

With \$8 million in new funding, road bank program seeks restoration opportunities



The state's Local Government Road Wetland Replacement Program (LGRWRP) received \$8 million in new funding this year. These allocations will help the Minnesota Board of Water and Soil Resources' (BWSR) pave the way for local road authorities to complete public road projects that affect wetlands while maintaining no net loss in wetland functions and values.

The LGRWRP received \$5 million in capital investment (bonding) funding plus \$3 million in state general fund dollars during the 2025 regular legislative session and a June 9 special session. Program staff plan to begin accepting applications later this fall through a request for proposals process.

Under Minnesota's Wetland Conservation Act (WCA), wetlands that are filled or drained must be replaced through a process called

wetland mitigation. BWSR oversees the LGRWRP, which develops wetland mitigation banking credits by restoring previously drained or filled wetlands and adjacent uplands. Those credits are used to offset impacts to wetlands that occur when local road authorities — such as counties, cities or townships — repair, restore or replace public roads.

Before the LGRWRP was established in 1996, local road authorities were responsible for their own wetland mitigation.

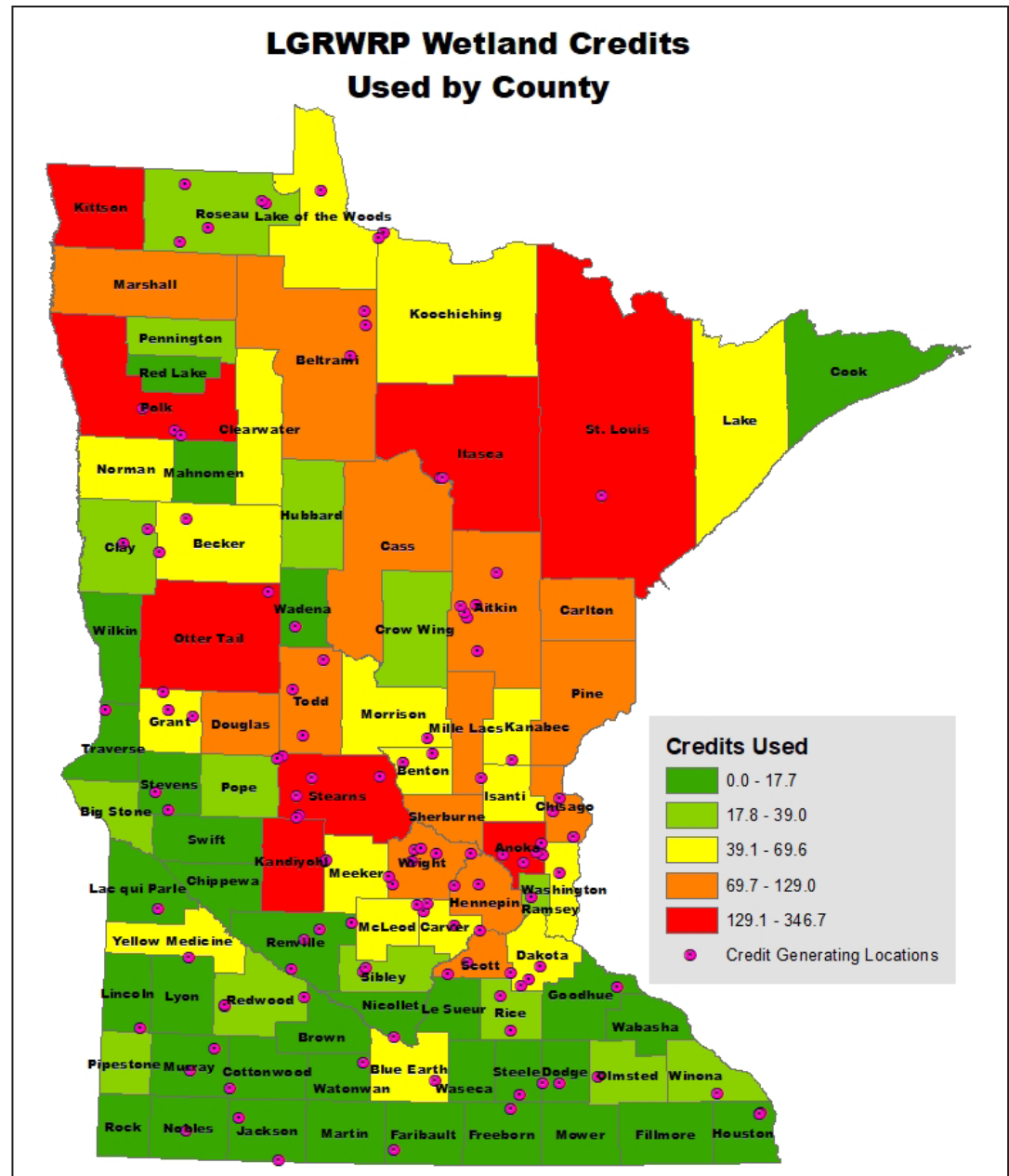
"This program is a win-win for both wetland protection and essential road-related infrastructure projects," said Dennis Rodacker, BWSR wetland mitigation supervisor. "It takes the burden of wetland mitigation off of local road authorities, while also providing flexible options for participating landowners."

A wetland in Scott County is shown before (left) and after (right) restoration. The project was completed in fall 2019 via the state's Local Government Road Wetland Replacement Program. Photo and Map Credits: BWSR

The program relies on landowners throughout Minnesota who are interested in restoring wetlands to their original condition. They have three options:

- Enroll land in a conservation easement and receive a per-acre payment. Under this option, BWSR funds and oversees all wetland restoration work, and receives all credits generated by the project.
- Pay for restoration costs themselves, and then sell any credits generated by the project to BWSR or on the private market.
- Enter into a contract that specifies how restoration tasks and the associated credits generated are split between the landowner and BWSR.

Over the past three decades, the LGRWRP has helped restore more than 8,000 acres of wetlands and upland habitat. Wetlands restored through the program require five years of vegetation and hydrological monitoring by BWSR to document the development of site functions and sustainability. Through this process, more than 4,800 total wetland banking credits have been generated, with approximately 4,500 credits used by 10 [Wetland Bank Service Areas](#) (BSAs) to date. BSA boundaries align with Minnesota's major watershed basins. The program sees an average annual demand of 170 credits. Currently, BWSR has



approximately 325 available credits.

"It's really important for new projects to keep coming on board to support the local road authorities across the state," Rodacker said. "We hope this new funding will help drive interest in wetland restoration opportunities, allowing us to make sure enough credits are available for the road authorities."

Credit needs vary depending on BSA size, location and

how many restorable wetlands are present in the area.

Rodacker said that of the 10 BSAs, BSA 7 and BSA 9 have the greatest need for credits. BSA 7, also known as the Middle Mississippi Area, has a high volume of road projects requiring credits due to its location in the seven-county Twin Cities metro area. BSA 9, located in the southwest portion of the state and also known as the Minnesota

River Area, is the largest BSA in Minnesota, driving its demand for credits. Counties that have used the most credits since the program began include St. Louis, Anoka, Stearns, Kittson and Otter Tail.

More information about the upcoming LGRWRP RFP will be posted [here on BWSR's website](#).

BWSR staff members write and produce Snapshots, a monthly newsletter highlighting the work of the agency and its partners.