



Fernald Natural Resource Trustees 2013 Annual Report to the Public



Division of Emergency and Remedial Response
Federal Facilities Section
June 2014

EXECUTIVE SUMMARY

The Paddys Run Conservation Project (PRCP) provides funding to purchase development rights through agriculture and conservation easements from willing landowners to protect the Paddy's Run watershed and the Great Miami buried valley aquifer. The easements keep land in private hands while protecting working farms and the environment.

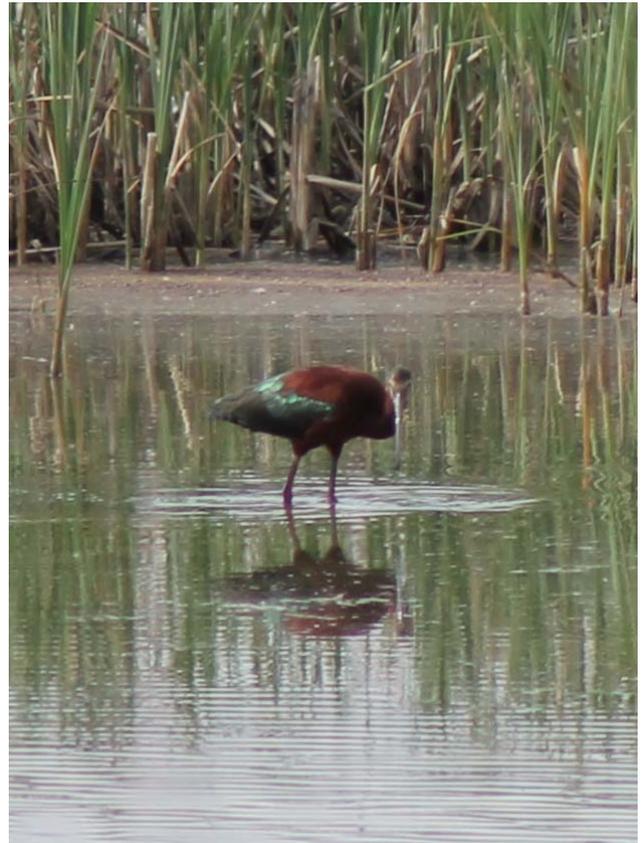
As we entered 2013 the Trustees had recently placed five farms totaling 910 acres from three families under a conservation easement. By the close of the year, 2220 acres from willing landowners were permanently protected with PRCP easements. An additional 400 acres were in process.

BACKGROUND

From 1951 until 1989, production of high-purity uranium metal products as the first step in America's nuclear weapons, took place in a small rural area 18 miles northwest of Cincinnati. The U.S. Department of Energy's (DOE) uranium foundry and machinery site has changed names over the years to reflect its changing mission. These names include the Feed Materials Production Center, Fernald Environmental Management Project, Fernald Closure Project, and in 2007 the site became the Fernald Preserve. During production numerous contaminants were released affecting local air, soil, surface water and ground water. The environmental remediation and ecological restoration of the site was completed in 2006 at a cost of \$4.4 billion. This cleanup was one of the largest environmental cleanup operations ever undertaken in our nation's history.

Ohio included a \$206 million claim for natural resource damages in its 1986 lawsuit against DOE. The state's natural resources were injured during the production years at Fernald. In 1988, Ohio and DOE agreed to put this claim on hold until the signing of the site's record of decisions. In 1993, DOE initiated discussions with the Trustees to determine the feasibility of integrating the Trustees' concerns with future remedial design and restoration activities. In 1998 DOE initiated restoration activities at the site based on the Draft Natural Resource Restoration Plan.

In 2008 the State of Ohio and DOE settled the natural resource damages claim at Fernald and documented it in a consent decree. In addition to the \$14 million DOE had already spent restoring the site, the consent decree required (1) implementation of the natural resource restoration plan; (2) payment of \$13,750,000 to Ohio by the United States, on behalf of DOE, for various habitat enhancements and land protection on or near Fernald in order to protect and improve water quality in Paddys Run and the Great Miami Aquifer; (3) execution of environmental covenants for the entirety of the site, recorded with Hamilton and Butler counties; and (4)



Rare migratory birds often make a stop at the Fernald Preserve. This White Faced Ibis was photographed in May.

payment of past and future costs to the State of Ohio. This consent decree, together with the 1988 consent decree as previously amended, constitutes a final judgment between Ohio and DOE in this case. The consent decree also required finalizing Fernald's Natural Resource Restoration Plan. Pursuant to Section 1.5 of the Natural Resource Restoration Plan, the Trustees must issue an Annual Report to show funds and expenditures, project status, and maps of project locations. This document fulfills that directive.

Ohio EPA is the designated Natural Resource Trustee for the State of Ohio. The other Trustees for Fernald are DOE and the Department of Interior represented by the U.S. Fish and Wildlife Service. The Trustees act as guardians for public natural resources impacted by the years of production at Fernald.

PROJECTS

The following NRD projects were worked on during calendar year 2013:

1. Paddys Run Conservation Project (PRCP) – By using conservation easements to preserve current land use, the Paddys Run Conservation Project will protect water quality in local streams and ground water. The PRCP officially launched in December 2010. In summer of both 2011 and 2012 two application periods were held. These resulted in 23 applications totaling more than 2200 acres in addition to the pilot project. By the end of 2012 more than 3000 acres was under consideration or had received a conservation easement through the PRCP using Fernald settlement funds. Natural Resource Trustees along with Three Valley Conservation Trust (TVCT) made site visits to those properties under consideration. Extensive documentation preparation by Ohio EPA and partner TVCT allowed for these real estate transactions to transpire. Matching funds from the United States Department of Agriculture (USDA) Farm and Ranch Lands Protection Program (FRPP) allowed TVCT to leverage an additional \$4,159,492, thus allowing the Fernald settlement funds to go further.

By the close of 2012 more than 900 acres was permanently protected on five parcels. In 2013, an additional 1309.7 acres was placed in conservation or agricultural easements on 12 parcels. This brought the project total to 2220 acres protected on 17 parcels by the end of 2013.

Two properties were identified in 2013 with significant efforts placed on their fee-simple purchases. (Purchases did not take place until early 2014.) Ohio EPA and TVCT worked in 2013 to set up contracts for cleanup and restoration of one of the fee-simple properties. A Phase 1 site assessment was conducted by an independent contractor on both properties. A working relationship was established with Metroparks of Butler County and Morgan Township and negotiations continue.

Each conservation easement requires considerable documentation, ranging from environmental and habitat assessments to the preparation of Farm Plans and Forest Management Plans. Nearly twenty separate components are needed prior to a successful easement closing. The closed easements range from a 15 acre retirement property to a 424 acre farm. A map of the Paddys Run Conservation Project focus area and updated easement properties is provided on Page 4 of this report.

2. Enhancement Projects – The Trustees approved \$283,000 for additional restoration work at Fernald in 2012. These three habitat enhancement projects came in on-time and under budget. In 2013 DOE's contractor continued to monitor these enhanced areas for woody vegetation survival, herbaceous cover, and amphibians. Ohio EPA visited Fernald in 2013 to check progress of the three NRT funded projects.

The six acre restored prairie Triangle Area is in the far northwest corner of the site, west of Paddys Run Road. The total project cost was approximately \$6,000 less than the original estimate. The Paddys Run Tributary enhancement created vernal pools with adjacent forest on a seven acre project area on the western border of the Fernald Preserve. The total project cost approximately \$54,000 less than originally estimated. Former Silos Area Enhancement: Excess funds from the spring 2012 Triangle and Tributary projects were approved for use closer to the Fernald Preserve Visitor Center. Work on the former Silos Area enhancement project included grading and seeding of the water features west of the Visitor Center parking lot allowed for more natural flow and drainage. Field work was completed in August.

RESOLUTIONS

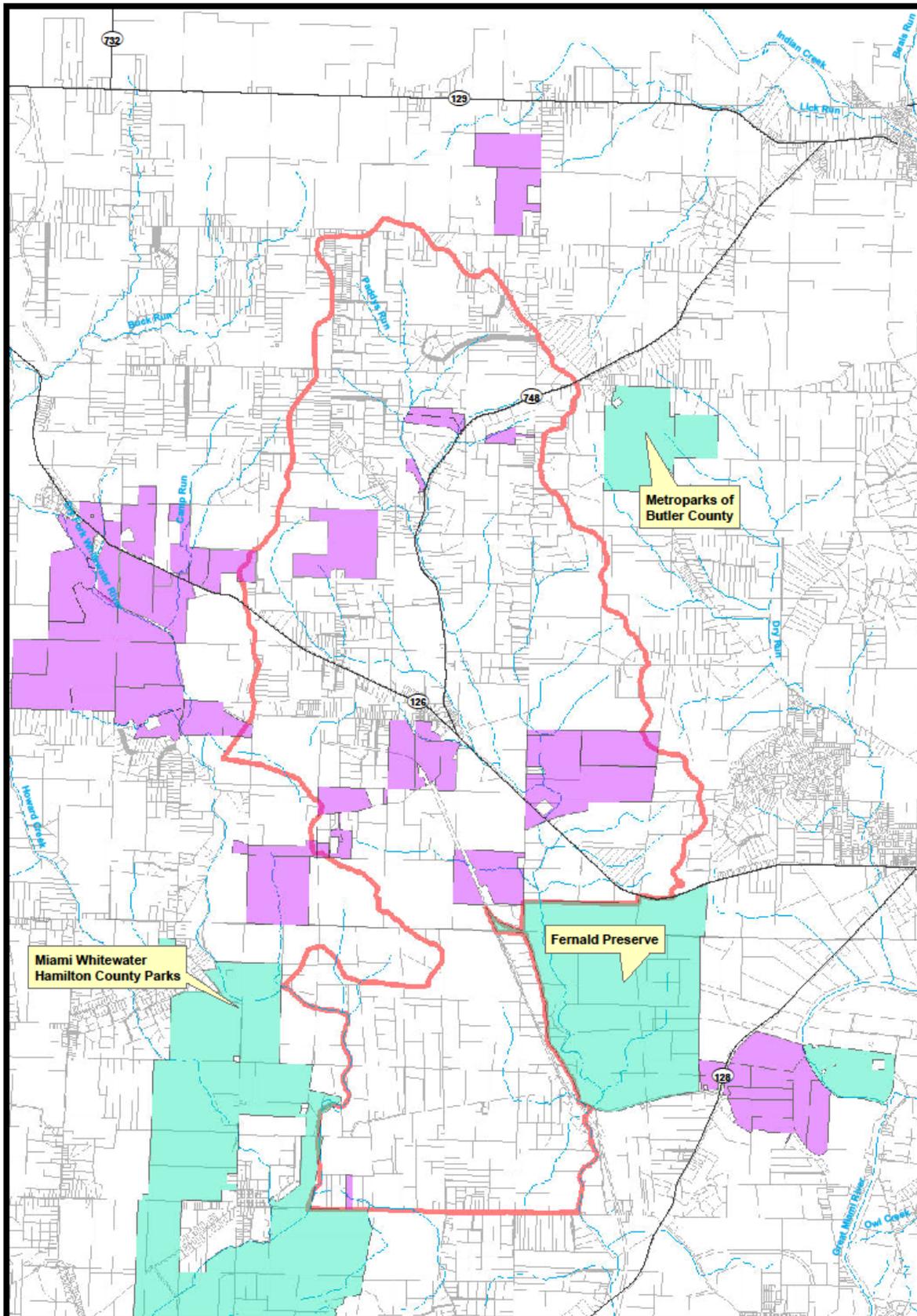
The Trustees have passed 28 resolutions. Council resolutions 21 through 28 were finalized during calendar year 2013. Detailed Resolutions can be found in the Trustees section of our web page: epa.ohio.gov/derr/ACRE/FFS/swdo_ffs/fernalld.aspx

1. Field Evaluation
2. Representative Change and MOU Update
3. Field Walkdowns Punchlist
4. Funds Use Plan
5. Funds Transfer
6. Past Costs
7. Contract with TVCT
8. Representative Change and MOU Update
9. Eligibility Criteria and Application
10. TVCT Contract Renewal
11. Trustee Representative Change
12. Pilot Project Land Appraisal
13. Paddys Run Tributary and Triangle
14. TVCT Approved for Appraisals
15. Approve Two Offers
16. 3VCT Grant Agreement for Property Purchases
17. Approve Four Offers
18. Former Silos Area Enhancement
19. Approve 14 Offers
20. TVCT Approved for Round 2 Appraisals
21. Approve Five Offers
22. Change MOU Representatives
23. Approve Four Offers
24. 3VCT Approved for Round 3 Appraisals
25. Approve Fee Simple Offer
26. Approve Two Offers
27. Approve Fee Simple Offer
28. Change MOU Representative



The Fernald Trustees sign Resolution 27 allowing funds to purchase and restore property near the Fernald Preserve.

PROJECT FOCUS AREA



LEGEND/KEY

- Completed Easements (2220 acres)
- Park Properties
- PRCP Focus Area

FUNDING

In addition to the \$14 million DOE has already spent restoring the site, the consent decree requires (1) implementation of the natural resource restoration plan; (2) payment of \$13,750,000 to Ohio by the United States, on behalf of DOE, for various habitat enhancements and land protection on or near Fernald in order to protect and improve water quality in Paddys Run and the Great Miami Aquifer; (3) execution of environmental covenants for the entirety of the site, recorded with Hamilton and Butler counties; and (4) payment of past and future costs to the State of Ohio.

The Department of the Treasury on behalf of DOE deposited \$13,750,000 into an escrow account of the US District Court on February 17, 2009. The funds were designated to restore, replace or acquire the equivalent of injured natural resources at and in the vicinity of the Fernald Preserve and to reimburse Ohio's natural resources damages assessment costs. A Funds Use Plan was developed to explain expenditure of funds.

2013 Fiscal Summary	Expenditures	Income	Balance
1/1/2013 – Remaining funds from 2012			\$11,174,205.94
Contractual Costs (TVCT)	(\$160,433.22)		\$11,013,772.72
Restoration Work (USDOE)	---		\$11,013,772.72
Easement Purchases (TVCT)	(\$1,553,472.50)		\$9,460,300.22
12/31/2013 – Interest Earned in NRD Account		\$28,288.62	\$9,488,588.84
12/31/2013 - BALANCE			<u>\$9,488,588.84</u>

In 2013, less money was spent on easement purchases than in the previous year. However, more than double the parcels were purchased in 2013 than in 2012 and nearly 400 more acres were placed under permanent protection (1309 acres). Three Valley Conservation Trust has been instrumental in leveraging more than \$4 million from the U.S. Department of Agriculture (USDA) Farm and Ranch Lands Protection Program so that the Fernald settlement funds will go further. Contractual costs primarily consisted of payment to TVCT for support provided in work on easement purchases. The Trust spent considerable time working with landowners to develop applications and address their concerns with regard to participating in the project. Additionally, each property that applied for the project was visited to evaluate and record the current conditions.



Funds Used to Purchase Easements Through 2013

PUBLIC OUTREACH

Prior to finalizing settlement of the NRD claims, several public meetings were held to gather community input on how the damages should be settled. In summer 2008, a 30 day public comment period was held on the partial consent decree. In July 2008, a public meeting was held in Crosby Township to provide citizens an opportunity to learn more about the consent decree and restoration plan and to submit formal comments. In summer 2009, a 30 day public comment period was held on the Draft Natural Resource Funds Use Plan, with a public meeting to discuss the plan. In November 2010, a Paddys Run Conservation Project brochure was developed to explain the Trustees land conservation efforts. The project would target easements within the Paddys Run drainage basin and over the Great Miami Buried Valley Aquifer upgradient of Fernald. In December 2010, a public meeting was held to introduce the Paddys Run Conservation Project and its partners, the Fernald Trustees and Three Valley Conservation Trust. In April 2011 a public meeting was held at the Fernald Preserve to tell more than 50 local landowners how to apply for a conservation easement. Round one easement applications were received from interested landowners in August 2011. In February 2012 Ohio EPA presented the project status at the Forum for Natural Lands Management and Conservation to 100 Green Umbrella team members. In 2012 the Trustees used a letter campaign to notify landowners within the focus area of a second application period. Nine applicants proposed approximately 1000 acres for easement protection during the round two application period.

On May 28, 2013 Ohio EPA provided an update at the Morgan Township Trustee public meeting. Round three for applications was announced as an open ended application period until funding runs out. This meeting and the open application period were announced at the April 16 FCA community meeting, in a TVCT newsletter and website, on the Morgan Township website, and with a mailing. A May 3 story in the Dayton Daily News announced the public meeting and the Paddys Run Conservation Project. In December 2013, Ohio EPA and TVCT hosted an information table at two venues. Prior to the Morgan Township Trustees public meeting and DOE's Annual Community meeting, representatives from Ohio EPA and TVCT were on hand to provide a project update to the community and answer questions.

Ohio EPA and DOE continue to provide NRD updates at the regular meetings of the Fernald Community Alliance.



Representatives from TVCT explain the Paddys Run Conservation Project at an information session held at the Fernald Preserve in December.

Learn how your land can make you money while protecting our water and investing in the future of your community.

Open House December 10 th , 5 pm Prior to Morgan Twp meeting Administration Building 3141 Chapel Rd, Okeana	Information Table December 17 th , 5 pm Prior to DOE Annual meeting Fernald Preserve 7400 Willey Road, Harrison
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Representatives from Ohio EPA and Three Valley Conservation Trust will be available to answer questions about the Paddys Run Conservation Project. In the past year we have permanently protected more than 2000 acres in your community. Funds are still available.

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