



February 20, 2003

Ms. LeLani Paugh
NC Department of Transportation
Project Development and Environmental Analysis Branch
1548 Mail Service Center
Raleigh, NC 27699-1548

Dear Ms. Paugh:

RE: Croatan Mitigation Bank
DWQ # 01-1102
Craven County

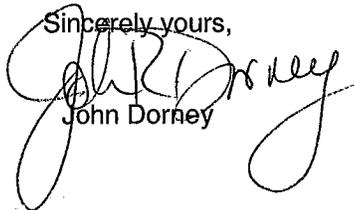
DWQ staff have reviewed the Final Mitigation Plan for the Croatan Wetland Mitigation Bank dated April 2002 and prepared by NC Department of Transportation staff. We have also reviewed your 19 February 2003 email sent to me in response to my February 12, 2003 letter. Attached is the signed Mitigation Banking Instrument for this bank on behalf of the Division of Water Quality. We look forward to working with you and the other agencies on implementation of this bank into the future.

We would also suggest that the following issues be addressed in the future with respect to this bank. We believe that successful resolution of some of these outstanding issues would result in additional credits for the bank. We will be glad to work with you and the agencies on these issues in the future.

1. The stream channel on the northeastern edge of the property has been channelized in the past (according to the Mitigation Plan). If the adjacent landowner (US Forest Service according to your email) is willing and the agencies believe it to be useful, it may be possible to conduct stream restoration activities on this channel. If you would like to pursue this approach, please arrange a site visit with the agencies and landowner to discuss.
2. As stated in my February 12, 2003 letter, DWQ would support stream preservation credits for the westernmost tributary if the watershed of this stream is now protected from disturbance (including logging). You may want to pursue protection of the portion of the watershed that lies outside the boundary of this bank for this end.

Please call me at 919-733-9646 if you have any questions. Finally I am still awaiting the map of the location of the reference wetlands as noted in my earlier letter. I assume it has gotten delayed due to the recent storm but would appreciate your confirmation of the mailing of that map.

Sincerely yours,



John Dorney

Cc: Craig Deal, DENR
John Hennessy, DWQ
Greg Thorpe, DOT
Mac Haupt, Wetlands Restoration Program
Mike Bell, Washington Field Office, US Army Corps of Engineers
Mike Thomas, DWQ Washington Regional Office
File copy
Central files
Kevin Markham, Environmental Services, Inc.



*based on the Final Mitigation Plan dated
April 2002*

**IN WITNESS WHEREOF, the parties hereto have executed this Agreement entitled
"Agreement To Establish The Croatan Mitigation Bank In Craven County, North
Carolina":**

U.S. Environmental Protection Agency:

By: _____ Date: _____

U.S. Fish and Wildlife Service:

By: _____ Date: _____

National Marine Fisheries Service:

By: *J.R. Dooney* Date: *2/20/03*

N.C. Division of Water Quality:

By: _____ Date: _____

N.C. Wildlife Resources Commission:

By: _____ Date: _____

N.C. Division of Coastal Management:

By: _____ Date: _____