

Hood Canal Coordinating Council

In-Lieu Fee Mitigation Program

2014 Annual Program Account Reporting

February 11, 2015
revised May 22, 2015
final June 12, 2015

Executive Summary

Two credit sales were completed in 2014; one to Washington State Department of Transportation for wetland credits in the WRIA 15 Service Area, and one to Mr. Jon Koloski in the Marine Service Area. In 2014 three mitigation project properties were pursued. The Irene Pond wetland property was acquired in September 2014. Funds from the Program Administration, Land Fee and Mitigation Projects accounts were used to complete due diligence (environmental site assessment and hazardous materials survey); for legal counsel support for the preparation of acquisition documents and the preparation of site protection instruments; for closing and acquisition of the property; and for design and permitting for buffer enhancement actions. A second property, Harding Creek, was investigated but not acquired due to acquisition valuation issues. Funds were spent out of the Program Administration account for staff and legal support in pursuing this property. The third property, Port Gamble mill site, was investigated in 2014 and will continue to be developed in 2015. Funds were spent out of the Mitigation Projects account for 10% and 30% design and site soil characterization work at the Port Gamble southern mill site. Program Administration funds were utilized to support staff work in developing a mitigation project at this site and to support legal counsel in preparing an Option Agreement and contract documents to acquire development rights. Two Spending Agreements were executed in 2014; one for the Irene Pond project and one for the Port Gamble mill site project.

Annual Program Account Reporting- HCCC ILF Program Account **Reporting Period October 2012 to December 2014**

1. All income
 - a. Income Received and Disbursements

HCCC ILF Program Mitigation Accounts Balance Summary			
Report Date		2/11/2015	
Total Deposits		\$7,162,604.52	
Accounts	Deposits	Expenditures	Balance to date
Land Fee	\$452,889.46	\$2,874.72	\$450,014.74
Marine	\$440,815.54	\$0.00	\$440,815.54
WRIA 15	\$12,073.92	\$2,874.72	\$9,199.20
WRIA 16	\$0.00	\$0.00	\$0.00
WRIA 17	\$0.00	\$0.00	\$0.00
Contingency	\$983,351.01	\$0.00	\$983,351.01
Marine	\$907,253.90	\$0.00	\$907,253.90
WRIA 15	\$76,097.11	\$0.00	\$76,097.11
WRIA 16	\$0.00	\$0.00	\$0.00
WRIA 17	\$0.00	\$0.00	\$0.00
Administration*	\$720,396.26	\$254,802.84	\$465,593.42
Marine	\$662,802.81	\$236,140.59	\$426,662.22
WRIA 15	\$57,593.45	\$18,662.25	\$38,931.20
WRIA 16	\$0.00	\$0.00	\$0.00
WRIA 17	\$0.00	\$0.00	\$0.00
Long-term Management	\$536,617.20	\$0.00	\$536,617.20
Marine	\$495,090.80	\$0.00	\$495,090.80
WRIA 15	\$41,526.40	\$0.00	\$41,526.40
WRIA 16	\$0.00	\$0.00	\$0.00
WRIA 17	\$0.00	\$0.00	\$0.00
Mitigation Projects	\$4,469,350.59	\$112,191.39	\$4,357,159.20
Marine	\$4,123,487.55		
WRIA 15	\$345,863.04		
Irene Pond Mitigation Project		\$67,625.37	
Port Gamble Mitigation Project		\$44,566.02	
Mitigation Project 3		\$0.00	
Mitigation Project 4		\$0.00	
TOTAL	\$7,162,604.52	\$369,868.95	\$6,792,735.57
* expenditures incl. Capital Expenditures and Depreciation			

- b. Interest earned – no interest is earned on the program accounts in-lieu of service fees that would typically be charged. HCCC staff is negotiating with US Bank to move all or a portion of the Program fees to an interest bearing investment vehicle.

2. A list of all permits for which HCCC ILF Program funds were accepted.

- a. Corps permit number/ State permit number/ Service Area in which the authorized impacts are located/ Amount of authorized impacts/ Amount of required compensatory mitigation

Marine Credit Ledger Hood Canal Marine Service Area							Current As of 02.11.2015
Credit Balance Sheet:							
	Subtidal Non-Vegetated	Subtidal Vegetated	Intertidal Wetland	Intertidal Non-Wetland Vegetated	Intertidal Non-Wetland Non-Veg	Riparian	Notes
Advanced Credits	50 Total for All Credit Categories						
Debited Credits (sold or obligated to impacts)	2.7	2.42	0	0	1.98	2.44	Obligated on September 21, 2012 to US Navy for Corps permit#NWS-2009-572 and Ecology WQC#9157 under terms of contract N44255-12-C-5002. Intertidal Non-wetland Vegetated credits included in Subtidal Vegetated credit.
Debited Credits (sold or obligated to impacts)	0	0	0	0	0.044	0	Obligated on November 21, 2014 to Mr. Jon Koloski for Administrative Consent Order EPA Docket No. CWA-10-2014-0078.
Credits Pending (planned, proposed)	0	0	0	0	0	0	
Credits Earned (released)	0	0	0	0	0	0	
"No Net Loss Balance"	-2.7	-2.42	0	0	-2.024	-2.44	Equals Credits Earned Minus Debited Credits
Credits Available to Sell	40.416						Equals Advanced Minus Debited Plus Released

Wetland Credit Ledger WRIA 15 Freshwater Service Area				Current As of 02.11.2015
Credit Balance Sheet:				
	Water Quality Credits	Hydrology Credits	Habitat Credits	Notes
Advanced Credits	20	20	20	
Debited Credits (sold or obligated to impacts)	2.4	2.4	3.6	Obligated on September 21, 2012 to US Navy for Corps permit#NWS-2009-572 and Ecology WQC#9157 under terms of contract N44255-12-C-5002
Debited Credits (sold or obligated to impacts)	2.07	1.52	1.67	Obligated on May 14, 2014 to Washington State Department of Transportation permit #NWS-2013-489-DOT under terms of contract GCB 1070
Credits Pending (planned, proposed)	0	0	0	
Credits Earned (released)	0	0	0	
"No Net Loss Balance"	-4.47	-3.92	-5.27	Equals Credits Earned Minus Debited Credits
Credits Available to Sell	15.53	16.08	14.73	Equals Advanced Minus Debited Plus Released

b. Amount paid to the HCCC ILF Program

HCCC ILF Program Mitigation Fees Ledger				
Current Program Mitigation Fees Account balance: \$7,162,604.52				
MITIGATION FEES				2/11/2015
Marine Service Area Fee Ledger				
Project Name	Total Mitigation Fee Income	Credit Fees	Land Fees	Impact Permit #
EHW2	\$6,568,950.60	\$6,130,148.76	\$438,801.84	NWS-2009-572 WQC#9157
Koloski	\$60,500.00	\$58,486.30	\$2,013.70	CWA-10-2014-0078
	\$6,629,450.60	\$6,188,635.06	\$440,815.54	
WRIA 15 Service Area Fee Ledger				
Project Name	Total Mitigation Fee Income	Credit Fees	Land Fees	Impact Permit #
EHW2	\$328,399.20	\$319,200.00	\$9,199.20	NWS-2009-572 WQC#9157
SR3BAWSI	\$204,754.72	\$201,880.00	\$2,874.72	NWS-2013-489-DOT
	\$533,153.92	\$521,080.00	\$12,073.92	

c. Date the funds were received from the permittee –

The Statement of Sale between the US Navy and the Hood Canal Coordinating Council (HCCC) was executed on October 22, 2012.

The Statement of Sale between the Washington State Department of Transportation and HCCC was executed on May 27, 2014.

The Statement of Sale between Mr. Jon Koloski and HCCC was executed on November 24, 2014.

3. A description of HCCC ILF Program expenditures from the account:

- a. land acquisition – The program acquired the 17 acre wetland parcel at 360 NE Old Belfair Highway on September 5, 2014 for use as a mitigation receiving site for the WSDOT SR3BAWSI credit sale. This acquisition was funded from the WRIA 15 land fee account and the Mitigation Project Account.

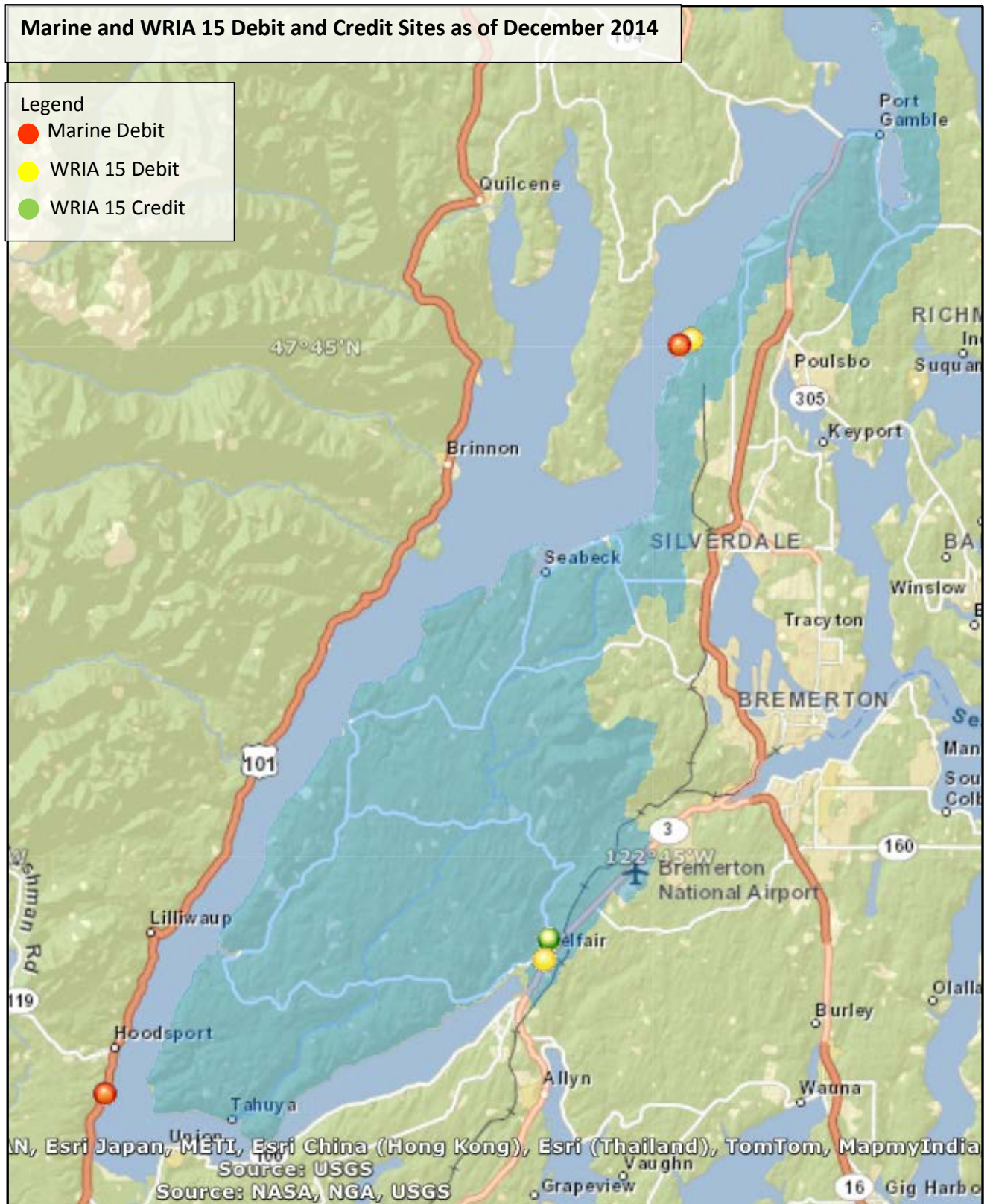
HCCC ILF Program Land Fees and Expenditures Ledger					
Current Program Land Fee Account balance:		\$450,014.74			
LAND FEES AND EXPENDITURES					2/11/2015
Marine Service Area Fee Ledger					
Land Fee Balance		\$440,815.54			
Land Fee Deposits	Impact Permit #	Land Fee Expenditures	Acquisition Project Name	Date	Location
\$438,801.84	NWS-2009-572 WQC#9157				Parcel Number (s)
\$2,013.70	CWA-10-2014-0078				
\$440,815.54		\$0.00			
WRIA 15 Service Area Fee Ledger					
Land Fee Balance		\$9,199.20			
Land Fee Deposits	Impact Permit #	Land Fee Expenditures	Acquisition Project Name	Date	Location
\$9,199.20	NWS-2009-572 WQC#9157				Parcel Number (s)
\$2,874.72	NWS-2013-489-DOT	\$2,874.72	Irene Pond	9/5/2014	Belfair, WA
\$12,073.92		\$2,874.72			12329-11-00000 12329-11-00040

- b. planning – Funds were spent out of the Mitigation Account for 10% and 30% design and site soil characterization work at the Port Gamble southern mill site. Funds were spent out of the WRIA 15 Program Administration account for the environmental site assessment and hazardous materials survey at the Irene Pond property. Funds were spent out of the Program Administration account for legal counsel support for the preparation of acquisition documents and the preparation of site protection instruments for the Irene Pond property. Program Administration account funds were also spent for legal support in the pursuit of the Harding Creek property which was not acquired due to valuation issues.
- c. construction – none to date
- d. monitoring – none to date
- e. maintenance – none to date
- f. contingencies – none to date
- g. adaptive management – none to date

- h. administration cost are inclusive of: salaries and wages, employee benefits, payroll taxes, pension plan contributions, advertising expenses, legal fees, computer services, postage and shipping, printing and copying, professional fees, staff development, supplies, telephone and telecommunications, travel and computer equipment.

HCCC ILF Program Administration Ledger				
Current Program Administration Account balance:		\$465,593.42		
PROGRAM ADMINISTRATION ACCOUNT				2/11/2015
Marine Service Area Fee Ledger				
Program Admin Balance		\$426,662.22		As of : 2/11/2015 Program Admin % is: 6.9%
Deposits	Impact Permit #	Program Administration Expenditures	Description of Expenditures	Additional Detail
\$656,538.93	NWS-2009-572 WQC#9157	\$43,598.28	Program start-up and admin	to date thru Q1 2013
\$6,263.88	CWA-10-2014-0078	\$37,048.44	Administration of Program	Q2 2013
		\$35,356.40	Administration of Program	Q3 2013
		\$36,438.88	Administration of Program	Q4 2013
		\$9,840.65	Administration of Program	Q1 2014
		\$19,646.34	Administration of Program	Q2 2014
		\$27,083.36	Administration of Program	Q3 2014
		\$22,584.10	Administration of Program	Q4 2014
\$662,802.81		\$231,596.45		
		\$4,581.37	Capital Expenditures	
		\$37.23	minus Depreciation	
		\$236,140.59		
WRIA 15 Service Area Fee Ledger				
Program Admin Balance		\$38,931.20		As of : 2/11/2015 Program Admin % is: 7.5%
Deposits	Impact Permit #	Program Administration Expenditures	Description of Expenditures	Additional Detail
\$34,186.30	NWS-2009-572 WQC#9157	\$6,604.11	Administration of Program	Q2 2014
\$23,407.15	NWS-2013-489-DOT	\$12,058.14	Administration of Program	Q3 2014
		\$0.00	Administration of Program	Q4 2014
\$57,593.45		\$18,662.25		

4. A map of all debit and credit sites at the appropriate AMU/sub-basin/watershed/service area scales.



5. The balance of advance credits and released credits at the end of the report period for each service area.

Service Area		Credit Balance		
Marine Advanced	40.416			
Marine Released	0			
		Water Quality	Hydrology	Habitat
WRIA 15 Advance		15.53	16.08	14.73
WRIA 15 Released		0	0	0
WRIA 16/14b Advance		20	20	20
WRIA 16/14b Released		0	0	0
WRIA 17 Advance		15	15	15
WRIA 17 Released		0	0	0

6. Any other information required by the District Engineer.