Resolution No. 30
Fernald Preserve Natural Resource Trustees

Re: Approval of expansion of the Paddys Run Conservation Project eligibility area to include more area to the north and west of the focus area previously outlined in Resolution No. 9 and to increase funding to the minimum match limit for the revised USDA Agricultural Conservation Easement Program.

WHEREAS, the Fernald Preserve Trustee Council was established pursuant to the July 2001 Memorandum of Understanding entered into by the Ohio Environmental Protection Agency (“Ohio EPA”), the United States Department of Energy (“DOE”), and the United States Department of the Interior (“DOI”) (collectively, the “Trustees”);

WHEREAS, the Natural Resource Damage Consent Decree for the Fernald Preserve, dated November 11, 2008, required DOE to deposit $13,750,000 into an interest-bearing escrow account in the Registry of the United States District Court for the Southern District of Ohio (“Escrow Account”), and on February 17, 2009, the United States on behalf of DOE deposited $13,750,000 into the Escrow Account;

WHEREAS, on August 23, 2010, the United States District Court for the Southern District of Ohio ordered the transfer of $13,781,225.18 from the Escrow Account to the Treasurer, State of Ohio, to be deposited into the Natural Resource Damages Fund, for the Fernald Preserve;

WHEREAS, the Consent Decree, Paragraph 4.6, provides that any transferred funds shall be applied toward the costs of restoration, replacement, or acquisition of the equivalent of injured Natural Resources at and in the vicinity of the Fernald Preserve, as set forth in the Natural Resource Restoration Plan (“NRRP”);
comments on the draft NRFUP until August 8, 2009. The Trustees also convened a public availability session on July 8, 2009 at the Fernald site to discuss the draft NRFUP and accept comments and suggestions from the public. On February 23, 2010, the Trustees issued the final Natural Resource Funds Use Plan (“NRFUP”); and

WHEREAS, on March 16, 2011, the Trustees approved Trustee Resolution #9, which included the Paddys Run Conservation Project Eligibility Criteria for Land Protection;

WHEREAS, the Trustees agree that expansion of the eligible area and increase of the minimum payment is warranted to increase participation in the conservation easement program and maximize collaboration with the USDA Agricultural Conservation Easement Program.

NOW THEREFORE BE IT RESOLVED, that the Trustee Council agrees, by unanimous consent, to expand the eligible area by the attached revision of Paragraph D of the Paddys Run Conservation Project Eligibility Criteria for Land Protection (previously approved in Resolution #9) to read:

D. Parcels eligible for compensation at 25% of easement value:
Parcels not described in category A or B or C above, but adjacent to the Fernald Preserve; parcels located within Butler County, Ohio adjacent to or south of State Route 129 and adjacent to or west of Morgan Ross Road; or contiguous with another parcel to be protected under category A, B, or C.
Resolution No. 30
Fernald Preserve Natural Resource Trustees

DATED this 14th day of June, 2014

United States Department of the Interior
U. S. Fish and Wildlife Service

[Signature]
By: Jennifer Finfera, Columbus, Ohio Field Office
Resolution No. 30
Fernald Preserve Natural Resource Trustees

DATED this 16th day of June 2014.

Ohio Environmental Protection Agency

[Signature]

By: Thomas A Schneider, Fernald Project Manager
Resolution No. 30
Fernald Preserve Natural Resource Trustees

DATED this day of June 2014.

United States Department of Energy

Gwendolyn N. Hooten

2014.06.16 11:05:08
-06'00'

By: Gwen Hooten, Site Manager,
Fernald Preserve, Office of Legacy Management
Paddys Run Conservation Project

Eligibility Criteria for Land Protection

The Eligibility Criteria for land protection in accordance with the applicable documents for the Fernald Preserve (the November 11, 2008 Natural Resource Damages consent decree, the July 2008 Natural Resource Restoration Plan, and the February 2010 Natural Resource Funds Use Plan), are designed and intended to facilitate the preservation (via conservation easements) of properties within or affecting the following areas:

Paddys Run Conservation Project Focus Area (Focus Area) – This area is the priority for protection by the Fernald Trustees. It encompasses the portions of the Paddys Run Watershed and Buried Valley Aquifer, up-gradient of the Fernald Preserve. (Figure 1)

Paddys Run Watershed (PRW) – The watershed is the land area which drains into Paddys Run and is also known as a drainage basin.

Buried Valley Aquifer (BVA) – The regionally significant and highly prolific ground water aquifer underlying portions of the region.

Blue-line Streams – Paddys Run and its perennial tributaries.

The Eligibility Criteria compensation categories are as follows:

A. Parcels eligible for compensation at 80% of easement value*:
   - Parcels within** both the BVA and PRW (BVA/PRW)
   - Parcels adjacent to the Fernald Preserve, and within the Focus Area.

B. Parcels eligible for compensation at 70% of easement value:
   - Parcels within the PRW, and containing both banks of a Blue-line Stream.

C. Parcels eligible for compensation at 60% of easement value:
   - Parcels within the Focus Area but not described in category A or B.

D. Parcels eligible for compensation at 25% of easement value:
   - Parcels not described in category A or B or C above, but adjacent to the Fernald Preserve; parcels located within Butler County, Ohio adjacent to or south of State Route 129 and adjacent to or west of Morgan Ross Road; or contiguous with another parcel to be protected under category A, B, or C.

* Easement value (or, in the case of an acquisition, fair market value) as determined by certified easement appraisal using comparable sales methodology for before/after values.

**Parcels are eligible to be funded based upon the highest ranking portion of the parcel, so long as that portion exceeds 10% of the total parcel acreage.
100% of easement value may be provided as compensation for the portion of a parcel containing "priority habitat" that would be preserved. Priority habitats receiving this compensation must be included in the Natural Resources Conservation Service (NRCS) Whole Farm Conservation Plan.

Priority habitats include:

a) Category 2 or 3 wetlands (per Ohio Administrative Code rule 3745-1-54);
b) Mature forest exceeding 10 contiguous acres, consisting of:
   1. Closed canopy;
   2. <25% non-natives;
   3. Trees have diameter at breast height (DBH) >12 inches; and
   4. Not grazed;
c) >75 foot forested riparian buffer on both banks of Paddys Run or a blue-line (perennial) tributary of Paddys Run.

Minimum aggregate property size for a conservation easement is eleven (11) acres unless the property contains priority habitat.

As a rule a property may reserve no more than one lot split. A reserved lot split must contain no more than one home. The easement would apply to the complete property (including reserved lot/homesite), but no easement value would be awarded for the reserved lot split portion of the property.

A property must not have more than 2% impervious cover (e.g., pavement, concrete, roof, etc.).

Outline for applications (based on NRCS applications) would include (See Attachment 1):

- a letter of commitment that property owners understand the general limitations a conservation easement would place on their property;
- a commitment that the property owners have, or will complete a NRCS Whole Farm Plan (if applicable) prior to closing;
- a commitment that property owners will reimburse for an appraisal (and, if necessary, a survey) if their property is selected, they receive a firm offer, they preliminarily agree to an easement or outright acquisition, and then withdraw on their own accord, or they do not accept the easement value as determined by certified easement appraisal, and wish to obtain their own appraisal (this would be paid for by the property owner regardless); and
- a copy of their deed, including the legal description of the property, a list of the permanent parcel numbers of the property, and a list of all interests in and encumbrances on the property title, including but not limited to easements, leases, mortgages, and liens.

The final decision regarding the expenditure of Fernald NRD funds and the purchase of any easement or acquisition of property is subject to the discretion of the Director of the Ohio EPA and requires the prior, written approval of the Fernald Trustee Council.