



**In Lieu Fee Program Annual Report
Fiscal 2017
July 1, 2016 – June 30, 2017**

I. Introduction

The Audubon Connecticut In Lieu Fee Program (ACT ILF) is an option for compensatory mitigation for unavoidable impacts to waters of the United States in the State of Connecticut. Permits are required by the U.S. Army Corps of Engineers (“Corps”) through the Clean Water Act (“CWA”) Section 404 for discharge of dredge or fill materials within “waters of the U.S.” and through the Rivers and Harbors Act Section 10 for structures or work in or affecting navigable water of the U.S. The Army Corps of Engineers requires that aquatic resource functions and services lost due to the effects of any regulated activity be replaced through compensatory mitigation, after addressing avoidance and minimization of impacts.

The ACT ILF program contains six (6) service areas that cover the entire state of Connecticut (See Appendix B for a Service Area Map). This report outlines the ACT ILF program activities from July 1, 2016 to June 30, 2017.

2. Impacts & Fees Received

During the period of July 1, 2016–June 30, 2017, 1.6 compensatory mitigation credits were sold to ten applicants for 2.7 acres of wetland impacts, for a total of \$511,880.23. The impacted acreage was in the Connecticut River, Housatonic River, South-Central Coast, and Southwest Coast Service Areas. There were no credit sales in the Southeast Coast Service Area during Fiscal 2017.

The tables that follow provide information on ILF payments, impact types and amounts, and funds available for future ILF projects.

Table 1 provides a full list of all of the permitted impacts that have generated ILF payments. Included in this table is the applicant, date the payment was received, permit numbers, town of impact, habitat type impacted, required amount of compensatory mitigation and the amount of the payment. This table is sorted by service area.

Table 2 shows the financial account ledger for the ACT ILF program. Included in this table is the starting balance, payments received, administration fees collected, interest earned, disbursements made and the remaining account balance. This table is broken down by service area.

Table 3 is the credit ledger for the ACT ILF program. This table shows the authorized advance credits, advance credits sold, credits released, released credits sold (in excess of satisfied advance credits), and the total credits available, broken down by service area.

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3. Project Implementation

Update on 2016 Project Round

Subsequent to the end of the Fiscal 2016 reporting period, the IRT met to review projects in July 2016 and selected finalists by July 30th. Of the seven full proposals evaluated by the IRT, two were not approved. The remaining five projects were approved for full funding. Subsequent Notification Letters were sent to finalists by August 15th, 2016.

In December 2016, five Project Agreements were entered into with the cooperating entities whose proposals had been approved, in the Connecticut River, Housatonic River, South Central Coast, and Thames River Service Areas. \$680,825 in project expenditures was authorized during Fiscal 2017 for the 2016 project round, \$502,725 of which had been disbursed by June 30, 2017.

4.4 credits were released during Fiscal 2017 in the Thames River Service Area as a result of the completion of the Lukaszek Preservation project in Thompson, CT.

A summary of 2016 project statuses is provided in Appendix C.

2017 Project Round

ACT announced the availability of funds for five out of six service areas in a formal Request for Letters of Intent (RFLOI) issued in March, 2017. The RFLOI was posted on the ACT website, and in the electronic newsletters of the following organizations: The RFLOI was posted on the ACT website, and in the electronic newsletters of the following organizations: ACT, Connecticut Land Conservation Council, and the Connecticut Association of Wetland Scientists.

The dates for the e-Newsletter advertisements were as follows:

- CLCC eNewsletter (March 30th)
- CAWS eNewsletter (April 5th)
- Audubon CT's News from the Nest (April 10th)

Additional outreach activities were undertaken in 2017 as follows:

A postcard was developed that we could hand out or email directly to anyone interested. ACT and FHI brought stacks to distribute at the following conferences:

- Connecticut Association of Wetland Scientists Annual Meeting on March 9th (at this conference ACT and FHI also presented on the results of the 2016 CT ILF Program and a look ahead for 2017).
- Connecticut Natural Resources Conference at UCONN on March 13th
- Connecticut Land Conservation Council Annual Meeting on March 18th (ACT and FHI also conducted a workshop at this conference on how to apply for a CT ILF Grant)
- Society of Wetland Scientists – New England Chapter (FHI presented on the CT ILF Program on May 5th).

The information advertising the availability of funding was also Posted by Mike Beauchene, Supervising Fisheries Biologist CT Aquatic Resources Education (CARE) & Fisheries Program Support Fisheries

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Division, Connecticut Department of Energy and Environmental Protection to the CARE Facebook Page.

FHI also did an email blast of the postcard on Feb. 28th to over 300 recipients including mostly land trusts but also to other non-profit organizations, wetland consultants, town IWC and Conservation Commissions, academics, and lawyers that represent land trusts. The Letter of Intent Deadline was April 17th, 2017.

Seventeen LOIs were submitted by responding applicants to ACT. No LOIs were received by ACT for projects proposed in the Southeast Coast Service Area at that time, likely due to the lack of available funds.

An LOI review committee was formed consisting of three members of ACT (S. Hudson, L. Kane, and P. Comins) and Ruth Ladd of the ACOE. The LOI review committee met on April 25th, 2017, and screened each LOI for consistency with the ILF program. Feedback was provided to all applicants after review of the LOIs. Out of the original 17 submissions, all were notified that they were welcome to submit full proposals. However, two applicants were informed that they did not have strong projects in comparison to other projects in the same service area competing for the same funds. Out of the 17 original applicants invited to submit full proposals, only thirteen chose to do so. The full proposals were received by Audubon on June 7th, 2017.

A PAC Meeting was held to select finalists on June 22nd, 2017. which resulted in the recommendation of ten projects to the IRT.

Note: Subsequent to the end of Fiscal 2017, the PAC formally recommended ten projects to the IRT on July 27th, 2017. In September 2017, the ACOE approved nine of the ten projects. At the time of this publication, project agreements for the nine approved projects were underway.

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Appendix A – Financial & Credit Reporting

Table I: Payments Received by Service Area – Fiscal 2017

<u>Service Area</u>	<u>Applicant</u>	<u>Date Payment Received</u>	<u>Corps Permit #</u>	<u>Town</u>	<u>Acres of Impact</u>	<u>Habitat Type</u>	<u>Amount of Payment</u>
South-Central Coast	Town of Westbrook	7/18/2016	NAE-2015-01455	Westbrook	0.01	PSS	\$ 2,980.00
Connecticut River	CREC	7/25/2016	NAE-2015-01363	Bloomfield	0.43	PFO I/PEM2	\$ 94,326.30
Housatonic River	CT DOT	7/27/2016	NAE-2015-01185 *	Monroe	0.01	PFO I	\$ 2,823.93
South-Central Coast	CT DOT	10/25/2016	NAE-2016-00057	Cheshire	0.25	PFO/PSS	\$ 21,098.00
Housatonic River	Eversource	12/21/2016	NAE-2015-01382	Watertown/ Harwinton	0.04	PFO/PSS	\$ 13,343.00
Connecticut River	CT DOT	12/28/2016	NAE-2016-00501	East Haddam	0.04	PFO/PSS/PEM	\$ 15,761.00
Housatonic River	Algonquin/Spectra Energy	1/14/2017	NAE-2014-02192	Danbury	1.06	PEM/PFO/R	\$ 40,740.93
Housatonic River	Meadow Realty	2/27/2017	NAE-2016-00747	Middlebury	0.02	PFO	\$ 7,560.00
Southwest Coast	CTDOT	3/8/2017	NAE-2016-01908	Monroe	0.10	PEM	\$ 41,022.00
Southwest Coast	CTDOT	3/8/2017	NAE-2016-01909	Monroe	0.31	PSS	\$ 123,001.00
Southwest Coast	Aquarion	3/13/2017	NAE-2016-00800	Greenwich	0.21	PFO/PSS/PEM	\$ 73,547.00
Housatonic River	CTDOT	5/3/2017	NAE-2017-00301	Danbury	0.12	PFO	\$ 40,786.00
Southwest Coast	Bruce Beinfield	5/8/2017	NAE-2016-02377	Norwalk	0.01	E2EM2	\$ 1,176.48
Connecticut River	SKR Partners/Sciame Development	5/30/2017	NAE-2014-00151	Essex	0.03	RI	\$ 14,000.00
Housatonic River	Sunrise Churchill Road LLC/Mathew D'Amico	6/21/2017	NAE-2016-02632	Newtown	0.08	PSS/R	\$ 19,714.59
							\$ 511,880.23

* NAE-2015-01185: \$50,474.07 was received in FY16 for 0.15 acres of impact. Total payment = \$53,298.00 and total impact = 0.16 acres.

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Table 2: Financial Account Ledger by Service Area – Fiscal 2017

<u>Service Area</u>	<u>July 1, 2016 Account Balance</u>	<u>FY17 Activity</u>					<u>June 30, 2017 Account Balance</u>
		<u>Payments Received</u>	<u>Administration Fee</u>	<u>Interest Earned *</u>	<u>Disbursements</u>	<u>Net FY17 Activity</u>	
Connecticut River	\$461,144	\$124,087	\$24,817	\$979	\$45,000	\$55,248	\$516,392
Housatonic River	611,168	124,968	24,994	1,231	200,225	(99,019)	512,148
South Central Coast	130,984	24,078	4,816	259	7,500	12,022	143,006
Southeast Coast	-	-	-	-	-	-	-
Southwest Coast	13,090	238,746	47,749	421	-	191,418	204,508
Thames River	447,895	-	-	749	250,000	(249,251)	198,644
-	\$1,664,280	\$511,880	\$102,376	\$3,639	\$502,725	(\$89,582)	\$1,574,698

**Interest earned is pro-rated based on beginning balances and FY17 payments for each service area. All interest for FY17 is to be added to Direct Project Funds.*

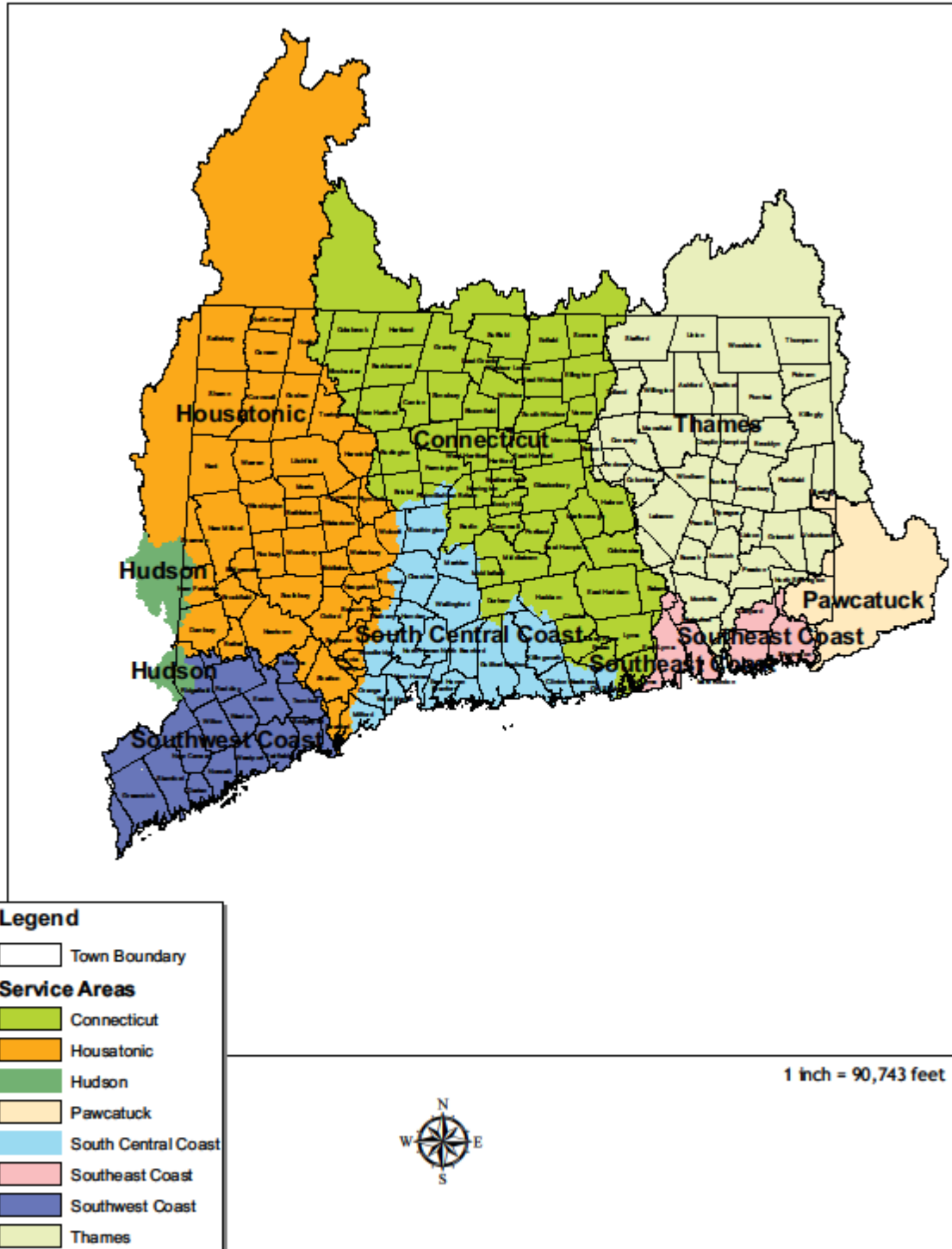
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Table 3: Credit Ledger by Service Area – Fiscal 2017

<u>Service Area</u>	<u>Authorized Advance Credits</u>	<u>Previous Advance Credits Sold</u>	<u>Fiscal 2017 Advance Credits Sold</u>	<u>Fiscal 2017 Credits Released</u>	<u>Credits Available</u>
Connecticut	17.0	1.3	0.5	-	15.2
Housatonic	10.0	2.3	0.4	-	7.3
South Central Coast	19.0	0.5	0.1	-	18.4
Southeast Coast	18.0	-	-	-	18.0
Southwest Coast	10.0	0.1	0.6	-	9.3
Thames	53.0	1.6	-	4.4	55.8
Total	127.0	6.4	1.6	4.4	124.0

Appendix B – Service Area Map

A1 - Service Areas



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Appendix C – 2016 Project Round Update

<u>Project Site</u>	<u>Town</u>	<u>Entity</u>	<u>Service Area</u>	<u>Status as of June 30, 2017</u>					<u>Overall Project Status</u>
				<u>Project Agreement</u>	<u>Initial Payment</u>	<u>Follow Up/Final Payment(s)</u>	<u>Conservation & Management Plan</u>	<u>Mitigation / Monitoring Plan</u>	
Indian River	Orange, CT	Town of Orange Conservation Commission	South Central	Completed	Completed	Pending	Pending	Pending	Construction not completed by June 30, 2017 because work was to be done under low flow summer conditions.
Zemko Sawmill Preserve	Salem, CT	Salem Land Trust, Inc. (SLT)	Connecticut River	Completed	Completed	Pending	Pending	Pending	An integrated Conservation & Management/Monitoring plan in progress.
Salmon Creek	Salisbury, CT	Trout Unlimited, Inc	Housatonic	Completed	Completed	Pending	Pending	Pending - Due by Dec. 2017	Year one Monitoring Plan pending as of June 30, 2017.
Lukazsek	Thompson, CT	Wyndham Land Trust	Thames	Completed	Completed	N/A	Pending as of June 30, 2017	Monitoring Work Plan Completed	Management Plan in progress as of June 30, 2017 for WLT Accreditation compliance. Purchase and recording of conservation easement completed - Uploaded to RIBITS.
Stratford Point	Stratford, CT	Sacred Heart University	Housatonic	Completed	Completed	Pending	Management Plan for Stratford Point previously completed by others. Copy forwarded by Jmattei	Year One Monitoring Report Pending (Due by Dec. 2017)	Initial year monitoring report in progress as of June 30, 2017