Division of Environmental Response and Revitalization
Federal Facilities Section
June 2018
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 2017, 3629 acres from willing landowners were protected with PRCP easements. By the close of the year, an additional 554 acres were permanently protected. The Fernald Natural Resource Trustees (Trustees) were proud to announce that by the end of 2017 they had surpassed the 4000-acre benchmark and created a park at the headwaters of Paddys Run (see cover photo of Salamander Run Preserve).

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 (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 ecological 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, Paddys Run west, and the north woodlot enhancement area. 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 2017:

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. In 2014 Ohio EPA and TVCT announced that applications would be received to expand the focus area until settlement funds are no longer available.

Natural Resource Trustees along with Three Valley Conservation Trust (TVCT) make site visits to those properties under consideration. TVCT is a land conservation group that holds more than 180 easements and protects over 20,000 acres in southwest Ohio. The Trustees have partnered with TVCT to assist with the extensive work which allows for these real estate transactions. Matching funds from the United States Department of Agriculture (USDA) Farm and Ranch Lands Protection Program (FRPP) and the Clean Ohio Fund have allowed TVCT to leverage additional funds, thus allowing the Fernald settlement to go further.

By the close of 2012 more than 900 acres was permanently protected on five properties thanks to a pilot project that was already in the works. In 2013, an additional 1310 acres was placed in conservation or agricultural easements on 12 properties. In 2014, ten additional properties, totaling 611 acres were protected. In 2015, five additional properties, totaling 175 acres were protected. In 2016, seven additional properties, totaling 620 acres were protected. In 2017 five farms recently purchased by one local farming family received easements on 554 acres. This brought the project total to 4183 acres protected on 44 properties by the end of 2017. The following two charts show how leveraged funds and acres conserved have changed since inception of the PRCP.
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 transitioned to a park in 2017. A map of the project focus area and updated easement properties is provided on Page 6 of this report.

2. Building a Preserve - The first of several 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 restoration of the property occurred from 2015 to 2017. Ohio EPA and TVCT used contractors to remove invasive honeysuckle, autumn olive and callery pear. An independent contractor targeted ash trees to treat with an insecticide injection method. Nine new 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. Several hundred salamander larvae were transferred from nearby parks with permitting and support provided by MetroParks of Butler County. Prairie seed was incorporated into 21 acres of restoration fields. More than 80 bird species have been documented at SRP. More than a hundred volunteers contributed upwards of 1,000 hours of work supporting various restoration efforts at SRP. Extensive volunteer hours have included planting wetland vegetation in the vernal pools, planting approximately 700 tree plugs in the deer exclosure areas, planting tree plugs in the woodlands and sowing a variety of seed mixes in woodland, meadow, wetland and field edge habitats. Restoration work was documented in the SRP Restoration Report and Maintenance Plan that was published in early 2017. This document along with additional information was provided to MetroParks of Butler County so they would have a complete history of installed vegetation, species lists, restoration work and expenses to date at Salamander Run Preserve. The property was officially transferred to MetroParks from TVCT with a signed easement on April 7th and a Transfer Celebration was held on May 21st.

3. In 2015 a local farm family purchased more than 1000 acres of farm and forest formerly known as West Homes and renamed it Happy Hills Farm (HHF). In 2016, conservation easements were put on four of the parcels totaling 500 acres. In 2017 four more HHF parcels were placed under permanent easement, adding 542 acres to the undeveloped corridor between Miami Whitewater forest and Fernald Preserve. Great Parks of Hamilton County purchased one of the wooded parcels in March with money leveraged from the Fernald settlement fund and Clean Ohio. This parcel, known as Hamilton Woods, added 123 acres of known breeding habitat for five species of salamanders to the GreatParks system. TVCT will hold the easement and monitor Great Parks management and habitat restoration. In April 2017, two HHF properties in Butler County (Butler Woods and Teeters Farm) totaling 246 acres were placed under easement. In August 2017 the 174-acre Home Farm easement was closed with a funding match from the Natural Resource Conservation Service and PRCP. The HHF properties border Fernald to the west and these easements, together with the Fernald Preserve, create more than 2000 acres of permanently protected farm and forested land.
RESOLUTIONS

The Trustees have passed 44 resolutions. Council resolutions 43 and 44 were finalized during calendar year 2017. 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
38. Approve Fee Simple Purchase
39. Approve Three Offers
40. Change MOU Representative
41. Approve One Offer
42. Approve One Offer
43. Approve Four Offers
44. Approve Two Offers
FUNDING

In addition to the $14 million DOE has already spent restoring Fernald, 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. Funds were later transferred to a State of Ohio account. 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.

<table>
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<th>2017 Fiscal Summary</th>
<th>Expenditures</th>
<th>Income</th>
<th>Balance</th>
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<td>1/1/2017 – Remaining funds from 2016</td>
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<td>Contractual Costs (TVCT)</td>
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<td>Other</td>
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<tr>
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In 2017, less money from NRD funds was spent on easement purchases than in the previous year. More properties were purchased this year than last using matching funds from the U.S. Department of Agriculture (USDA) Farm and Ranch Lands Protection Program (FRPP) and Clean Ohio funds. The funding available through the FRPP program was again made available, however the competition for this funding was high. In 2017 only one property was purchased using $460,000 in leveraged funds from FRPP. An additional $645,500 in leveraged funds from Clean Ohio was used toward a property that is now held by Great Parks of Hamilton County. Contractual costs primarily consisted of payment to TVCT for support provided in restoration work and leveraging additional funds. 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.
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. In 2015 and 2016 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 amphibian surveys, bird watching, 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.

2017 saw limited resources placed on seeking new properties for the PRCP since much of the funds have been allotted. Outreach efforts were instead focused on promoting current easements. TVCT helped to facilitate a March 2017 article in Ohio Farmer featuring interviews with the Hesslebrock family and the value of conservation easements to them. In June, TVCT hosted a meeting to discuss farm conservation in all the counties they serve, while highlighting PRCP easements featuring a map of closed easements provided by Ohio EPA. The PRCP factsheet with closed property map continues to be updated and available at public forums.

In March Ohio EPA met with Carmelo Melendez, the new Director of USDOE’s Office of Legacy Management. Director Melendez was very complimentary of the success at Fernald and the cooperative nature of all the parties involved. He said it is often referred to in headquarters for examples of success. He asked questions about the natural resource damages project, PRCP and easement acquisitions. He is a proponent of conservation easements and was impressed by the Trustee achievements with the NRD funds.
In May 2017 partners in the Salamander Run Preserve project celebrated the transfer of 125 acres from TVCT to MetroParks of Butler County. Guests at the ribbon cutting ceremony were able to hear remarks from the Trustee representatives and the MetroParks director. Walking tours of the restoration projects were available to the public.

In May the NRTs participated in the Salamander Run Preserve Transfer Ceremony. NRD funding was used for purchase and restoration of the parcel which was donated to MetroParks of Butler County.
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