



Fernald Natural Resource Trustees 2015 Annual Report to the Public



Division of Environmental Response and Revitalization
Federal Facilities Section
June 2016

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 2015, more than 2830 acres from willing landowners were protected with PRCP easements. By the close of the year, an additional 175 acres were permanently protected. The Fernald Natural Resource Trustees (Trustees) were proud to announce that they had more than 3000 acres permanently conserved by midway through 2015. Six Trustee Resolutions were signed in 2015 in support of conservation easements.

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.



This dragonfly is metamorphosing from aquatic nymph to terrestrial adult on an arrowhead leaf, over a vernal pool at Salamander Run. The green adult just exited the brown exoskeleton above and will soon fly for the first time.

Ohio included a \$206 million claim for natural resource damages (NRD) 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)

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 Trustees are working on areas of conservation and restoration located near and at Fernald. All restoration activities are targeted to improve water quality and enhance habitat. The Trustees expect additional stream and wetland restoration will occur as long as funds are available. Natural Resource Trustee funded projects at Fernald that have been completed to date are Paddys Run tributary, Triangle area, former silos area, and Paddys Run West. The Paddys Run Conservation Project is protecting streams and land outside of the Fernald footprint and is on-going. The following NRD projects were worked on during calendar year 2015:

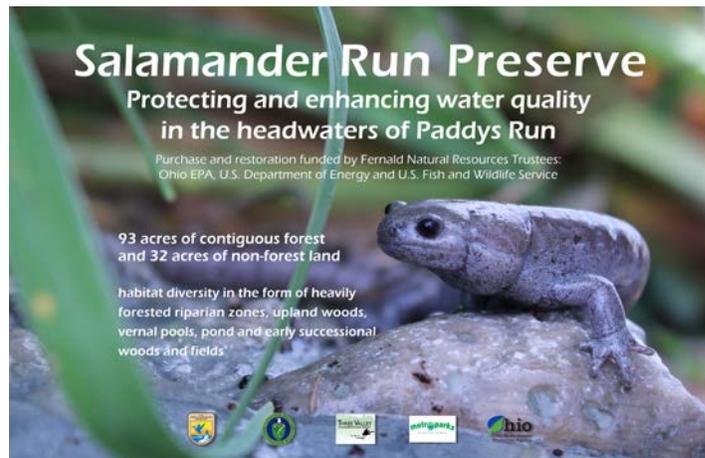
1. Paddys Run Conservation Project (PRCP) – By using conservation easements to preserve current land use, the Paddys Run Conservation Project is protecting water quality in local streams and ground water. The PRCP officially launched in December 2010. In summers of 2011 and 2012 two application periods were held. These resulted in 23 applications totaling more than 2200 acres in addition to the pilot project. Natural Resource Trustees along with Three Valley Conservation Trust (TVCT) makes site visits to those properties under consideration. TVCT is a land conservation group that holds over 150 easements and 20,000 acres protected in southwestern Ohio. The Trustees have partnered with TVCT to assist with the extensive work which allows 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 additional funds, thus allowing the Fernald settlement funds to go further.

By the close of 2012 more than 900 acres was permanently protected on five properties. In 2013, an additional 1309.7 acres was placed in conservation or agricultural easements on 12 properties. In 2014, ten additional properties, totaling 610 acres were protected. In 2015, five additional properties, totaling 175 acres were protected. This brought the project total to 3005 acres protected on 32 properties by the end of 2015.

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 an 18-acre retreat for a young family to a 125-acre farm which will transition to a park. A map of the Paddys Run Conservation Project focus area and updated easement properties is provided on Page 5 of this report.

2. Building a Preserve - The first of two fee simple purchases was made early in 2014. The former Probst farm is a 125-acre parcel with open fields and woods at the headwaters of Paddys Run. The site has come to be known as Salamander Run Preserve, or SRP. Significant gains in restoration of the property were accomplished in 2015. Ohio EPA and TVCT used contractors to remove invasive honeysuckle, autumn olive and callery pear. An independent contractor targeted ash trees throughout the property to treat with

his injection method. Nine wetlands were designed and constructed. Three of the water basins, including the existing farm pond, now have engineered water control structures that allow project planners to adjust water levels according to seasonal and planting needs. More than 14,000 wetland and forest plugs were planted. Prairie seed was incorporated into 21 acres of restoration fields. By the end of 2015, 83 birds have been documented at SRP. Discussions were held with MetroParks of Butler County who will assume ownership of the parcel from TVCT following restoration. The photos on the front of this report cover and in the following pages illustrate the significant effort from Ohio EPA, TVCT, MetroParks of Butler Co, contractors and numerous volunteers during 2015 as together they worked to create exceptional habitat at the headwaters of the Paddys Run watershed. The salamander photo shoot below is an example of the multifaceted elements that have gone into the creation of SRP. The Public Outreach section of this report further explains how restoration efforts were enhanced at SRP with our combined efforts.



Significant effort went into restoration and outreach at Salamander Run Preserve in 2015. Ohio EPA developed the poster above to promote the site. Photos on the report cover highlight some of the restoration and outreach efforts at SRP.

3. Planning and design work for the north woodlot enhancement area at the Fernald Preserve began in 2015. Construction work will take place in 2016 using NRD funds. The enhancement efforts in this area along the northern segment of the publicly accessible Hickory Trail will remove invasives and create better habitat.
4. During 2015 a local farmer purchased more than 1000 acres of farm and forest known as West Homes. The parcels are located just west of the Fernald Preserve. Ohio EPA and TVCT is working with the family to purchase some of the land and put all of the land in conservation easements. The first of several parcels is anticipated to have a conservation easement closing date in late June, 2016.

RESOLUTIONS

The Trustees have passed 37 resolutions. Council resolutions 32 through 37 were finalized during calendar year 2015. Detailed Resolutions can be found in the Trustees section of our web page: epa.ohio.gov/derr/ACRE/FFS/swdo_ffs/fernald.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
29. Restoration Projects
30. Expansion of Project Area
31. Approve Four Offers
32. Approve Two Offers
33. Southern Expansion
34. Approve One Offer
35. Approve One Offer
36. Approve Fee Simple Offer
37. Approve Two Offers

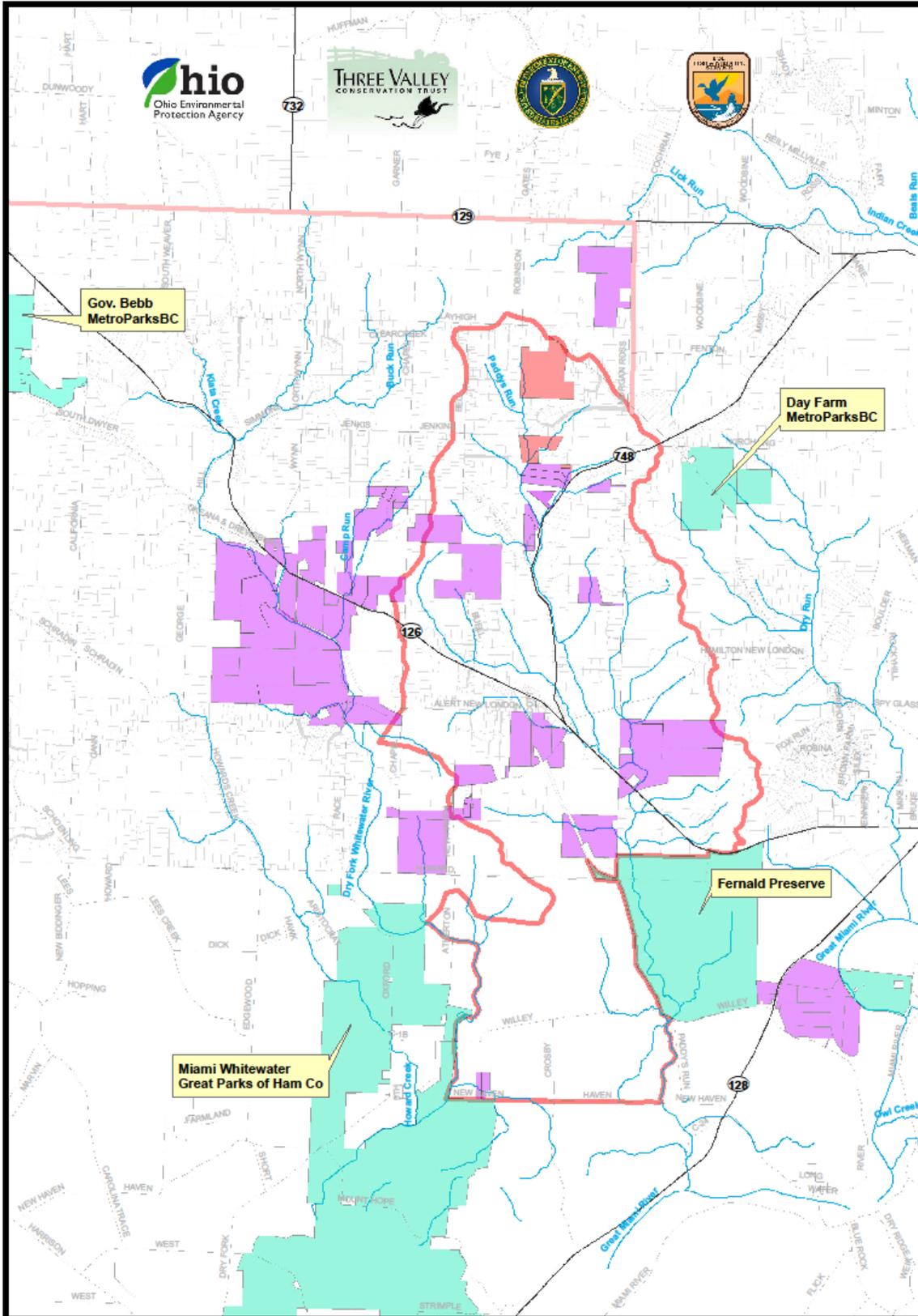


Some restoration projects such as the Paddys Run West Enhancement began under Resolution 29 and continued in 2015.



DOE highlighted the NRD process and the 3000-acre accomplishment at the Annual Fernald Community Meeting. Each conservation easement requires a Trustee resolution and multiple layers of sign-off

PROJECT FOCUS AREA



Ohio Environmental Protection Agency
June, 2015
T.Schneider

Paddy's Run Conservation Project
3,000 Acres Protected



LEGEND/KEY

- PRCP Focus Area
- Completed Easements (2835 acres)
- Park Properties
- PRCP Expanded Boundary
- Fee Simple Purchases (170 acres)

FUNDING

In addition to the \$14 million DOE has 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) 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.

2015 Fiscal Summary	Expenditures	Income	Balance
1/1/2015 – Remaining funds from 2014			\$7,111,324.58
Contractual Costs (TVCT)	(\$155,704.00)		\$6,955,620.58
Other	(\$157.50)		\$6,955,463.08
Easement Purchases & Mgmt (TVCT)	(\$553,699.00)		\$6,401,764.08
2015 – Interest Earned in NRD Account		\$33,288.29	\$6,435,052.37
12/31/2015 - BALANCE			\$6,435,052.37

In 2015, less money was spent on easement purchases than in the previous two years. Less parcels and acreage were purchased in 2015 than in the previous two years. No properties in 2015 were purchased through matching funds from the U.S. Department of Agriculture (USDA) Farm and Ranch Lands Protection Program (FRPP) like there had been in the previous two years. The funding available through the FRPP program was significantly reduced, thus the competition for this funding was high in 2015. Money allocated in 2014 for restoration work at the two fee simple purchases made that year, was spent in 2015. The fee simple purchases are straight purchases, for which contractor TVCT will retain ownership until transfer to MetroParks of Butler County. TVCT continued to be instrumental in restoration work for the two properties they retained. Contractual costs primarily consisted of payment to TVCT for support provided in restoration work on easement purchases. TVCT also spent time working with landowners to develop and manage easement 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.

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 public meeting and 30-day public comment period was held to learn more about the partial consent decree and to submit formal comments. In summer 2009, a public meeting and 30-day public comment period was held on the Draft Natural Resource Funds Use 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 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. In 2014 Ohio EPA and TVCT announced at a public meeting that the NRTs had signed a resolution to expand the focus area. A letter went out to 90 landowners in the expansion zone explaining their eligibility and the application process.



TVCT members toured Salamander Run prior to their regular board meeting in September.

In 2015 Salamander Run Preserve was made available to the public for special events and tours. Throughout the year groups visited the preserve to assist with a multitude of tasks including bird watching, amphibian searching, and helping to plant wetland plugs, wildflower seeds, and native trees and shrubs. These groups included university students, elementary school students, TVCT board members, a girl scout troop, Miami Valley Audubon, and volunteers through MetroParks of Butler County



Students and teachers from St. Joseph's Elementary in Hamilton helped to plant wildflower seeds in the SRP woods.

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