

## **HCCC ILF Program Biennial Performance Report – Informal report 2016**

Indicators for tracking HCCC ILF Program performance will relate to fiscal self-sustainability, regulatory “performance” of the Program and the success of the Program in maintaining or improving ecological conditions (i.e. aquatic resource functions and values) in service areas where impacts have been allowed and mitigation projects have been implemented to compensate for the impacts.

- Is the HCCC ILF Program meeting its goals from Appendix A? Which mitigation objectives are being addressed?

The following goals of the program are being met: the program is providing a viable option for high-quality mitigation in the WRIA 15 Service Area; scale efficiencies are occurring as surplus credits have been generated in WRIA 15 and future credit sales will be able to be applied to the mitigation sites if ecologically appropriate; the program is an efficient mechanism for fulfilling compensatory mitigation requirements; an ecologically based site selection process has been developed; we have an effective and transparent accounting structure for collecting in-lieu fees, disbursing project funds, and compliance reporting; meeting goals of the Hood Canal Integrated Watershed Management Plan; the program is working in an efficient and transparent manner with the IRT as all materials for the program are posted to our website and distributed by e-mail to the IRT members; “difficult-to-replace” habitats receive additional review and consideration during the credit sale process, avoidance of these habitats is strongly encouraged; and finally mitigation sites are selected with extensive review by local experts, IRT members and co-chairs.

- Are mitigation fees (i.e. credit fees) collected from applicants covering operating costs of the HCCC ILF Program?

To date, yes fees are sufficient to cover operating costs.

- Is the HCCC ILF Program meeting regulatory requirements outlined in the federal rule in a timely and efficient manner? (e.g. is implementation of mitigation projects routinely occurring within three full growing seasons from the time of credit sale?)

For the marine service area the three year implementation timeframe is not being met, and is not anticipated to be met for future credit sales due to the difficulty and complexity in identifying and acquiring appropriate mitigation sites for marine mitigation.

For the WRIA 15 service area the three year implementation timeframe is being met.

- How is the HCCC ILF Program affecting permit processing times relative to historical norms?

As far as we know the Program is not affecting the permit process timeframe.

- In a given geographic area (e.g. drift cell, AMU, sub-basin, service area) is the overall ecological function enhanced or degraded considering the balance of allowed impacts and resulting mitigation projects implemented by the HCCC ILF Program? Is the Program attaining no net loss of functions and values?

For WRIA 15 Service Area the mitigation projects implemented to date are exceeding to impacts (see attached credit ledger) and attaining no net loss of functions and values. For the Marine Service area no mitigation projects have been implemented to date.

Program Element/Action	Answer
Use of Contingency Funds: were funds spent on projects?	No contingency funds have been used to date.
Were predicted monitoring costs accurate versus actual costs?	Monitoring costs for site encroachment survey by the 3 <sup>rd</sup> party land trust are higher than anticipated. Monitoring cost for the one implemented mitigation project appear to be as predicted, but very early in site maturation.
Timeframe for implementation of mitigation projects (from time of credit sale) – is the 3 year timeframe being met?	For the marine service area the three year implementation timeframe is not being met, and is not anticipated to be met for future credit sales due to the difficulty and complexity in identifying and acquiring appropriate mitigation sites for marine mitigation.  For freshwater wetlands the timeframe is being met.
Number and type of regulatory infractions/corrective actions	None.
Volume of Impacts (e.g. debits, acreage, plants, lineal feet, etc.) at appropriate scales (e.g. drift cell, AMU, sub-basin, watershed, service area)	Overall very low. By Service Area life to date: Marine debits: 9.584 WRIA 15 debits: 13.66 WRIA 16/14b: 0 WRIA 17: 0 See attached credit ledger.
Volume of Mitigation (credits, acreage, plants, lineal feet, etc.) at appropriate scales (e.g. drift cell, AMU, sub-basin, watershed, service area)	Marine credits: 0 WRIA 15 credits: 16.97 See attached credit ledger.
Predicted credits (e.g. from Mitigation Plans) versus actual credits determined at monitoring plan milestones	For preservation credits actual versus predicted are matching. For other actions no results to date.
Percentage of in-kind mitigation (e.g. same HGM class) versus percentage of out-of-kind mitigation	For WRIA 15 Service Area mitigation is 100% in-kind.  No Marine Service Area mitigation has been implemented to date.
Location of mitigation projects (e.g. average distance from impact, percentage of mitigation occurring in same drift cell, AMU, freshwater sub-basin, and/or service area as impacts)	For WRIA 15 Service Area 100% of the mitigation projects are within the same service area. One project is within the same freshwater sub-basin and one is outside the sub-basin but within the same HUC.  No Marine Service Area mitigation has been implemented to date.

Credit Balance Sheet:

	Water Quality Credits	Hydrology Credits	Habitat Credits	Notes	Credit Fulfillment Site
Advanced Credits	20	20	20		
Debited Credits (sold or obligated to impacts)	2.4	2.4	3.6	Sold on October 22, 2012 to US Navy for Corps permit#NWS-2009-572 and Ecology WQC#9157 under terms of contract N44255-12-C-5002	Myrvang Wetland; acquired October 29, 2015
Debited Credits (sold or obligated to impacts)	2.07	1.52	1.67	Sold on May 27, 2014 to Washington State Department of Transportation permit #NWS-2013-489-DOT under terms of contract GCB 1070	Irene Pond; acquired September 5, 2014
Credits Earned (released)	5.94	5.26	5.77	Irene Pond mitigation site Objective 1a. Site protection IRT letter dated April 13, 2016	
"No Net Loss Balance"	1.47	1.34	0.50	Equals Credits Earned Minus Debited Credits	
Credits Available to Sell	21.47	21.34	20.5	Equals Advanced Minus Debited Plus Released	

Marine Service Area Marine Credit Ledger

Credit Balance Sheet:

	Subtidal Non-Vegetated	Subtidal Vegetated	Intertidal Wetland	Intertidal Non-Wetland Vegetated	Intertidal Non-Wetland Non-Veg	Riparian	Notes	Credit Fulfillment Site
Advanced Credits	<b>50 Total for All Credit Categories</b>							
Debited Credits (sold or obligated to impacts)	2.7	2.42	0	0	1.98	2.44	Sold on October 22, 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	Sold on November 24, 2014 to Mr. Jon Koloski for Administrative Consent Order EPA Docket No. CWA-10-2014-0078.	
Debited Credits (sold or obligated to impacts)	0	0	0	0	0.027	0	Sold on December 19, 2016 to Mr. Ralph Brindley for Corps permit #NWS-2015-1042 and NMFS WCR-2016-5272.	
Credits Earned (released)	0	0	0	0	0	0		
"No Net Loss Balance"	-2.7	-2.42	0	0	-2.051	-2.44	Equals Credits Earned Minus Debited Credits	
Credits Available to Sell	40.416						Equals Advanced Minus Debited Plus Released	