



Northern Kentucky Stream and Wetland Restoration Program

2021 Annual Report

Prepared
January 2022

Background / Purpose

The Northern Kentucky Stream and Wetland Restoration Program (NKSWRP) is an in-lieu-fee program providing compensatory mitigation for the loss of stream and wetland resources due to land development in northern Kentucky. The program was established in 1999, and operates under an Agreement among the Louisville District of the U.S. Army Corps of Engineers (Corps), the Northern Kentucky University Center for Environmental Restoration (CER), and the Northern Kentucky University Research Foundation (NKURF). The program is informally known as the NKU Stream Restoration Program.

Funding for the program is generated from the sale of mitigation credits to entities that impact (fill) streams or wetlands for land development under permit from the Corps. NKURF receives in-lieu-fee (ILF) payments from permittees, and distributes funds to the CER to operate the program and implement mitigation projects. The CER identifies stream and wetland restoration and preservation opportunities, then undertakes projects to protect, enhance, restore, and monitor projects. Project sites, plans, and compliance reports are subject to approval by the Corps, in consultation with the Interagency Review Team (IRT).

The Compensation Planning Framework, which describes how the CER selects and prioritizes mitigation projects, may be viewed at <https://inside.nku.edu/environmentalrestoration.html>.

A key component of CER’s mission is to train and employ NKU student interns in the field of environmental restoration. From program inception in 1999 through June 2021 (end of Fiscal Year 2021), a total of 178 NKU student interns have been employed by the program for a total of over 106,000 hours. Additionally, since May 2018, CER in partnership with The Jubilee Project (TJP) operates a parallel program to train and employ individuals in drug addiction recovery. From program inception through June 2021, 15 individuals were trained, cumulatively employed for over 10,000 hours, and provided social services to aid their transition back into society.

In accordance with the federal rule entitled Compensatory Mitigation for Losses of Aquatic Resources (April 2008), the CER, NKURF, and the Corps executed a new program Agreement to replace the original Agreement (1999). Mitigation implemented under the original Agreement is referred to as Phase 1; no additional impacts are being mitigated through this program. Mitigation implemented after the effective date of the new Agreement (April 2012) is referred to as Phase 2.

Record of ILF Payments

A record of ILF payments is provided in Table 1 (Phase 1) and Table 2 (Phase 2). One payment collected from Kentucky Utilities (KU) under the Phase 1 program is managed and accounted separately due to its unusually large scale. Additionally, one Phase 1 payment was a pass-through to USFWS and another was refunded. Lastly, Phase 1 funds not obligated to projects at the time of Phase 2 initiation were transferred to the Phase 2 Program. Based upon these accounting adjustments, total adjusted ILF deposits to each program through December 2021 are as follows:

<i>Program Phase</i>	<i>Number of ILF Mitigated Impact Sites</i>	<i>Adjusted ILF Payments</i>
Phase 1 (excluding KU)	56	\$12,976,207
Kentucky Utilities	1	\$13,290,792
Phase 2	37	\$17,861,017
Total	94	\$44,128,016

Figure 1 illustrates the locations of the land development projects (impact sites) for which ILF payments were received through December 2021.

Phase 2 Debit/Credit Ledger

Table 2 provides the debit/credit ledger for the Phase 2 program, which documents Phase 2 ILF deposits and debits from the program's Advance Credits. Approximately 47,000 stream credits out of 60,000 Advance Credits (streams) have been sold through December 2021 (78%). A total of 9,402 stream mitigation credits were sold in 2021.

No wetlands credits have been sold from the ten Wetland Advance Credits available in the Phase 2 Program.

Note that NKSWRP may voluntarily suspend mitigation credit sales until new mitigation projects can be secured and project cost estimates developed from which to establish credit pricing, or for other reasons such as staff capacity. Credit sales were suspended through most of 2019 but were re-initiated in January 2020.

Summary of Mitigation Projects

Figure 2 illustrates the locations of Corps/IRT-approved stream and wetland mitigation projects for Phase 1, KU, and Phase 2.

Tables 3 and 4 provide summary information for these mitigation projects including project name, location, completion date or project status, landowner, conservation area acreage, total stream length, stream mitigation credits, wetlands acreage and credits, and project costs.

Referring to Tables 3 and 4, a summary of key mitigation program metrics is as follows:

<i>Program Phase</i>	<i>No. of Projects</i>	<i>Total Newly Conserved Acres</i>	<i>Total Project Stream Miles</i>	<i>Average \$/AMU *</i>
Phase 1 (excluding KU)	20	1,242	31	n/a
Kentucky Utilities	5	2,042	33	\$254
Phase 2	5	1,121	20	\$348
Total	30	4,405	84	n/a

**Average \$/AMU based upon full-cost accounting, i.e., project, land, administration, site protection, etc.*

Relative to the Phase 2 program, approved Phase 2 projects are anticipated to generate 39,000 credits (Table 4) compared to advance credit sales of 47,000 credits through December 2021

(Table 2). Therefore, a new project is required to compensate for 10,000 credits sold in excess of credit generation from currently approved projects.

Record of Approved Mitigation Projects Under 2012 Agreement

In accordance with Appendix B of the new Agreement, projects that have completed the permitting process after the effective date of the Agreement are documented in the format provided in Table 5. Note that the first four projects listed in Table 5 are Phase 1 projects (Table 3) permitted after the effective date of the new Agreement, and are thus recorded in this table.

Mitigation Timeline

As of November 2015, all 20 Phase 1 mitigation projects were constructed. All projects were completed as planned with only minor modifications, except a portion of the Latonia-Banklick project was not completed due to ATV trespassing at the time of construction (although no ATV usage has been observed in recent years). As of December 2020, the final three Phase 1 projects completed the five-year maintenance and monitoring phase. All 20 Phase 1 projects achieved project performance/success criteria.

Relative to the five approved Kentucky Utilities mitigation projects (Table 2), the Corps specified physical restoration was to be initiated by the end of the third full growing season after approval of project Concept Plans. The individual KU mitigation projects have each met the timelines for initiation of physical restoration as documented in previous annual reports. The Stephens Creek and St Anne Wetland Projects were completed in 2019 and just completed Year 2 of Maintenance and Monitoring Phase. Construction of Big Bone Phase 3 and Sleepy Hollow Projects are underway. The Kingsolver (KU) Project was land acquisition and preservation of high-quality streams and is therefore complete.

Relative to Phase 2 mitigation, the Agreement (Section III.H.) stipulates physical/ecological improvements should begin by the end of the third full growing season after credit sales, if sufficient funds are available. For simplicity, credit sales (Table 2) are deemed to have occurred on December 31 of the year of sale. The following is a summary of physical restoration initiation timelines:

<i>Year</i>	<i>Credits Sold in Given Year</i>	<i>Cumulative Credits Due to be Initiated by Oct</i>	<i>Cumulative Credits Initiated (see Note below)</i>
2012	2,298	0	n/a
2013	6,614	0	n/a
2014	6,083	0	n/a
2015	4,821	2,298	29,555
2016	7,893	8,912	29,555
2017	1,844	14,995	29,555
2018	3,713	19,816	29,555
2019	681	27,709	29,555
2020	3,527	29,553	29,555
2021	9,402	33,266	35,042
2022	tbd	33,947	tbd
2023	tbd	37,474	tbd
2024	tbd	46,876	tbd

Note: Physical/ecological restoration was initiated at three project sites in 2015 for a total of 29,555 initiated credits as follows: At Darlington Farm, targeted invasive species within the conservation area were eradicated (3,225 credits initiated). At Sleepy Hollow Tracts 2 & 3, deeply rutted ATV trails were regraded and vegetated to mitigate erosion and stream sedimentation (7,254 credits initiated). At Kingsolver Tracts 1 & 2, approximately 100 tires plus refuse were removed from the riparian area and stream channels (19,076 credits initiated). These initiated credits fulfilled credit delivery timelines through 2020. In 2021, Hartig Park (5,487 credits) was initiated by undertaking pre-permit activities including removal of 75 tires, removal of fill material from trail and road stream crossings, and construction of water bars and drainage dips to mitigate road erosion and stream sedimentation.

From the table above, Phase 2 mitigation timelines for project initiation have been met throughout the program history.

Fund Report

NKURF prepares an annual Fund Report documenting program receipts and expenses, account balances, and interest income through the end of each fiscal year. The attached Fund Report documents that total funds available at the end of FY 2021 were approximately \$12.2 million in seven program accounts established in accordance with the Agreement: Program Administration, Phase 1 Projects, Phase 2 Projects, Kentucky Utilities Projects, Site Protection (endowment), Site Protection Income (for conservation easement management expenses), and Program Contingency.

Note that all Phase 1 projects were closed out by the end of 2020 and all Phase 1 funds have been expended.

Audit Report

The NKU Office of Internal Audit performs an annual audit of the Fund to ensure proper accounting of revenues (ILF deposits and interest), program and project expenses, bank statements, investments, invoices, etc. A copy of the audit summary memo for FY 2021 is attached, which documents no exceptions from generally accepted accounting practices.

Credit Pricing

In accordance with the Agreement, credit pricing is based upon full cost accounting for all program operation and project expenses, including land acquisition and overhead.

Stream credit pricing was adjusted to \$506/AMU beginning January 2020 based upon the Concept Plan cost estimate to complete the Hartig Park mitigation project, the most recent project and considered representative of a future project (not yet identified) suitable to fulfill sold credit obligations. The CER may adjust credit pricing in the future based upon considerations of inflation, etc.

Wetlands credits are not currently for sale by the NKSWRP, and no wetland credit price has been established.

Financial Assurance

The federal mitigation rule requires the NKSWRP to provide financial assurance that mitigation projects will be completed (i.e., impacts fully mitigated). The NKSWRP provides financial assurance by maintaining a Program Contingency Fund, funded by a portion of all credit sale revenues (currently 15%). As established in the Agreement, the minimum Program Contingency Fund balance is not less than the sum of 10 percent of the estimated project costs to complete outstanding Phase 1 and KU mitigation, plus 15 percent of estimated project costs to complete outstanding Phase 2 mitigation (but not less than \$500,000). Based upon the estimated costs to complete all projects as of December 31, 2021, the calculated minimum Program Contingency Fund balance is approximately \$1.3 million, compared to the actual Program Contingency Fund balance of approximately \$3 million. Therefore, the available contingency funds exceed the minimum requirement for financial assurance.

Project Long-Term Management

All mitigation projects are permanently protected by site protection instruments, usually by conservation easement, but in a few cases, by conservation deed restriction. The acreage of land under conservation protection by the NKSWRP is tabulated by project in Tables 3 and 4. (Certain Phase 1 projects indicating zero acreage in Table 3 were already permanently protected by easement or deed restriction prior to the NKSWRP's project.)

At least annually, all conservation easement or deed restricted landowners are contacted, and all conservation properties are visited to ensure compliance with conservation restrictions. The NKSWRP's "Procedures for Annual Conservation Easement Area Inspections" is attached to this report. These inspection activities (and enforcement, if necessary) are funded by the interest generated on the non-wasting Site Protection Fund. The Site Protection Fund is funded from 5% of all credit sale revenues in accordance with the Agreement. As documented in the Fund Report, the Site Protection Fund balance was approximately \$556K at the end of FY 2021.

Four KU mitigation projects and two Phase 2 projects are on properties purchased with mitigation funds. One property (Big Bone Ph 3) has been donated to Kentucky State Parks under deed restriction and is now part of Big Bone Lick State Historic Site. The remainder of the purchased properties (Stephens Creek, Kingsolver 1&2, and Sleepy Hollow 1&2) were donated to Kentucky Fish and Wildlife under deed restriction and opened to the public as Wildlife Management Areas, except 400 acres of the Sleepy Hollow property is owned by a dedicated non-profit land trust, the Sleepy Hollow Conservancy. Site protection of the Big Bone Phase 3 property is the responsibility of The Boone Conservancy. Site protection of the Stephens Creek and Kingsolver WMAs is the responsibility of KDFWR. Site protection of the Sleepy Hollow WMA (renamed "Simon Kenton WMA") and Conservancy property is the responsibility of Sleepy Hollow Conservancy.

Note that certain conservation easement and deed restriction oversight responsibilities were transferred to other local conservancies more closely connected to the local conservation community. Boone County project easements (excluding Darlington Farm) were transferred to The Boone Conservancy, Tower Park/Carmel Manor project easements were transferred to Fort Thomas Forest Conservancy, and Reb Stacey project easement was transferred to Sleepy Hollow Conservancy. The transfers included the site protection endowment funds apportioned to those properties, and stipulated the new easement holders must implement an inspection and enforcement regime equivalent to the CER, as well as managing endowment funds as non-wasting accounts.

In addition to site protection inspections, all stream and wetland restoration projects are visually assessed at least annually for continued project construction/restoration success/stability, including closed projects. Minor project maintenance and repairs, such as spot repairs of bank stabilization measures, are commonly required during the five-year maintenance and monitoring phase following physical restoration. Certain projects may also require repairs after close-out (release from mitigation monitoring). To date, all project repairs have constituted less than 15 percent of the original project (based upon both restoration budget and restoration stream length) and are therefore considered minor repairs. Project inspections, maintenance, and repairs are funded from the respective project budgets, or if in excess of remaining project funds, from the Program Contingency Fund principal and interest.

Program Adaptive Management

In 2016, a stakeholder Advisory Committee was formed from members of the Boone, Kenton, and Campbell County Judges Executive, local land development and economic development communities, local conservancies and watershed groups, and Sanitation District 1. The KDFWR FILO program began participating in 2018. The purpose of the Committee is to keep stakeholders informed about the mitigation programs in northern Kentucky, and to help the mitigation programs identify projects that complement the stakeholders' conservation, economic development, and other priorities. The Committee is chaired by the Boone County Judge Executive and meets approximately quarterly.

Figure 1

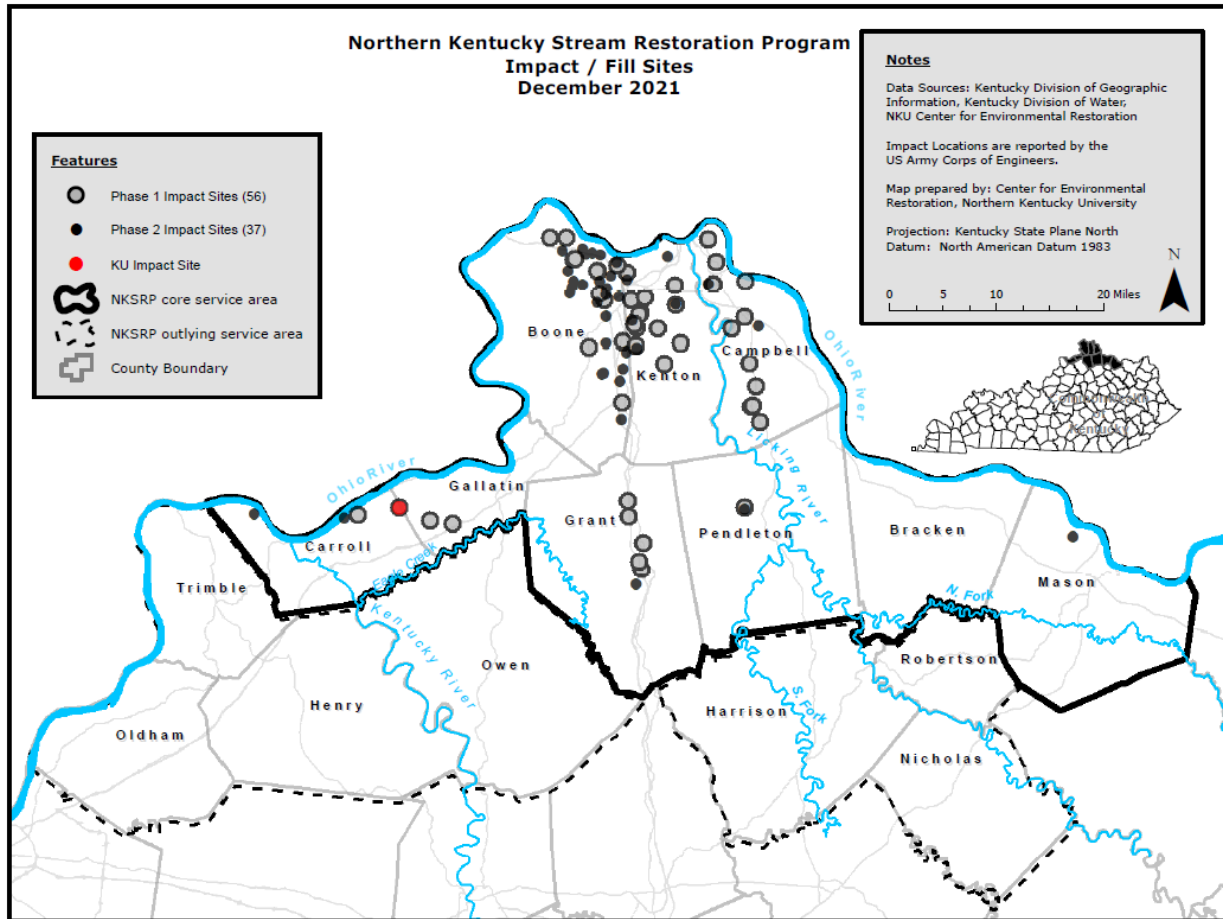


Figure 2

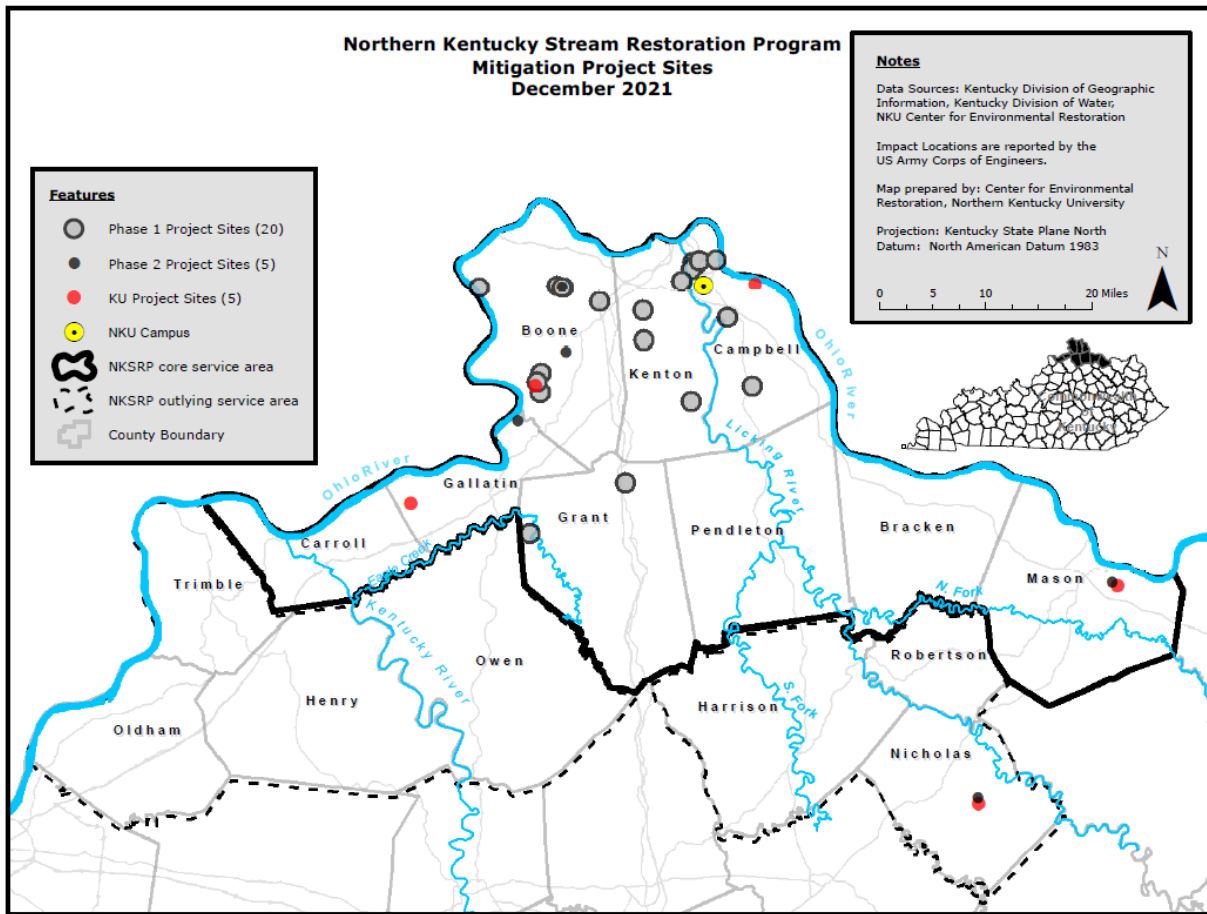


Table 1

Northern Kentucky Stream Restoration Program							
PHASE 1 ILF PAYMENTS							
Permittee	Corps ID	Date Received	Lat	Long	County	Major Watershed	Mitigation Fee \$
Kenton County Airport Board	199900699	9/22/1999	39.0509	-84.6613	Boone	Ohio R	\$ 327,750
Kenton County Airport Board	199900699	3/2/2000	39.0509	-84.6613	Boone	Ohio R	\$ 646,800
Ky Transportation Cabinet	200000780	7/24/2002	38.7084	-84.9095	Gallatin	Kentucky R	\$ 32,000
Ky Transportation Cabinet	200101229	9/19/2002	38.9469	-84.6763	Boone	Ohio R	\$ 211,755
Ky Transportation Cabinet	200101568	10/14/2002	38.6470	-84.5832	Grant	Kentucky R	\$ 22,200
City of Elsmere	200100512	10/14/2002	39.0103	-84.6023	Kenton	Licking R	\$ 35,000
Corporex Parks	200200927	12/10/2002	39.0590	-84.6262	Kenton	Ohio R	\$ 70,000
Ky Transportation Cabinet	200100501	12/13/2002	38.9934	-84.5860	Kenton	Licking R	\$ 99,800
Ky Transportation Cabinet	200200679	12/13/2002	38.6833	-84.5802	Grant	Licking R	\$ 95,200
Ky Transportation Cabinet	200001036	12/13/2002	38.9493	-84.5933	Kenton	Licking R	\$ 95,000
Ky Transportation Cabinet	200200908	1/7/2003	39.0136	-84.5789	Kenton	Ohio R	\$ 175,450
Kenton County Airport Board	200101187	4/11/2003	39.0510	-84.6613	Boone	Ohio R	\$ 3,016,000
FedEx	200300748	1/5/2004	38.9541	-84.6170	Boone	Licking R	\$ 19,000
Ky Transportation Cabinet	n/a	7/28/2004	38.2875	-84.8465	Franklin	Kentucky R	\$ 32,061
Ky Transportation Cabinet	200300653	8/6/2004	38.7127	-84.9487	Gallatin	Ohio R	\$ 626,130
Ky Transportation Cabinet	200300766	12/10/2004	38.8687	-84.3945	Campbell	Licking R	\$ 175,140
LandAmerica (Wal-Mart)	199901671	2/21/2005	39.0105	-84.6493	Boone	Ohio R	\$ 414,750
J. A. Fielden co (Wal-Mart)	200300865	3/15/2005	38.9879	-84.4049	Campbell	Ohio R	\$ 114,000
Kenton County Airport Board	199900699	8/30/2005	39.0509	-84.6613	Boone	Ohio R	\$ 221,700
Ky Transportation Cabinet	200300154	10/31/2005	38.9254	-84.5440	Kenton	Licking R	\$ 997,740
Ky Transportation Cabinet	200401022	11/21/2005	38.6581	-84.5869	Grant	Kentucky R	\$ 194,469
Ky Transportation Cabinet	200401357	11/22/2005	38.9908	-84.5879	Kenton	Licking R	\$ 242,220
Industrial Developments Int'l	200500081	1/18/2006	38.8733	-84.6181	Boone	Ohio R	\$ 506,280
NKU	20060001	9/22/2006	39.0328	-84.4586	Campbell	Licking R	\$ 45,000
Ky Transportation Cabinet	20050111	10/12/2006	39.0314	-84.5261	Kenton	Licking R	\$ 341,670
Overlook-Reece, LLC	LRL-2006-1774	4/16/2007	39.0639	-84.4548	Campbell	Licking R	\$ 53,160
Ky Transportation Cabinet	20061578	10/11/2007	38.7198	-84.6048	Grant	Kentucky R	\$ 2,308,860
Industrial Developments Int'l	LRL-2007-528-ncc	10/11/2007	39.0677	-84.7001	Boone	Ohio R	\$ 23,040
NKU Parking Garage	LRL-2007-609	11/8/2007	39.0326	-84.4607	Campbell	Licking R	\$ 75,840
Terra Firma	LRL-2007-00134-pjl	11/5/2007	39.0661	-84.7029	Boone	Ohio R	\$ 108,000
Ky Transportation Cabinet	LRL-2007-794-jea	1/3/2008	39.0961	-84.7162	Boone	Ohio R	\$ 45,000
Ky Transportation Cabinet	2007-104ncc	1/8/2008	38.7407	-84.6065	Grant	Kentucky R	\$ 105,120
Rumpke of Kentucky, Inc	200600464-pgj	2/27/2008	38.7315	-84.4047	Pendelton	Licking R	\$ 236,400
Kilbane Environmental, Inc.	200101514	4/14/2008	39.1003	-84.4869	Campbell	Licking R	\$ 140,000
Eagle Development, LLC	LRL-2007-1210-the	11/10/2008	38.9729	-84.5922	Kenton	Licking R	\$ 204,600
Trans-Ash	LRL-2006-1762-jea	9/11/2009	39.0373	-84.4041	Campbell	Ohio R	\$ 23,760
Eaton Asphalt and Paving	LRL-2006-1337-mdh	9/11/2009	38.8960	-84.3860	Campbell	Licking R	\$ 63,780
Drees Company	LRL-2007-1153	9/28/2009	39.0961	-84.7443	Boone	Ohio R	\$ 1,623
KY Transportation Cabinet	LRL-2004-01357-pgj	10/5/2009	38.9728	-84.4281	Kenton	Licking R	\$ 162,360
North American Stainless	LRL-2009-858	12/14/2009	38.7191	85.0739	Carroll	Ohio R	\$ 283,600
Sanitation District No 1	LRL-2009-41-let	1/13/2010	38.9721	-84.5560	Kenton	Licking R	\$ 121,500
Boone County Fiscal Court	LRL-2005-597-pjl	3/11/2010	38.9779	-84.5965	Boone	Licking R	\$ 96,480
Maxim Craneworks	LRL-2006-1337-mdh	6/10/2010	38.8714	-84.3956	Campbell	Licking R	\$ 65,100
Potterhill Homes	LRL-2005-930-pgj	7/19/2010	38.9541	-84.5171	Kenton	Licking R	\$ 33,315
Eagle Development	LRL-2007-1210	12/20/2010	38.9729	-84.5922	Kenton	Licking R	\$ 11,000
Boone County Fiscal Court	LRL-2009-805-pjl	12/20/2010	39.0198	-84.6571	Boone	Ohio R	\$ 230,640
Kenton County Airport Board	LRL-2009-1033-let	1/16/2011	39.0269	-84.6543	Boone	Ohio R	\$ 27,720
City of Newport	LRL-2007-778	3/10/2011	39.0946	-84.4684	Campbell	Ohio R	\$ 57,375
Summerlake Development	LRL-2001-100	4/15/2011	38.9269	-84.3919	Campbell	Licking R	\$ 10,000
Summerlake Development	LRL-2001-100	6/6/2011	38.9269	-84.3919	Campbell	Licking R	\$ 10,000
Summerlake Development	LRL-2001-100	9/8/2011	38.9269	-84.3919	Campbell	Licking R	\$ 10,000
Tuscany Development	LRL-2008-1119-let	10/27/2011	39.0055	-84.5243	Kenton	Licking R	\$ 59,280
Summerlake Development	LRL-2001-100	12/2/2011	38.9269	-84.3919	Campbell	Licking R	\$ 10,000
Kentucky Utilities	LRL-2009-358	12/8/2011	38.7297	-85.0028	Gallatin	Ohio R	\$ 13,290,792
Ky Transportation Cabinet	LRL-2003-766	12/19/2011	38.8477	-84.3786	Campbell	Licking R	\$ 1,037,076
Tuscany Development	LRL-2008-1119-let	3/1/2012	39.0055	-84.5243	Kenton	Licking R	\$ 171,840
		Total Phase 1 ILF Payments					\$ 27,834,376
		USFWS Pass Thru			Franklin County Braun's rock cress		\$ (203,674)
		Airport Refund			Walton Park		\$ (155,500)
		Transfer of Unobligated funds to Phase 2 Ledger					\$ (1,208,203)
		Kentucky Utilities Mitigation Separate Accounting					\$ (13,290,792)
		Total Phase 1 Funds Adjusted					\$ 12,976,207

Table 2

Northern Kentucky Stream and Wetland Restoration Program													
PHASE 2 ILF PROGRAM													
DEBIT / CREDIT LEDGER													
				STREAM		WETLAND							
Advance Credits				60,000		10.0							
Credits Sold				46,876		0.0							
Released Credits				0		0.0							
Reserve-Funded Released Credits				0		0.0							
Advance AMU Balance				13,124		10.0 **							
**Wetland credits not for sale at present & no WL credits indicated for sale on RIBITS													
Permittee	Corps ID	Date Rec'd	Latitude	Longitude	County	Major Watershed	Stream Credits Sold	\$/AMU	Wetland Credits Sold	\$/AMU	Mitigation Fee \$	Total Credits by Year	
<i>Unobligated Ph 1 Funds (1 of 2)*</i>	LRL-2008-1172	5/1/2012	n/a	n/a	n/a	n/a	1,149	\$ 215	n/a	n/a	\$ 246,961		
Hemmer Airpark Int'l II	LRL-2012-255	8/8/2012	39.0751	-84.6705	Boone	Ohio R	221	\$ 215	n/a	n/a	\$ 47,520		
KYTC Ky-36 bridge	LRL-2012-205	9/26/2012	38.7170	-85.2536	Carroll	Ohio R	551	\$ 215	n/a	n/a	\$ 118,358		
Triple Crown	LRL-2012-286	10/10/2012	38.9120	-84.6531	Boone	Ohio R	314	\$ 215	n/a	n/a	\$ 67,524		
Rumpke Landfill Exp	LRL-2006-464	10/10/2012	38.7330	-84.4054	Pendleton	Licking R	63	\$ 215	n/a	n/a	\$ 13,545	2,298	
KYTC Ky-237	LRL-2012-254	1/8/2013	39.0210	-84.7013	Boone	Ohio R	965	\$ 215	n/a	n/a	\$ 207,432		
Tuscany Development	LRL-2008-1119	3/8/2013	39.0055	-84.5243	Kenton	Licking R	272	\$ 240	n/a	n/a	\$ 65,280		
IDI Park South	LRL-2005-81-pjl	8/16/2013	38.9025	-84.6216	Boone	Ohio R	1,372	\$ 240	n/a	n/a	\$ 329,280		
<i>Unobligated Ph 1 Funds (2 of 2)*</i>	LRL-2008-1172	10/11/2013	n/a	n/a	n/a	n/a	4,005	\$ 240	n/a	n/a	\$ 961,242	6,614	
Ark Encounter, LLC	LRL-2013-680-mdh	8/1/2014	38.6260	-84.5929	Grant	Kentucky R	3,883	\$ 296	n/a	n/a	\$ 1,149,250		
Anchor Properties, Inc	LRL-2013-975-mck	9/26/2014	38.9887	-84.6464	Boone	Ohio R	2,200	\$ 296	n/a	n/a	\$ 651,200	6,083	
Schottenstein Real Est Group	LRL-2014-631-pjl	2/23/2015	39.0061	-84.6623	Boone	Ohio R	72	\$ 296	n/a	n/a	\$ 21,312		
Kenton County Airport Board	LRL-2014-967-mck	6/12/2015	39.0455	-84.6376	Boone	Ohio R	1,818	\$ 350	n/a	n/a	\$ 636,300		
Kenton County Airport Board	LRL-2014-603-mck	6/22/2015	39.0368	-84.6590	Boone	Ohio R	1,291	\$ 350	n/a	n/a	\$ 451,850		
Chavez Properties (FastPark)	LRL-2014-346	9/28/2015	39.0730	-84.6586	Boone	Ohio R	1,497	\$ 470	n/a	n/a	\$ 703,590		
Seven Hills Church	LRL-2014-197-pgj	9/29/2015	39.0149	-84.6253	Boone	Ohio R	143	\$ 470	n/a	n/a	\$ 67,210	4,821	
Lyons Magnus East Inc	LRL-2014-305-mck	2/18/2016	38.9188	-84.6160	Boone	Ohio R	871	\$ 470	n/a	n/a	\$ 409,370		
KYTC Johns Hill to Threemile	LRL-2009-1251-jea	3/21/2016	39.0341	-84.4691	Campbell	Licking R	638	\$ 470	n/a	n/a	\$ 299,860		
FedEx N KY Hub Facility	LRL-2015-785-mdh	7/22/2016	38.9425	-84.6114	Kenton	Licking R	1,592	\$ 470	n/a	n/a	\$ 748,202		
Al Neyer	LRL-2016-00065-teh	9/28/2016	39.0792	-84.7222	Boone	Ohio R	1,234	\$ 470	n/a	n/a	\$ 579,980		
Kenton County Airport Board	LRL-2016-138-mdh	10/28/2016	39.0178	-84.6467	Boone	Ohio R	1,647	\$ 470	n/a	n/a	\$ 774,090		
KYTC 536 Realignment	LRL-2009-1249-pjl	12/16/2016	38.9538	-84.6486	Boone	Ohio R	1,912	\$ 470	n/a	n/a	\$ 898,440	7,893	
Al. Neyer	LRL-2016-989-mdh	10/30/2017	39.0356	-84.6092	Kenton	Licking R	1,367	\$ 300	n/a	n/a	\$ 410,100		
Boone County Fiscal Court	LRL-2016-777-ncc	12/19/2017	39.0253	-84.7051	Boone	Ohio R	477	\$ 300	n/a	n/a	\$ 143,100	1,844	
Paul Hemmer Company	LRL-2016-112-jea	1/10/2018	39.0815	-84.6814	Boone	Ohio R	491	\$ 300	n/a	n/a	\$ 147,300		
Jim and Judy Berling LDC LLC	LRL-2017-222-jea/lme	5/23/2018	39.0720	-84.5396	Kenton	Ohio R	413	\$ 300	n/a	n/a	\$ 123,900		
North American Stainless	LRL-2015-225-let	7/20/2018	38.7177	-85.0998	Carroll	Ohio R	1,074	\$ 300	n/a	n/a	\$ 322,200		
Hilltop Basic Resources	LRL-2018-244-MKD	8/1/2018	39.0615	-84.6283	Boone	Ohio R	444	\$ 300	n/a	n/a	\$ 133,200		
Triple Crown Sec 18 Ph 3	LRL-2018-628-cat	10/15/2018	38.9169	-84.6522	Boone	Ohio R	371	\$ 300	n/a	n/a	\$ 111,300		
Core5 Industrial Partners	LRL-2018-677-cat	12/11/2018	38.8503	-84.6188	Boone	Ohio R	920	\$ 300	n/a	n/a	276,000	3,713	
East Kentucky Power Cooperative	LRL-2015-00329	1/18/2019	38.6911	-83.8382	Mason	Ohio R	681	\$ 300	n/a	n/a	\$ 204,300	681	
Al. Neyer	LRL-2019-270	3/13/2020	39.0544	-84.7162	Boone	Ohio R	1,957.5	\$ 506	n/a	n/a	\$ 990,495		
IDI Lakeland LLC	LRL-2019-00791	3/26/2020	39.0320	-84.6880	Boone	Ohio R	484	\$ 506	n/a	n/a	\$ 244,904		
Redwood Acquisitions LLC	LRL-2018-986-MKD	5/29/2020	39.0328	-84.7035	Boone	Ohio R	81	\$ 506	n/a	n/a	\$ 40,986		
Drees	LRL-2018-502-cat	7/15/2020	38.9747	-84.3830	Campbell	Ohio R	322	\$ 506	n/a	n/a	\$ 162,932		
Core5 Industrial Partners	LRL-2019-00763	9/1/2020	38.9827	-84.6038	Kenton	Licking R	682	\$ 506	n/a	n/a	\$ 345,092	3,527	
Kenton County Airport Board	LRL-2019-00594	2/4/2021	39.0244	-84.6534	Boone	Ohio R	4,558	\$ 506	n/a	n/a	\$ 2,306,348		
VanTrust Real Estate	LRL-2020-714-cat	8/11/2021	38.9488	-84.5991	Kenton	Licking R	2,262	\$ 506	n/a	n/a	\$ 1,144,572		
Al. Neyer	LRL-2019-00452	8/28/2021	39.0744	-84.6895	Boone	Ohio R	2,582	\$ 506	n/a	n/a	\$ 1,306,492	9,402	
TOTAL PHASE 2							46,876				\$ 17,861,017		
							Average Price/AMU:	\$ 381					
Notes:													
* - Total mitigation fee set by Corps under MOU LRL-2008-1172; converted to Ph 2 debits based upon then-current Ph 2 \$/AMU.													

Table 3

NKU Stream Restoration Program												
PHASE 1 PROJECTS SUMMARY												
Watershed / Project Name	Completion Date	Principal Stream (or tributary to)	River Watershed	Latitude	Longitude	Project Budget (\$)	Stream Adjusted Mitigation Units	Project Cost per AMU (\$/AMU)	Project Stream Length (ft)	Wetland Area (Acres)	Conservation Area (Acres)	
Gum Branch / Big Bone Creek Watershed												
1a	Adair WMA	Jun-01	Gum Branch	Ohio R	38.9100	-84.7474	\$398,750	n/d	n/d	8,150	0.0	WMA
1b	Adair WMA Ph 2	Jun-09	Gum Branch	Ohio R	38.9100	-84.7474	\$540,133	4,549	\$119	3,660	0.0	WMA
2	Adair / Kruza	May-13	Gum Branch	Ohio R	38.8981	-84.7547	\$575,227	2,929	\$196	16,971	0.1	215
3a	Big Bone State Park	Apr-05	Big Bone	Ohio R	38.8839	-84.7489	\$839,554	n/d	n/d	21,315	0.0	74
3b	Big Bone Phase 2	May-07	Big Bone	Ohio R	38.8839	-84.7489	\$406,030	n/d	n/d	4,150	8.5	51
3c	Big Bone Annex	Apr-05	Big Bone	Ohio R	38.8839	-84.7489	\$344,960	n/d	n/d	1,600	0.0	6.5
Threemile Tributary Watershed												
4a	Bentwood Hills	Aug-03	Threemile	Licking R	39.0523	-84.4851	\$432,836	n/d	n/d	3,321	0.7	21
4b	Bentwood Ph 2	Jul-11	Threemile	Licking R	39.0523	-84.4851	\$133,015	564	\$236	612	0.0	(above)
5	Woodland Hills	Sep-05	Threemile	Licking R	39.0584	-84.4779	\$316,862	n/d	n/d	3,198	0.0	10
6	Joe's Creek	Oct-07	Threemile	Licking R	39.0628	-84.4816	\$607,881	1,686	\$361	1,466	0.2	7
7	Canterbury/ KYTC	Mar-15	Threemile	Licking R	39.0676	-84.4678	\$333,155	1,214	\$274	2,723	0.0	16
Woolper Creek and Gunpowder Creek Watersheds												
8	Boone Woods Park	Nov-10	Allen Fork	Ohio R	39.0269	-84.7081	\$467,582	3,589	\$130	4,386	0.2	11
9	Burlington Elementary	Aug-06	Allen Fork	Ohio R	39.0295	-84.7195	\$150,426	n/d	n/d	700	0.3	5
10	Split Rock	Oct-08	Woolper	Ohio R	39.0258	-84.8561	\$1,621,207	5,908	\$274	15,771	1.0	63
11	Florence Golf Course	Oct-08	Gunpowder	Ohio R	39.0077	-84.6450	\$1,078,864	6,151	\$175	2,669	0.0	9.5
Licking River Watershed												
12	Hawthorne Crossing	Jul-12	Riffle	Licking R	38.9858	-84.4206	\$166,800	1,359	\$123	9,635	1.0	KHLCF
13	Lloyd WMA	Nov-15	Grassy	Licking R	38.7619	-84.6004	\$176,250	1,808	\$97	1,285	0.0	10.6
14	Parkside Preserve	Feb-09	Phillips	Licking R	38.8937	-84.3774	\$66,603	348	\$191	1,580	1.3	9.6
15	Wright Farm	Jul-12	Redmond Br	Licking R	38.8728	-84.4838	\$321,524	2,375	\$135	7,579	0.0	81
16	Bullock Pen	Nov-13	Bullock Pen	Licking R	38.9949	-84.5685	\$393,200	1,599	\$246	3,778	0.0	27
17	Latonia Banklick (1/2)	Jul-15	Banklick	Licking R	39.0361	-84.5240	\$225,500	713	\$316	4,212	1.0	30
18	Wolsing Trails	Mar-08	Banklick	Licking R	38.9548	-84.5677	\$24,451	150	\$163	50	0.0	TKC
Other Watersheds												
19	Reb Stacey	Nov-10	Eagle Creek	Kentucky R	38.6917	-84.7657	\$190,089	5,738	\$33	40,184	0.0	576
20	Tower Park	Nov-13	UNT of Ohio R	Ohio R	39.0662	-84.4401	\$1,040,246	6,575	\$158	5,742	0.0	18
All Projects (excludes Admin)						\$ 10,851,145	n/a	n/a	164,737	14.3	1,242	
AMU-Credited Projects (excludes Admin)						\$ 7,961,727	47,255	\$168	122,303			

Table 4

Northern Kentucky Stream and Wetland Restoration Program											
KU AND PHASE 2 PROJECTS SUMMARY											
Project Name	Status	Land Owner	Conser- vation Acres	Stream Feet	Land Cost \$M	Project Cost \$M	Land + Project Cost \$M	Stream AMUs (1)	Wetland AMUs (1)	Land + Project \$/AMU	Total \$/AMU incl Overhead (2)
KENTUCKY UTILITIES											
Big Bone Phase 3 ("Piner")	Under Construction	KY Parks	229	30,325	\$ 0.8	\$ 2.9	\$ 3.7	15,674	-	\$ 236	\$ 295
Kingsolver Tract 1 (Preservation)	Preserved	KDFWR	540	33,082	\$ 0.8	\$ 0.3	\$ 1.1	3,925	-	\$ 283	\$ 354
Sleepy Hollow Tract 1	Under Construction	SHC/KDFWR	876	85,695	\$ 1.5	\$ 1.3	\$ 2.8	19,655	-	\$ 142	\$ 177
Stephens Creek	Completed Spr 2019	KDFWR	398	24,554	\$ 1.1	\$ 1.5	\$ 2.6	11,072	-	\$ 238	\$ 297 (4)
TOTAL KU STREAM MITIGATION			2,042	173,656	\$ 4.2	\$ 6.0	\$ 10.2	50,326	-	\$ 203	\$ 254
St Anne WETLANDS	Completed Fall 2019	CCCD	-	-	\$ -	\$ 0.3	\$ 0.3	-	10.0	\$ 32,300	\$ 40,375
PHASE 2											
Central Park	Initiated 2021	BC Parks	18	6,000	\$ -	\$ 1.3	\$ 1.3	4,386	-	\$ 290	\$ 420
Darlington Farm Condominiums	Completed Spr 2019	DF HOA	4	1,345	\$ -	\$ 0.2	\$ 0.2	3,225	-	\$ 62	\$ 90 (4)
Hartig Park	Initiated 2021	GC Parks	71	17,189	\$ -	\$ 1.6	\$ 1.6	5,487	-	\$ 292	\$ 540 (3)
Kingsolver Tract 2 (Preservation)	Preserved	KDFWR	405	21,265	\$ 0.6	\$ -	\$ 0.6	1,849	-	\$ 331	\$ 480
Kingsolver Tracts 1 & 2 (Restoration)	Under Construction	KDFWR	-	15,349	\$ -	\$ 3.7	\$ 3.7	17,227	-	\$ 215	\$ 311
Sleepy Hollow Tracts 2 & 3	Under Construction	KDFWR	623	46,641	\$ 1.1	\$ 0.7	\$ 1.8	7,254	-	\$ 247	\$ 357
TOTAL PH2 STREAM MITIGATION			1,121	107,789	\$ 1.7	\$ 7.5	\$ 9.2	39,428		\$ 233	\$ 348
Notes:											
(1) - Final project credits subject to revision up to close-out. Final KU projects scope/credits may be funding limited. Additional watershed protection credits may apply.											
(2) - KU Program Overhead 20%. Ph2 Program Overhead 31% except as noted below.											
(3) - Hartig Park Overhead 46% to reflect increased funding required for Program Admin (20%). Includes +0.1 mitigation ratio for watershed protection.											
(4) - Project credits updated per As-Built Report.											

Table 5

Approved Projects to Date (Through Permitting) Under 2012 Agreement

PROJECT	County	Service Area	Instr. Mod. No.	Corps ID No.	Corps Approval Date	KDOW 401 ID No.	KDOW Approval Date
ILF-NKU Bullock Pen Tributary Preserve Stream and Riparian Buffer Restoration Project (MOA)	Kenton	Core Service Area	4	LRL-2012-202	May 24, 2013	WQC # 2012-050-1	February 13, 2013
ILF-NKU Lloyd WMA Stream and Wetland Restoration Project (MOA)	Grant	Core Service Area	5	LRL-2012-200	February 12, 2014	WQC # 2013-052-7	October 24, 2013
ILF-NKU Modification of Appendix A	NA	Core Service Area	6	LRL-2010-326	November 7, 2014	NA	NA
ILF-NKU Latonia-Banklick Restoration Project (MOA)	Kenton	Core Service Area	7	LRL-2012-201	November 7, 2014	WQC # 2014-036-1	July 7, 2014
ILF-NKU Canterbury Stream Restoration Project	Campbell	Core Service Area	8	LRL-2012-203	November 7, 2014	WQC # 2014-035-1	July 17, 2014
ILF-NKU Stephens Creek Stream and Wetland Restoration Project	Gallatin	Core Service Area	9	LRL-2013-83	December 4, 2015	WQC # 2015-050-1	August 7, 2015
ILF-NKU Big Bone Phase III Stream and Wetland Restoration Project	Boone	Core Service Area	10	LRL-2013-172	July 8, 2016	WQC # 2016-009-1 (AI No. 15633)	February 8, 2016
ILF-NKU Darlington Farms Stream Restoration Project	Boone	Core Service Area	11	LRL-2013-86	August 14, 2018	WQC # 2018-019-1 (AI No. 134591)	March 21, 2018
ILF-NKU Kingsolver Stream Restoration Project Tracts 1 & 2 (ILF-I)	Nicholas	Expanded	12	LRL-2013-84 LRL-2015-127	May 19, 2020	WQC # 2018-031-1R2 (AI No. 125308)	March 30, 2020
ILF-NKU Modification (streamlined review)	NA	Core Service Area	13	LRL-2010-326	October 18, 2018	NA	NA
ILF-NKU-Sleepy Hollow Restoration Project Tracts 1-3(ILF-I)	Mason	Expanded Service Area	14	LRL-2013-85, LRL-2014-867, LRL-2016-51	November 30, 2020	WQC # 2018-091-1RM (AI No. 125309)	July 29, 2020
ILF-NKU St. Anne's Wetland Stream Restoration Project (ILR-I)	Boone	Core Service Area	15	LRL-2014-859	November 9, 2020	NA	NA
ILF-NKU-Central Park Steam and Wetland Restoration Project (ILF-I)	Boone	Core Service Area	16	LRL-2012-443	January 28, 2021	WQC# 2019-032-1M (AI No. 135099)	August 18, 2020

Fund Report

Stream and Wetland Restoration Fund

for the year ended June 30, 2021

	<u>2021</u>
RECEIPTS	
In-lieu fees - NKURF Management Fees Fund	\$ 159,086.76
In-lieu fees - Phase 2 Projects Fund	1,431,777.60
In-lieu fees - Program Admin Fund	530,287.64
In-lieu fees - Program Contingency Fund	397,716.00
In-lieu fees - Site Protection Fund	132,572.00
Interest income - Kentucky Utilities Fund	441.32
Interest income - Program Admin Fund	244.43
Interest income - Program Contingency Fund	4,598.05
Interest income - Site Protection Fund	<u>467.20</u>
TOTAL RECEIPTS	2,657,191.00
EXPENSES	
Project expenses	1,025,038.03
Land purchase expenses	578,760.00
Program admin expenses	197,146.00
Site protection expenses	17,985.69
NKURF management fees	<u>159,086.76</u>
TOTAL EXPENSES	<u>1,978,016.48</u>
NET EXCESS (DEFICIT) OF RECEIPTS OVER EXPENSES	679,174.52
BEGINNING BALANCE AS OF 07/01/2020	<u>11,519,653.84</u>
ENDING BALANCE AS OF 06/30/2021	<u>\$ 12,198,828.36</u>
BALANCE PER FUND AS OF 06/30/21	
Program Admin Fund	\$ 688,724.56
Phase 2 Projects Fund	7,694,118.79
Program Contingency Fund	2,662,482.86
Site Protection Fund	555,682.73
Site Protection Income Fund	2,265.09
Kentucky Utilities Fund	<u>595,554.33</u>
ENDING BALANCE AS OF 06/30/2021	<u>\$ 12,198,828.36</u>

Audit Report



To: Barb Smith
From: Kristin Horine, Larry Meyer
Date: 12/21/21
Re: Stream and Wetland Restoration Fund FYE 6/30/21 Review Procedures

Internal Audit (IA) completed its review of the Stream and Wetland Restoration Fund. The following procedures were performed for this review.

Statement of Revenues and Expenses and Changes in Fund Balance

1. IA footed revenues, expenses, and fund balances.
2. IA traced beginning fund balance to prior year work papers.
3. IA traced revenues and expenses to the trial balance from SAP.
4. IA traced individual fund balances to individual trial balances from SAP.

Statement of Financial Position

1. IA obtained bank statements as of 6/30/21 to document cash control amount.
2. IA reviewed the June 2021 invoice from Center for Environmental Restoration, which accounts for the entire amount of A/P as of 6/30/21.

Revenue Testing

1. IA obtained a detailed listing of in-lieu fees from SAP and tied the total to the trial balance. IA selected 2 of 2 transactions (100% of transactions, 100% of in-lieu fee revenue) for testing. IA agreed each amount to the bank statements. IA agreed amount paid by permittees to approved amount negotiated by the Army Corps of Engineers and receipts.
2. IA obtained a detailed listing of interest income from SAP and tied the total to the trial balance. IA reviewed total interest for reasonableness. IA tested 45% of the interest revenue, agreeing amounts to bank statements and interest calculations.

Expense Testing

1. IA obtained a detailed listing of project expense and project administration expenses from SAP and tied the total to the trial balance. IA selected 15 of 58 transactions (26% of transactions, 48% of project expense) for testing. For each transaction, IA agreed to supporting documentation, vouched invoices to be for project expense incurred within FY21, and agreed amount paid to ACH or A/P.
2. IA obtained project summaries for three funds from the Center for Environmental Restoration invoice for September 2020 and one fund for November 2020. IA reviewed a selection of supporting invoices for reasonableness, accuracy and timing. No issues were noted. IA reviewed the billable hours and rates for reasonableness. No issues were noted.
3. IA recalculated the NKURF fees for the year based on a rate of 6% of paid Phase 2 in-lieu fees and compared to actual NKURF fees for reasonableness.
4. IA obtained a listing of land and right of way expense from SAP and tied the total to the trial balance. There were four transactions for FY21. IA reviewed the invoices/contracts for reasonableness, accuracy and timing.

NKU Stream Restoration Program

Procedures for Annual Conservation Area Inspection & Restoration Project Assessment

Visit all completed mitigation projects (active and closed) ANNUALLY to ensure the terms of conservation easements or deed restrictions are being met by the landowners, and to assess the continued success of restoration. For projects with multiple/adjoining easements, conduct inspections and reporting simultaneously.

Conservation Area Inspections:

1. Prior to visit, review stamped copy of the conservation easement along with Conservation Area Features Map (paper) and online/ESRI boundary map with post/placard locations (iPad). Review prior-year inspection report (email to landowner saved in network project file folder) to identify past concerns.
2. Referring to Project Contact List, call primary landowner contact and confirm phone, email, and contact(s). Inquire about any landowner-identified conservation area concerns. Update Project Contact List.
3. Visit and inspect the conservation area, especially the entire boundary, areas identified as a concern in prior years, owner-identified areas, and trails. Note on paper map, and photograph, any issues of concern such as ATV trails, dumping, tree cutting, land disturbance, etc.
 - Use iPad to navigate to and confirm each boundary post/placard location. Replace any missing or damaged posts, placards (if not also posted), and/or stickers. Drive posts, if possible, until driver contacts ground. Add no-mow stickers if boundary is edge of mowed area. Add no-ATV stickers if ATV trespass a concern. Add posts if greater than 200' between posts.
4. Use the inspection report template to report back to the landowner contacts the findings of the easement inspection VIA EMAIL, including prior-year issues, current-year issues, and required corrective actions with timeline. Include photos of easement violations (if any), plus conservation easement factsheet, conservation easement generic summary, and notated project Conservation Area Features Map. Request landowner contact reply via email, and save the reply (with original email report) to the electronic project file folder.
 - CER will attempt to resolve any minor infractions directly with the landowner. If any issues are significantly destructive and/or not speedily remedied by the landowner, enlist the assistance of NKURF Executive Director. NKURF Executive Director will determine whether to involve the NKURF attorney.
5. Maintain a record of annual inspections, including visit date, staff involved, issues identified, and resolutions.
6. Bill all inspection labor and expenses to "Conservation Easement Management".

Restoration Project Assessments:

1. Walk and visually assess stream and wetland restoration project areas. Note on paper map, and photograph, any active or impending project failures such as eroding banks, failure of in-stream structures, debris accumulation, etc. Upon return to office, discuss with project manager to determine if repair is warranted.
2. Follow-up project repairs, if any, will be billed to project budgets or Program Contingency Account.