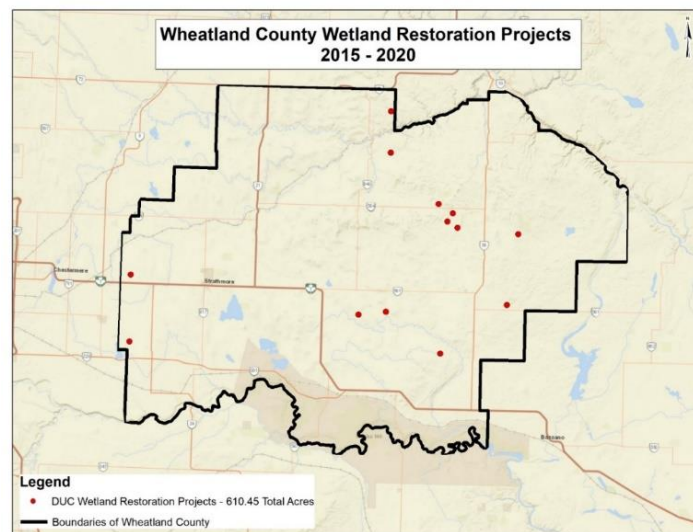
HUC 6 Map Excerpt (Finer Units)

- The Bow River Basin is of particular interest to the program. To keep funds within the watershed, replacement opportunities must be found in the rural portions of the Bow Basin.
- Wetland replacement efforts are actively occurring within Wheatland County through charitable organization, Ducks Unlimited Canada (DUC). DUC seeks partnership with interested private landowners to restore historically drained wetlands. DUC successes in Wheatland County in the last five years are summarized below:

2015 – 2020*	
Restoration Projects Completed in Wheatland County	13
Hectares of Wetlands Restored in Wheatland County	247
Compensation Paid to Wheatland County Landowners	\$2.4 Million**

*Wetlands restored by DUC between 2015-2020 were not funded by the provincial wetland compensation fund described above. They represent mitigation funds collected through previous processes and invested in the County. Numbers were provided by DUC.

** This value does not include project costs for staff time, contractors, appraisals, legal fees, materials, and other costs associated with wetland restoration.



DUC Wetland Restoration Project Map, 2015-2020

RESPONSE OPTIONS

1. Sign the Wetland Replacement Program MOU with Alberta Environment and Parks (AEP)

- Signing the MOU indicates our commitment to seeking and identifying potential wetland restoration or construction opportunities and submitting a minimum of one proposal per year for a wetland replacement project. It is not legally binding.
- Wheatland County would become responsible for advertising, landowner discussion and negotiation, and development of project proposals.
- Proposals require qualified technical support to complete which would require a budget of approximately \$25,000 per proposal for work that must be completed by qualified consultants.
- Proposals accepted by the Province result in a service contract between AEP and the municipality to complete wetland replacement projects. AEP funds 100% of wetland restoration or construction work and may partially fund municipally required infrastructure, such as stormwater ponds designed to function like wetlands or gravel pits reclaimed to include wetlands, on a case-by-case basis.
- Staff resources are required for landowner agreements and contract management for engineers, qualified environmental specialists, surveyors, and earthworks towards completion of a project. Monitoring, reporting, inspection and maintenance are required during a 10-year contract period post-construction with continued, AEP-funded use of contractors and consultants.

2. Do not sign the Wetland Replacement Program MOU – no action

- No action occurs on our part. We respond to the Province with our disinterest and do not take part in or increase efforts to promote wetland replacement within our municipality.

3. Support wetland replacement in Wheatland County through promotion of existing efforts

- We respond to the Province with our disinterest in actively participating in the Wetland Replacement Program. Instead, we recognize and support DUC's existing effort to restore wetlands in our municipality through advertisement, promotion, and identification of opportunities via existing agricultural conservation programs and outreach.

ANALYSIS

Options	Staff Workload Requirement	Budget Requirement
1. Sign MOU	0.4 FTE Time is required to seek opportunities, coordinate proposals, negotiate with landowners, manage contracts, and facilitate monitoring, reporting, inspection and maintenance for a 10-yr period. This will require additional staff capacity.	\$25,000 per proposal Proposals require a conceptual design plan, ownership and land use review, qualified professional evaluation of hydrology and wetland parameters, detailed cost breakdown and description of location constraints. Costs are only recoverable if the project is approved.
2. Do Not Sign MOU	0 FTE No additional effort made	\$0 No budget change
3. Support Existing Efforts	0.05 FTE Effort can be accommodated alongside existing extension efforts by existing staff	\$0 Effort will utilize existing advertising streams at no additional cost to the County

	Opportunities for Wheatland County	Threats to Wheatland County
1. Sign MOU	<ul style="list-style-type: none"> - Ensure compensation fund is spent in Wheatland County through active participation. Facilitate connection of landowners with funding in exchange for wetland restoration on private lands. - Increase restoration of wetlands in Wheatland County and associated ecological benefits. - Capitalize on opportunity to use provincial compensation fund for stormwater or reclamation wetland-related projects. Possible favourable applicant due to participation. - Involvement in the program indicates positive environmental stewardship behaviour on behalf of our municipality and its producers. 	<ul style="list-style-type: none"> - Possibility of losing \$25,000 per unsuccessful proposal is a risk. Aside from ensuring submission of quality proposals, we have no control over this outcome or assurance of return-on-investment. - Additional staff resources are required in order to participate; workload could be even heavier than expected (>0.4 FTE). - MOU-level participation may not be required to access funding in the future for stormwater or reclamation wetland-related projects. We may be able to submit single proposals to the program fund without formal involvement (unconfirmed). - Opportunities for wetland restoration in Wheatland County are scarce, landowner interest is required while agricultural interests take precedence. There exists an active competitor for wetland restoration opportunity that has access to a wider range of funds. We may not be able to produce 1 proposal per year. - Risk of early adoption; program not fully developed or tested, possibility of unforeseen risks.
2. Do Not Sign MOU	<ul style="list-style-type: none"> - Avoid costs and staff effort required to participate - Avoid risk of loss of proposal-development costs 	<ul style="list-style-type: none"> - No participation in wetland replacement on behalf of the municipality may limit fund expenditure in Wheatland County and in the region. Opportunities are scarce due to agricultural interest. Unless organizations increase attention and promotion and help to facilitate program uptake, funds may be lost from the region and wetland area will continually decline.
3. Support Existing Efforts	<ul style="list-style-type: none"> - Increase the likelihood that the dollars are spent in Wheatland County for wetland restoration through mutually beneficial partnership with conservation organization. Avoid risk, cost, and workload associated with undertaking activity directly by instead supporting existing efforts. - Positive stewardship initiative which reflects positively on the municipality and its producers. - Contribute to the restoration of wetlands in Wheatland County and subsequent increase in ecological benefits including protection of built infrastructure like roads, bridges, and culverts. 	<ul style="list-style-type: none"> - Possibility that DUC operations change, unforeseen risk of no longer having wetland restoration activity occurring in Wheatland County. We may re-evaluate our approach if this occurs. - Public relations risk; DUC historically was not favoured by agricultural producers due to previous aspects of their operations. This sentiment still exists amongst some producers today, but there has been improvement due to DUC program changes. Partnership or promotion may be viewed unfavourably, although there is an opportunity for the municipality to help improve community mindsets through positive promotion.

RECOMMENDATION

With consideration given for the state of the economy and financial implications currently facing municipalities, and the costs, opportunities and threats associated with each potential response option as evaluated above, the professional recommendation of staff is to decline participation in the Wetland Replacement Program at this time and instead support wetland replacement in Wheatland County through promotion of existing efforts by choosing **Option 3**.

Promoting the activities of a charitable organization like DUC that is already in the business of wetland restoration in our area may offer the benefit of increased occurrence of wetland restoration projects in our municipality and the resulting exchange of funds and ecological benefits to our ratepayers and landscape without the need for additional staff workload, budget, and risk on behalf of Wheatland County. As conditions or considerations change, we have the flexibility to re-evaluate this approach.