

Wetland Restoration Fund (2025 Update Draft v5)

The McHenry County Stormwater Management Ordinance (SMO) initiates the wetland mitigation hierarchy and fee-in-lieu mitigation for the wetland restoration fund (WRF). The WRF is administered and implemented for impacts to Isolated Waters of McHenry County (IWMC) in accordance with the provisions of the SMO. The County Board of McHenry County (County Board) has adopted this Ordinance for implementing the WRF:

1. Purpose and Applicability: The purpose of the WRF is to collect fees and disperse funds to compensate for wetland impacts exceeding the mitigation thresholds. The WRF must help McHenry County achieve its goals ~~of~~ for: (1) “no-net-loss” of wetland acreage, (2) providing wetland mitigation alternatives in watersheds without U.S. Army Corps of Engineers (USACE) approved wetland mitigation banks, (3) maintaining or enhancing natural systems that reduce flood damage, help improve water quality (surface and groundwater), and provide healthy habitat for indigenous wildlife.
 - ~~Two-Three~~ WRFs are established for McHenry County.
 - A Nippersink Creek WRF exists to collect fees for wetland impacts and disperse funds for suitable projects in the North Branch Nippersink Creek (HUC 0712000608), Nippersink Creek Watershed (HUC 0712000609).
 - A Fox River WRF exists to collect fees for wetland impacts and disperse funds for suitable projects in the Manitou Creek-Fox River Watershed (HUC0712000610), the Upper Fox River Watershed (HUC0712000611), and the Lower Fox River Watershed (HUC 0712000612).
 - A Kishwaukee River WRF exists to collect fees for wetland impacts and disperse funds for suitable projects in the Kishwaukee River Watershed (HUC 0709000602), the Piscasaw Creek Watershed (HUC 0709000603), and the Coon Creek Watershed (HUC 0709000601).
 - Payment to the WRF may only be used to mitigate impacts to IWMC: (1) after applicants have demonstrated avoidance and minimization of wetland impacts in accordance with the SMO have been properly employed for their project, and (2) if there are no credits available from a USACE approved wetland mitigation bank within the same watershed (Nippersink Creek, Fox River, or Kishwaukee River watersheds as noted above) as the wetland impact is occurring.
 - ~~A permit applicant does not have the option to mitigate a wetland impact by paying into a WRF if the wetland impact is in the same watershed as a mitigation bank in existence at the time the WRF is established, as long as the mitigation bank has available mitigation credits. The four mitigation banks in existence at the time the WRF is established are:~~
 - ~~○ Sybaquay Girl Scout Camp—Kishwaukee River Watershed~~
 - ~~○ Kishwaukee Bottoms—Kishwaukee River Watershed~~
 - ~~○ Marengo—Kishwaukee River Watershed~~
 - ~~○ Slough Creek—Nippersink Creek Watershed~~
2. Mitigation Ratios: The mitigation acreage to impact acreage ratio is set by the minimum requirements of the SMO and applies to the entire impact acreage once the mitigation threshold is surpassed.
3. Calculation of Fee-in-lieu of Mitigation Fees: The Fee-in-lieu is set by the County Board as a fee (in dollars per acre) for mitigation credit needed. The fee-in-lieu is not specified in the SMO but will be updated periodically by the County Board. The fee-in-lieu is calculated using estimated costs for ~~planning~~, land acquisition, design, construction, monitoring, maintenance, and administration. Since the value of land varies across McHenry County, separate in-lieu fees are established for ~~each principal~~ watersheds in the county. The fee-in-lieu will not necessarily match fees charged

Exhibit A

by mitigation banks, since those fees are ~~often negotiable~~ determined by bank developers based on factors beyond County control.

4. SMO Review Process:

- A. **For Unincorporated Areas and Non-Certified Communities:** Upon written request by a permit applicant, as part of the review process, MCSC shall approve the IWMC impact acreage and inform the applicant of the in-lieu fee amount. The in-lieu fee shall be due prior to permit issuance.
- B. **For Certified Communities:** Upon written request by a permit applicant, as part of the review process, the Certified Community shall approve the IWMC impact acreage and inform MCSC of the IWMC impact location and acreage. The Certified Community shall then direct the permit applicant to pay the in-lieu fee amount to MCSC. MCSC shall provide the permit applicant with a receipt for payment of the in-lieu fee. The permit applicant must submit this receipt to the Certified Community prior to permit issuance.

5. Dispersal of Funds: Fees paid in-lieu of wetland mitigation shall be expended for projects that will restore, create or enhance wetlands.

- Funds shall only be expended for projects located entirely within McHenry County.
- Funds shall only be expended for projects that will be managed in perpetuity by a qualified conservation management agency under a conservation easement or as approved by the MCSC. Conservation management agencies desiring to be considered qualified must submit a statement of their qualifications to MCSC for review and consideration. The statement of qualifications must:
 - Demonstrate the technical expertise of the conservation management agency to restore, create, and/or enhance wetlands; and
 - Demonstrate a long-term funding mechanism for the continual monitoring and maintenance of completed projects.
- The TAC shall establish a WRF sub-committee. The responsibilities of the WRF sub-committee shall be to:
 - Annually make a public call for projects ~~for WRF's that have accumulated a minimum balance of \$75,000;~~
 - If a WRF has a minimum balance that remains below \$75,000 for more than five years, the MCSC can opt to combine funds in two or more WRF's to make a public call for projects in the respective watersheds;
 - Evaluate each project application; and
 - Make project recommendations to the TAC; and
 - ~~Maintain a list of potential projects.~~

Conservation management agencies that have submitted a statement of qualifications to MCSC for eligibility to receive funds shall not be considered for membership on the WRF sub-committee.

- TAC members representing conservation easement management agencies shall abstain from voting on all project recommendations.
- The TAC shall ~~make~~ provide project recommendations for final approval by the MCSC.
- Upon approval of a project by the MCSC, the applicant may submit requests for payment to the MCSC. Payments shall be made for work performed after the approval date and for a dollar amount not to exceed that approved by the MCSC.

6. Fund Tracking and Accountability: An annual report shall be prepared summarizing deposits to, and disbursements from, each account. The report shall also track the impact acreage in each watershed, along with the restoration, creation, and enhancement acreage in each watershed.

7. Project Schedule and Timing: ~~At their discretion,~~ MCSC ~~shall~~ may approve the allocation of monies in the WRF accounts on suitable projects ~~no more than five years~~ after a WRF account has a

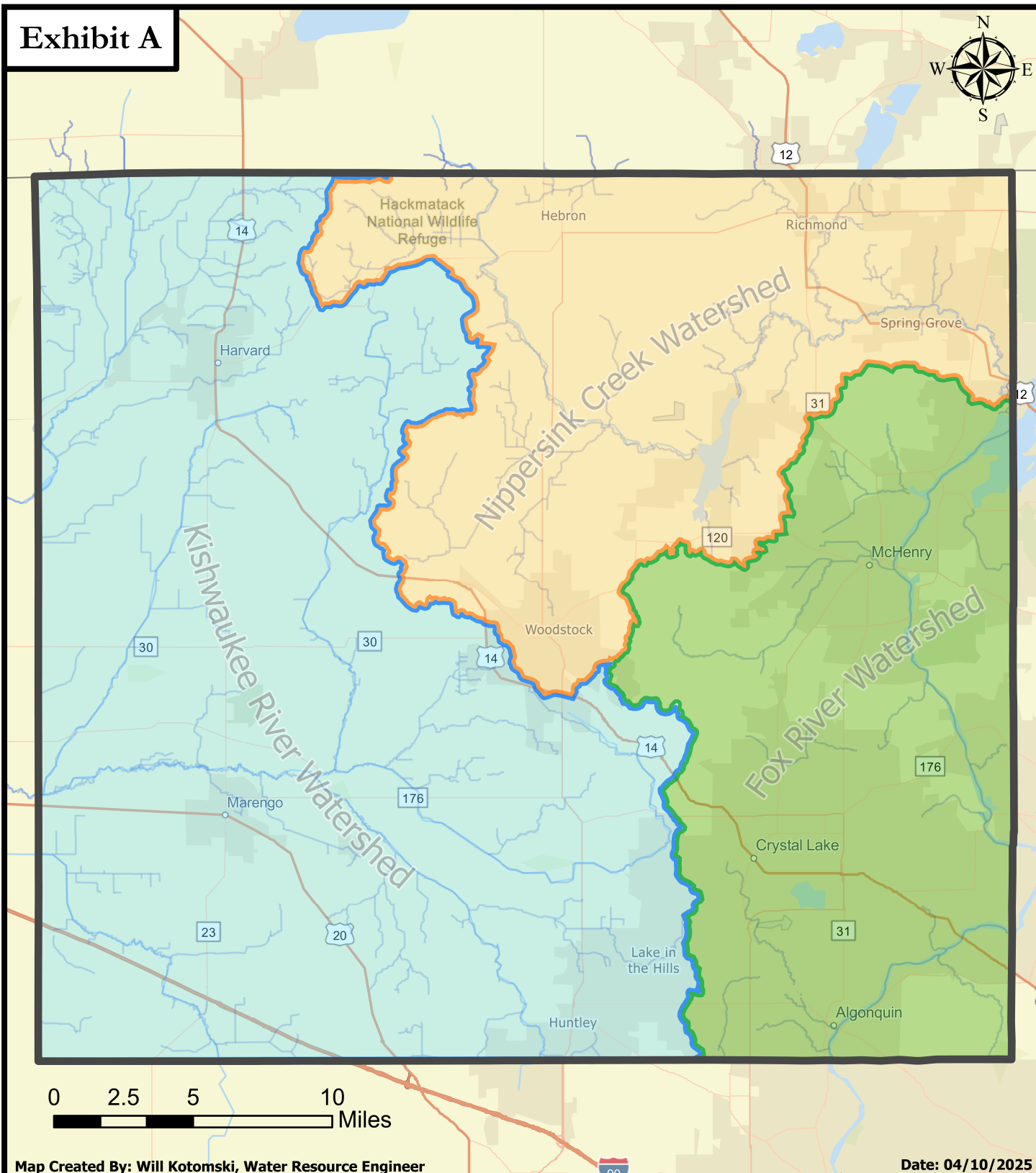
Exhibit A

balance exceeding \$75,000. If a WRF has a minimum balance that remains below \$75,000 for more than five years, the MCSC may elect to combine funds in two or more WRF's to make a public call for projects in the respective watersheds. If an account exceeds \$75,000, and no suitable project has been identified within five years, MCSC may approve the purchase of mitigation credits from a mitigation bank.

If a WRF account has maintained a balance exceeding \$75,000 for over five years, and no suitable project has been identified within that five-year time period, the MCSC may elect to:

- A. Donate the funds directly to a conservation organization whose primary purpose includes creating, restoring, or protecting wetland habitat in McHenry County. This may include the Hackmatack National Wildlife Refuge (US Fish and Wildlife Service), Friends of Hackmatack, the McHenry County Conservation District (MCCD), the Land Conservancy of McHenry County, or similar organization with a proven track record of wetland creation, enhancement or protection.
- B. Make the funds available to fund a nature-based project(s) identified in an IEPA approved watershed-based plan that are designed to provide ecosystem services consistent with wetlands such as water quality treatment, flood mitigation, or wildlife habitat.

Exhibit A



Map Created By: Will Kotomski, Water Resource Engineer

Date: 04/10/2025



Wetland Restoration Fund Watershed Boundaries

- Nippersink Creek Watershed
- Fox River Watershed

- Kishwaukee River Watershed

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Wetland Restoration Fund - 2025 Rate Structure Update

2010 WRF Rate Structure

Watershed	Land Cost (\$/ac)	Restoration Cost (\$/ac)	Fee (\$/ac)
Lower Fox River	\$ 50,000	\$ 45,000	\$ 95,000
Upper Fox River	\$ 35,000	\$ 45,000	\$ 80,000
Nippersink Creek East	\$ 20,000	\$ 45,000	\$ 65,000
Nippersink Creek West	\$ 12,000	\$ 45,000	\$ 57,000
Kishwaukee River	\$ 15,000	\$ 45,000	\$ 60,000
Piscasaw Creek	\$ 15,000	\$ 45,000	\$ 60,000
Coon Creek	\$ 12,000	\$ 45,000	\$ 57,000

Used federal multiplier to
update land values
https://www.bls.gov/data/inflation_calculator.htm
Updated Restoration
Cost using modified
estimate from Algonquin

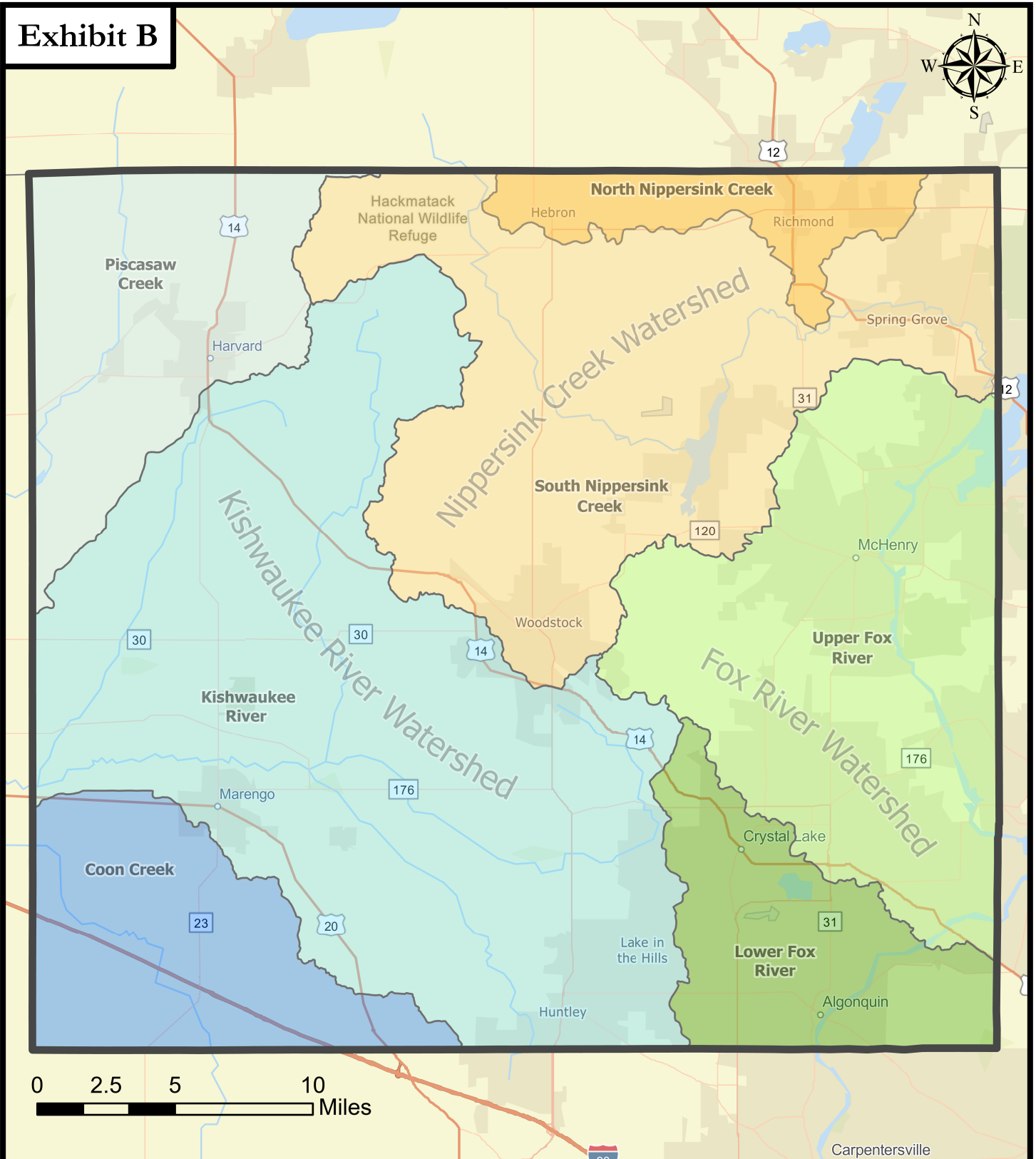
2025 WRF Rate Structure

Watershed	Land Cost (\$/ac)	Restoration Cost (\$/ac)	Fee (\$/ac)
Lower Fox River	\$ 73,000	\$ 85,500	\$ 158,500
Upper Fox River	\$ 51,000	\$ 85,500	\$ 136,500
Nippersink Creek East (North Branch)	\$ 29,000	\$ 85,500	\$ 114,500
Nippersink Creek West (Main Stem)	\$ 17,500	\$ 85,500	\$ 103,000
Kishwaukee River	\$ 22,000	\$ 85,500	\$ 107,500
Piscasaw Creek	\$ 22,000	\$ 85,500	\$ 107,500
Coon Creek	\$ 17,500	\$ 85,500	\$ 103,000

2025 Restoration Costs

Restoration Task	Per Acre Costs
Mobilization	\$ 2,000
SESC Measures	\$ 1,000
Veg Clearing or Water Control Stucture	\$ 7,000
Broadcast Herbicide Application	\$ 1,500
Seedbed Preparation	\$ 2,500
Native Seed Mix and Installation	\$ 6,000
Erosion Control Blanket (S75 or similar)	\$ 12,000
Supplemental Wetland Plugs (3,000 plugs per acre)	\$ 21,000
Maintenance (5 years of M&M)	\$ 25,000
Monitoring	\$ 7,500
	\$ 85,500

Exhibit B



Wetland Restoration Fund In Lieu Fee Boundaries

McHenry County Boundary	Lower Fox River	North Nippersink Creek
Kishwaukee River	Coon Creek	South Nippersink Creek
Upper Fox River	Piscasaw Creek	

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