CHESAPEAKE BAY REGIONAL FORUM
- CRITICAL COMPONENTS OF A WORKABLE TRADING PROGRAM

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Restoration Systems LLC

- Founded in 1998, North Carolina company, Raleigh HQ
- We sell a turnkey product: Mitigation
- Implemented 50+ mitigation projects: wetland, stream, water quality, riparian buffer, and species conservation
- Nine different states and USACE Districts
RS Non-Point Source WQT Clients

- Departments of Transportation – VA
- Municipalities – Raleigh, Town of Clayton, Johnson County, NC
- Energy and Power Utilities
- Airport Authorities
- Development
  - Housing
  - Schools
  - Churches
Capital Cabaret – Cary, NC
Now Faith Community Baptist Church – Knightdale, NC
Wetland & Stream Bank Approval

- Inter-Agency Review Team (IRT) convened
- IRT chaired by the USACE
- USEPA, USFWS, NMFS, NCDWR, NCWRC _ALL_ participate and comment
- Minimum 18 months to approval
  - Maximum ??? Years
  - How high can you count?
NC Water Quality & Buffer Bank Approval

- NC Division of Water Resources approval required
- No role for the USACE
- Timeline: NCDWR Site approval thru 1\textsuperscript{st} credit release
  - Maximum 6-12 months
Neuse 01 River Subbasin
Water Quality and Buffer Banks
NC In-Lieu Fee:

Homes  Churches  Schools  Parking Lots

Took all water quality & buffer payments until 2008
State ILF – Neuse 01

Total ILF Payments for WQ 2001 – 2015
- 1,892 Transactions = 1,333,807.93 lbs. of N

$14.8 MILLION
New Legislation Allowing for Private WQT
State ILF vs Private WQT – Neuse 01

2008 Law allows “entities other than the State...”

Payments made to Private Mitigation Banks (2008 – August 2015)
  - 621 Transactions = 324,378.33 lbs. of N

Payments made to State ILF (2008 – August 2015)
  - 56 Transactions = 19,387.65 lbs. of N
Restoration Systems’ Transactions

Total Payments 2008-2015 in Neuse 01
- 339 Transactions = 201,895.53 lbs. of N

- RS Average Price per lb. of N = $14.47
  - Current RS Price: $16 - $20

- State ILF Average Price per lb. of N = $26.61
  - Current ILF Price: $20.24
Critical Components of a Workable Trading Program?

Ask a consultant, an NGO, a mitigation professional or...

- State, local, or regional regulation of nutrient sensitive waters
  - Development permit requiring on-site retention and buydown
  - Use of stormwater / rain fees “tax” to buy WQ Credits
  - Seek private sector involvement
  - Don’t let the perfect be the envy of the good.