



In Lieu Fee Program Annual Report July 1, 2017 – December 31, 2018

1. 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, 2017 to December 31, 2018. Prior to this report, ACT ILF program reports were prepared on the basis of Audubon’s fiscal year, which runs from July 1 – June 30. Due to the timing of ILF program activity, it has been determined over time that the calendar year basis is a more useful reporting period. Therefore this report covers an 18 month period (July 1, 2017 – December 31, 2018) and future reports will be based on the calendar year beginning with 2019.

2. Impacts & Fees Received

During the period of July 1, 2017–December 31, 2018, 2.4 compensatory mitigation credits were sold to ten applicants for 2.4 acres of wetland impacts, for a total of \$744,526.34. The impacted acreage was located in the Connecticut River, Housatonic River, South-Central Coast, Southeast Coast and Southwest Coast Service Areas. There were no credit sales in the Thames River Service Area during the reporting period.

The tables located in Exhibit A 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, administrative 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

2018 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 2018. The RFLOI was posted on the ACT website, and in the electronic newsletters of the following organizations: ACT's *News from the Nest*, and eNews issued by the Connecticut Land Conservation Council, and the Connecticut Association of Wetland Scientists.

Additional outreach activities were undertaken in 2018 as follows:

- The results of the 2017 ILF Program was presented at the Connecticut Association of Wetland Scientists (CAWS) by Beth Evans – President of CAWS and a member of the ILF Program Project Advisory Committee (PAC).
- Information on the ILF program was also posted to social media at FHI's Facebook page and via Linked In.

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 (CAWS) Annual Meeting on March 8th (at this conference Beth Evans – CAWS President, presented on the results of the 2017 CT ILF Program and a look ahead for 2018).
- Connecticut Natural Resources Conference at UCONN on March 13th
- Soil and Water Conservation Society Annual Meeting in Sturbridge, MA on March 16th
- Connecticut Land Conservation Council Annual Meeting on March 17th, and
- Society of Wetland Scientists – New England Chapter on May 4th and 5th.

FHI also did an email blast of the postcard on Feb. 28th to over 400 recipients including mostly land trusts but also to other non-profit organizations, wetland consultants, town Inland Wetland and Conservation Commissions, academics, and lawyers that represent land trusts. The Letter of Intent Deadline was April 13th, 2018.

Eight LOIs were submitted to ACT by responding applicants. No LOIs were received by ACT for projects proposed in the Southwest Coast Service Area at that time, likely due to the lack of available funds. No LOIs were also received for proposed projects in the South-central Service Area, despite the availability of funding.

An LOI review committee was formed consisting of two members of ACT (L. Kane, and Dennis Riordan) and Ruth Ladd and Taylor Bell of the ACOE. The LOI review committee met on May 1st, 2018, 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 eight 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. One project proposal focused on the removal of invasive species from a waterbody in a municipal park, and the other proposed the acquisition of a linear parcel with primarily udorthentic or urban land soils in an urban environment. Out of the eight original

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applicants invited to submit full proposals, only four chose to do so. The full proposals were received by Audubon on June 22nd, 2018.

A PAC Meeting was held to select finalists on July 9th, 2018, which resulted in the recommendation of three projects to the IRT.

A summary of 2018 projects are as follows:

Simpson Property Acquisition - Bethany, CT (Housatonic River Service Area):

The 50.88-acre Simpson Parcel ("the Parcel") was proposed to be purchased in fee by the Town of Bethany, with a conservation easement granted to the Bethany Land Trust, Inc. (BLT). The Parcel is located in an area of un-fragmented upland forest which would complete the connection between three existing Bethany Land Trust preserves; the Mendell's Folly Preserve (125 acres) to the northwest, the Grobe Preserve to the west (25 acres), and the Woodward Preserve (36 acres) to the south. The parcel is traversed by Hockanum Brook (also known as Lebanon Brook), an unnamed tributary stream, and a large wetland that is subject to seasonal flooding. Together the parcels would form a block of 236 acres of land protected for conservation in a larger area of ecological integrity which includes the Naugatuck State Forest directly across Route 42 to the north. The Town of Bethany also owns a large block of land proximal to the east (Veteran's Park).

Farmington River Watershed Highlands (Bosco Property Acquisition) - Hartland, CT (CT River Service Area):

Hartland Land Trust (HLT) applied for an ILF grant to purchase approximately 46.8 undeveloped acres of the Bosco property in West Hartland, Connecticut for the purposes of keeping it forever in its natural state. The requested amount includes funds for surveying the property.

HLT is intent on preserving the property's wetlands and its uplands for water quality purposes as well as for maintaining natural habitat for the rich diversity of plant and animal life on the property. The property drains into both the Main Stem and the East Branch of the Farmington River (a federally designated Wild and Scenic River), essential to the drinking water supply for the greater Hartford region and an important tributary of the Connecticut River. Preserving the Bosco property in perpetuity will build on existing conservation lands in countering fragmentation and sensitive habitat loss. The property borders HLT's Bassett-Kell Preserve to the northwest, and the newly acquired Stoeke Property to the northeast, and borders the Audubon Pasquariello Property to the west.

Paulann Sheets Property Acquisition - North Stonington, CT (Southeast Coast Service Area):

The Avalonia Land Conservancy applied to the ILF Program for funding to acquire and protect in its natural state, the 86.5 acre Paulann Sheets property located at 0 Puttker Road in North Stonington, CT. The property contains over a half mile of frontage on the Green Falls River which is stocked by the Connecticut Department of Energy and Environmental Protection (CTDEEP) as a cold-water trout stream. The property is composed of 33 acres of wetlands and vernal pools, and over 50 acres of mature beech, birch, and oak forest. The

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property is also part of an aquifer protection area of the Pawcatuck River basin.

Update on Prior Years' Projects:

A summary of 2016 and 2017 project round statuses is provided in Appendix C.

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Appendix A – Financial & Credit Reporting

Table 1: Payments Received by Service Area (July 1, 2017 – December 31, 2018)

| <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 | Oceanco, LLC | 7/19/2017 | NAE-2016-01636 | Guilford | 0.004 | E2 | \$1,147.30 |
| Connecticut River | Eversource | 8/10/2017 | NAE-2016-01448 | East Hartford | 0.070 | PFO/PSS | 32,304.00 |
| Southeast Coast | State of CT/CT Technical High School System | 8/15/2017 | NAE-2017-00110 | Groton | 0.040 | PSS | 14,315.71 |
| South-Central Coast | District NHV, LLC | 10/30/2017 | NAE-2016-01157 | New Haven | 0.060 | R1/E2EM | 8,000.00 |
| South-Central Coast | Kevin O'Neill | 11/7/2017 | NAE-2017-02502 | Branford | 0.001 | M2 | 469.35 |
| Southwest Coast | Maplewood Senior Living | 12/1/2017 | NAE-2017-02323 | Fairfield | 0.310 | PFO/Pond | 6,238.08 |
| South-Central Coast | Yale NH Health Services | 1/24/2018 | NAE-1985-00778 | West Haven | 0.500 | PFO | 162,261.00 |
| Housatonic River | Town of Southbury | 2/22/2018 | NAE-2006-03992 | Southbury | 0.230 | PFO | 76,356.00 |
| Connecticut River | Town of Enfield | 6/8/2018 | NAE-2001-02322 | Enfield | 0.210 | PEM | 88,867.00 |
| Connecticut River | Washington West LLC | 7/12/2018 | NAE-2017-00897 | Middletown | 0.290 | R2 | 126,880.50 |
| Southwest Coast | City of Norwalk, CT | 8/2/2018 | NAE-2017-02710 | Norwalk | 0.010 | E2EM | 4,742.40 |
| South-Central Coast | Town of Guilford | 8/13/2018 | NAE-2012-00508 | Guilford | 0.050 | PEM | 15,920.00 |

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|------------------------|------------------------|-----------|----------------|--------------------------|-------|-----------|---------------------|
| Southw est Coast | The Strand Stamford | 7/13/2018 | NAE-2008-00190 | Stamford | 0.220 | M1 | 65,766.00 |
| Connecticut River | CTDOT | 11/8/2018 | NAE-2018-00521 | E. Hartford/ Hartford | 0.190 | PSS/PEM/R | 83,004.00 |
| South-Central Coast | CTDOT | 12/3/2018 | NAE-2018-01179 | Milford | 0.180 | PEM | 58,255.00 |
| Total | | | | | | | \$744,526.34 |

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Table 2: Financial Account Ledger by Service Area (July 1, 2017 – December 31, 2018)

| <u>Service Area</u> | <u>July 1, 2017 Account Balance</u> | <u>Reporting Period Activity</u> | | | | | <u>Dec. 31, 2018 Account Balance</u> |
|---------------------|---|----------------------------------|-------------------------------|------------------------------|----------------------|-------------------------|--|
| | | <u>Payments Received</u> | <u>Administrative Fee</u> | <u>Interest Earned *</u> | <u>Disbursements</u> | <u>Net Activity</u> | |
| Connecticut River | \$516,392 | \$331,056 | \$66,211 | \$3,743 | \$185,000 | \$83,588 | \$599,980 |
| Housatonic River | 512,148 | 76,356 | 15,271 | 2,600 | 175,346 | (111,662) | 400,487 |
| South-Central Coast | 143,006 | 246,053 | 49,211 | 1,719 | 6,000 | 192,561 | 335,567 |
| Southeast Coast | - | 14,316 | 2,863 | 63 | - | 11,516 | 11,516 |
| Southwest Coast | 204,508 | 76,746 | 15,349 | 1,242 | 188,000 | (125,360) | 79,148 |
| Thames River | 198,644 | - | - | 877 | - | 877 | 199,521 |
| | \$1,574,698 | \$744,526 | \$148,905 | \$10,245 | \$554,346 | \$51,520 | \$1,626,218 |

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

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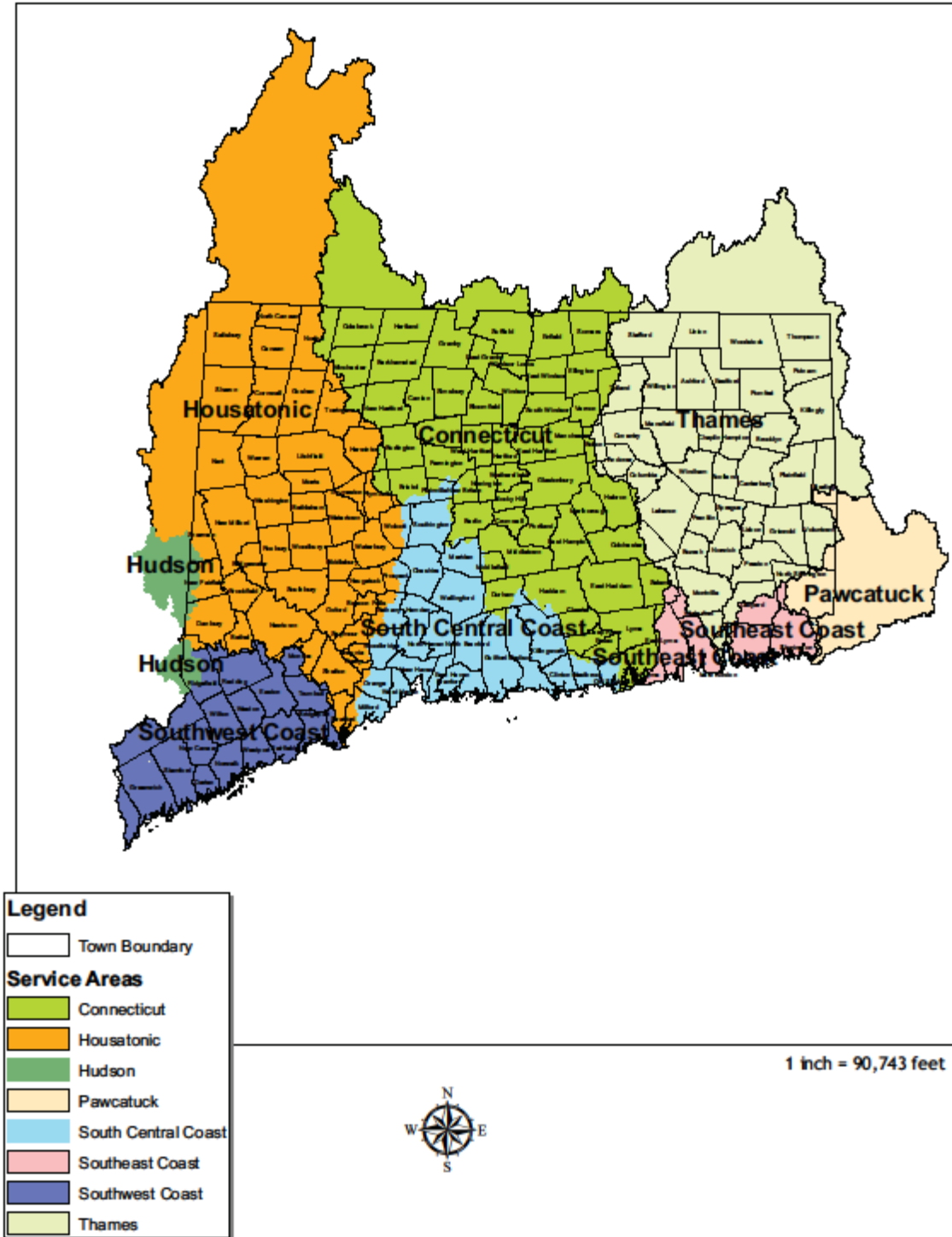
Table 3: Credit Ledger by Service Area (July 1, 2017 – December 31, 2018)

| <u>Service Area</u> | <u>Authorized Advance Credits</u> | <u>Previous Credits Sold</u> | <u>Previous Credits Released</u> | <u>Reporting Period Credits Sold</u> | <u>Reporting Period Credits Released</u> | <u>Credits Available</u> |
|---------------------|-----------------------------------|------------------------------|----------------------------------|--------------------------------------|--|--------------------------|
| Connecticut River | 17.0 | 1.8 | - | 0.8 | - | 14.4 |
| Housatonic River | 10.0 | 2.7 | - | 0.2 | - | 7.1 |
| South-Central Coast | 19.0 | 0.6 | - | 0.8 | - | 17.6 |
| Southeast Coast | 18.0 | - | - | 0.0 | - | 18.0 |
| Southwest Coast | 10.0 | 0.7 | - | 0.5 | - | 8.8 |
| Thames River | 53.0 | 1.6 | 4.4 | - | - | 55.8 |
| Total | 127.0 | 7.4 | 4.4 | 2.4 | - | 121.6 |

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Appendix B – Service Area Map

A1 - Service Areas



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Appendix C – Prior Years’ Projects Status Update as of December 31, 2018 (2016 and 2017 Project Rounds)

| <u>Project Year</u> | <u>Project Site</u> | <u>Town</u> | <u>Entity</u> | <u>Service Area</u> | <u>Project Agreement</u> | <u>Initial Payment</u> | <u>Follow UP/Final Payment(s)</u> | <u>Work Plan</u> | <u>Monitoring Plan or Conservation & Management Plan</u> | <u>Overall Project Status</u> |
|---------------------|-------------------------|---------------|--|---------------------|--------------------------|------------------------|-----------------------------------|------------------|--|--|
| 2016 | Indian River | Orange, CT | Town of Orange Conservation Commission | South Central | Completed | Completed | Pending* | Completed | Pending | * Remaining balance will either be used for plantings or released back into program funds if not needed. Decision pending as of submission of this report. |
| 2016 | Zemko Saw mill Preserve | Salem, CT | Salem Land Trust, Inc. (SLT) | Connecticut River | Completed | Completed | Pending* | Pending* | Pending* | * Work Plan and CMP completed after reporting period. Final payment issued in April 2019. |
| 2016 | Salmon Creek | Salisbury, CT | Trout Unlimited, Inc | Housatonic | Completed | Completed | Pending* | Completed | Completed | Project complete. Final payment was issued in April 2019. |
| 2016 | Lukazsek | Thompson, CT | Wyndham Land Trust | Thames | Completed | Completed | N/A | Completed | Completed | Management Plan & Monitoring Work Plan completed. Purchase and recording of conservation easement completed - All documents uploaded to RIBITS. |
| 2016 | Stratford Point | Stratford, CT | Sacred Heart University | Housatonic | Completed | Completed | Pending* | Completed | Completed | * Project complete. Final payment was issued in April 2019. |
| 2017 | Danforth Property | Colebrook | Aton Forest | Connecticut River | Completed | Completed | Pending | Completed | Completed | Work Plan and Management Plan received. |
| 2017 | Dolan Pond Fishway | Essex | The Nature Conservancy | Connecticut River | Completed | Completed | Pending | Pending | Pending | Plan Sheets and Monitoring and Maintenance Plan submitted in 2019. |
| 2017 | Stoeke Property | Hartland | Hartland Land Trust | Connecticut River | Pending | Pending | Pending | N/A | Pending | Project Agreement was still being negotiated as of 12/31/18. Close to being finalized as of June 2019. |
| 2017 | Grobe Parcel | Bethany | Bethany Land Trust | Housatonic River | Completed | Completed | Pending* | N/A | Pending | * Final payment issued in February 2019. |

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|------|---|----------------|--|---------------------|-----------|-----------|----------|-----------|-----------|---|
| 2017 | Winnisink IBA | Sherman | Weantinoge Heritage Land Trust and Naromi Land Trust | Housatonic River | Pending* | Pending* | Pending | Completed | Pending | * Project agreement was finalized in 2019; initial payment issued in May 2019. |
| 2017 | Harrison Preserve | North Branford | North Branford Land Conservation Trust | South Central Coast | Completed | Completed | Pending | N/A | Pending* | * Completed in April 2019. |
| 2017 | Belknap Property | Weston | Aspetuck Land Trust | Southwest Coast | Completed | Completed | Pending* | Completed | Completed | * Final payment issued in Feb. 2019. |
| 2017 | Quinnipiac River Nature Preserve | New Haven | New Haven Land Trust | South Central Coast | N/A | N/A | N/A | N/A | N/A | Funding was withdrawn; unable to reach an agreement with seller of property on value. |
| 2017 | Mashapaug Woods and Waters – Rizner Tract | Union | Union Conservation and Safety Association | Thames River | N/A | N/A | N/A | N/A | N/A | Pending matching funds. |