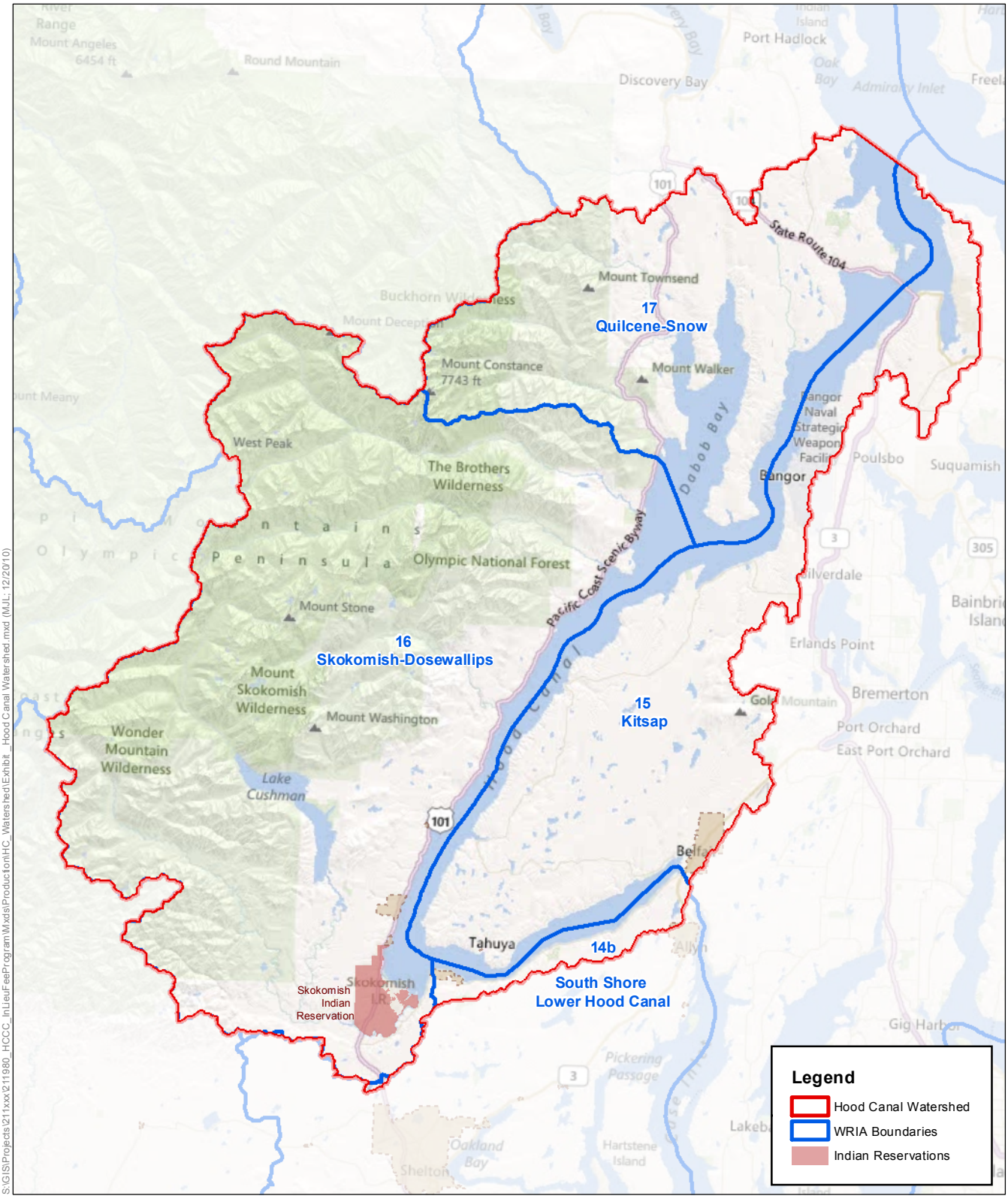


S:\GIS\Projects\211xxx\211980_HCCC_InLieuFeeProgram\Mxds\Production\HC_Watershed\Exhibit_Hood Canal Watershed.mxd (MJL: 12/20/10)

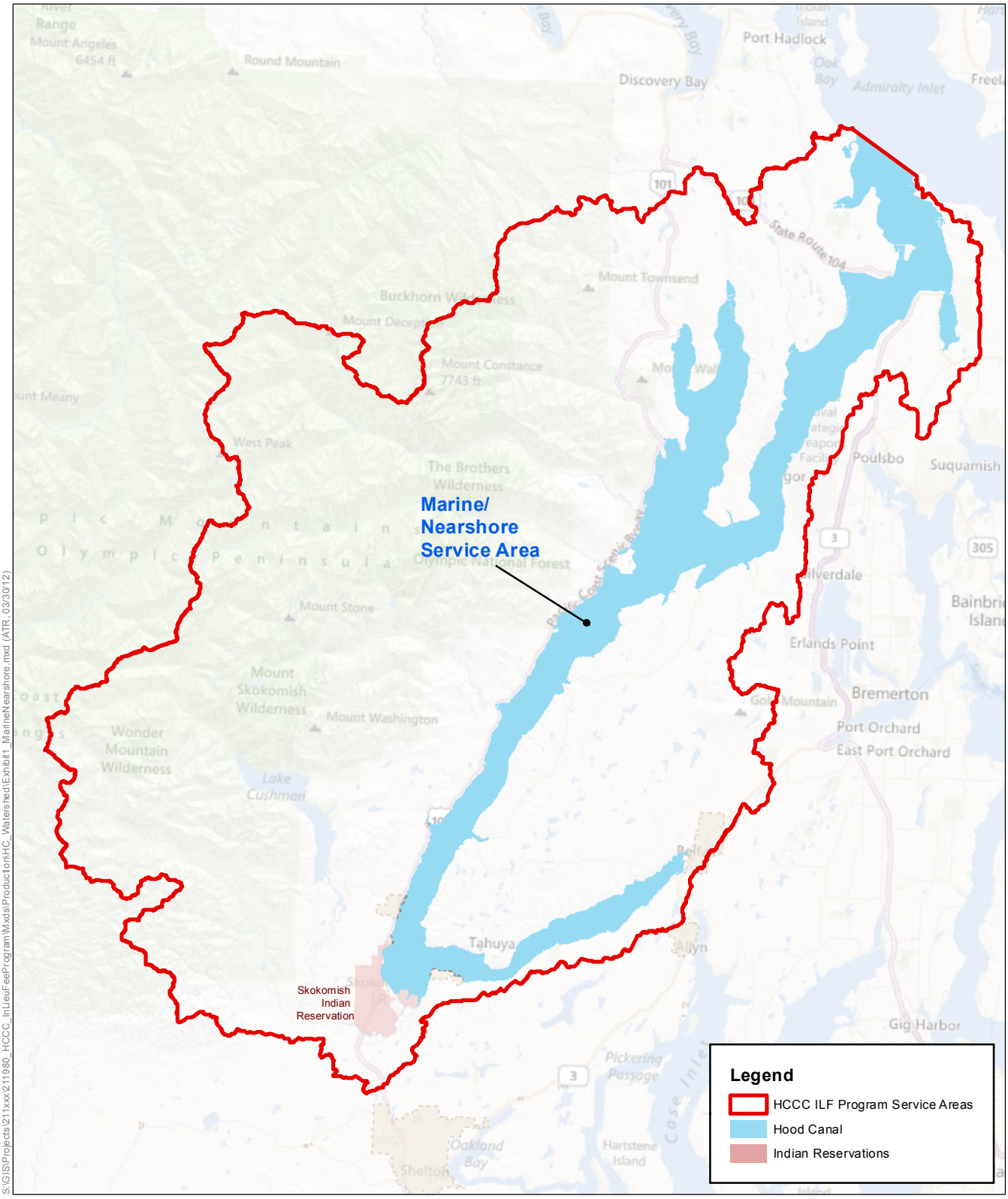
SOURCE: Ecology, 2009; Bing, 2010.

0 5
Miles

HCCC ILF Program. 211980

Exhibit 1 - Part 1

Overview - Hood Canal Watershed
Hood Canal, Washington



S:\GIS\Projects\211xxx\211980_HCCC_InLieuFeeProgram\Mxds\Production\HC_Watershed\Exhibit1_MarineNearshore.mxd (ATR. 03/30/12)

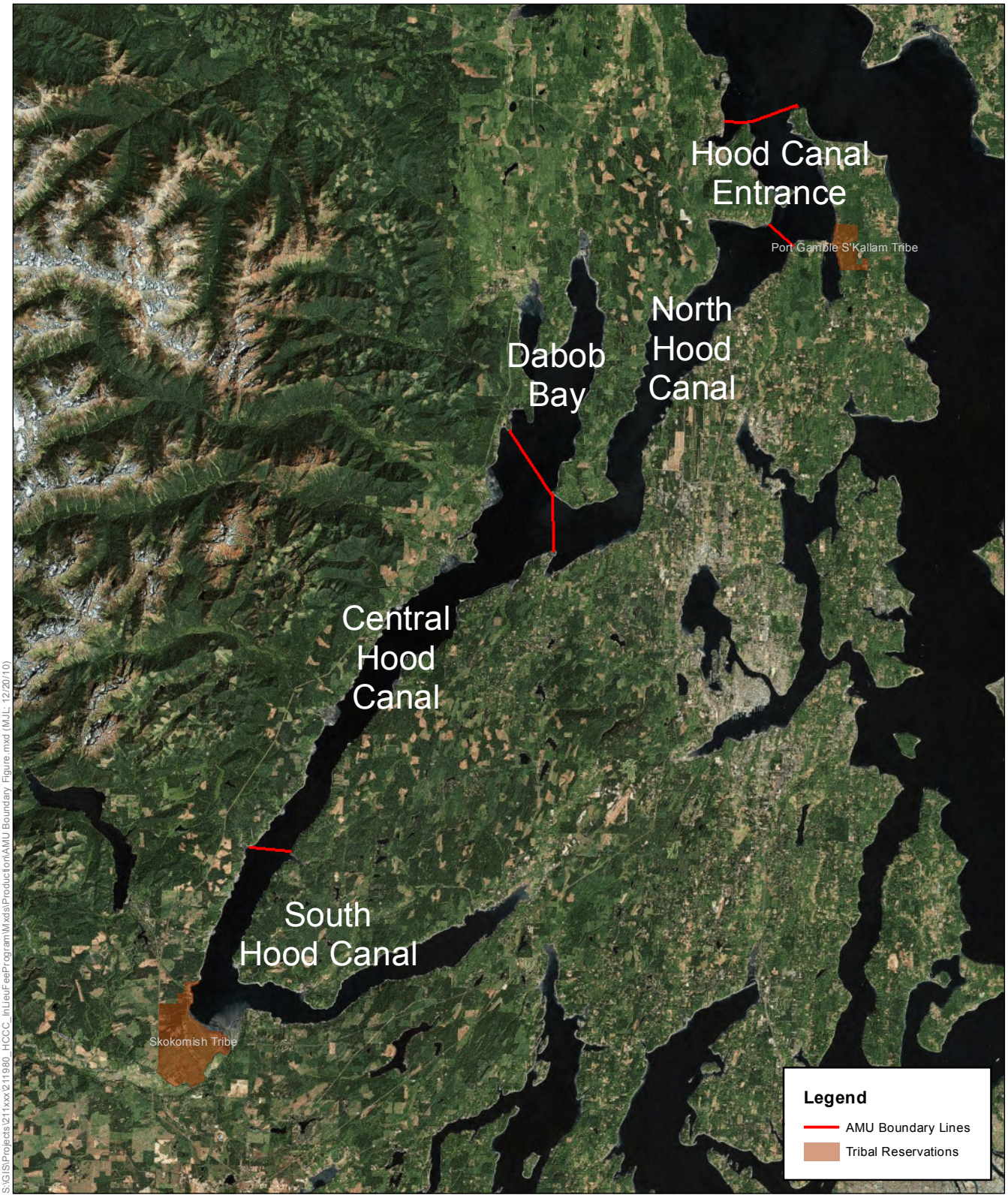
SOURCE: Ecology, 2009; Bing, 2010.

HCCC ILF Program. 211980

Exhibit 1 - Part 2a

Marine/Nearshore Service Area

Hood Canal, Washington

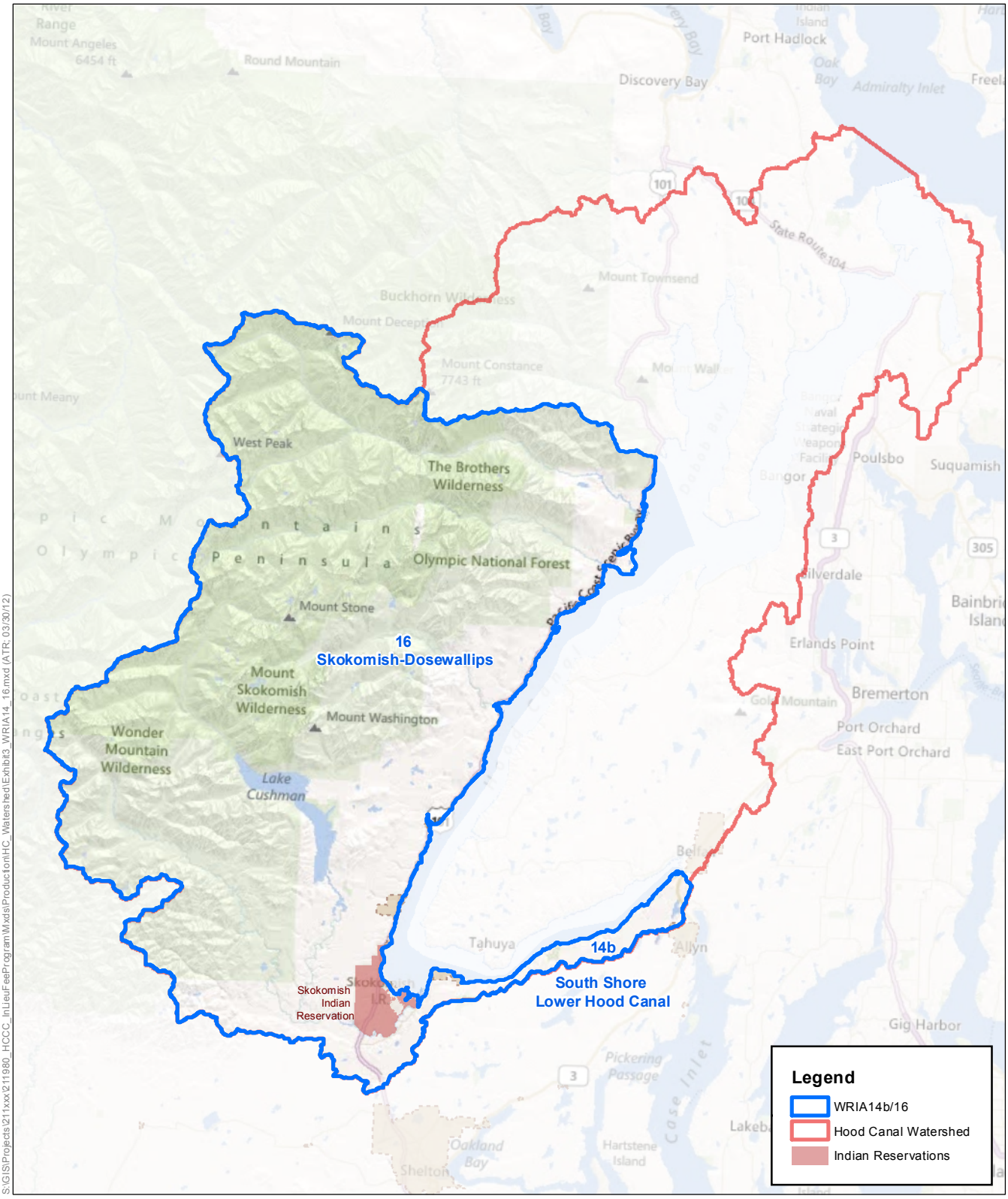


S:\GIS\Projects\211xxx\211980_HCCC_InLieuFeeProgram\Mxds\Production\AMU Boundary Figure.mxd (MJL: 12/20/10)

SOURCE: Ecology, 2009; Bing, 2010.

0 5
Miles

HCCC ILF Program. 211980
Exhibit 1 - Part 2b
Overview - AMU Areas
Hood Canal, Washington



S:\GIS\Projects\211xxx\211980_HCCC_InLieuFeeProgram\Mxds\Production\HC_Watershed\Exhibit3_WRIA14_16.mxd (ATR: 03/30/12)

SOURCE: Ecology, 2009; Bing, 2010.

0 5
Miles

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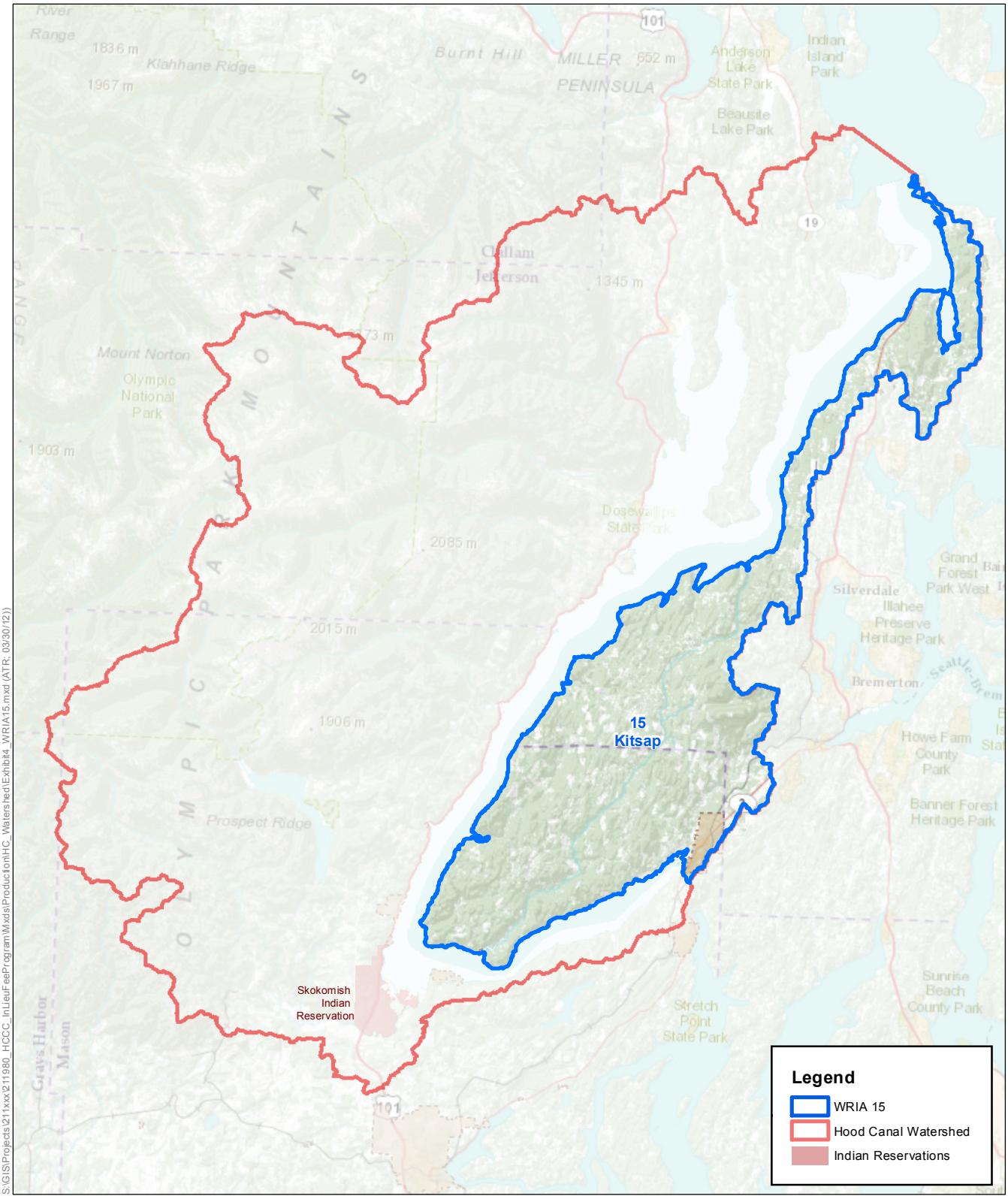
Exhibit 1 - Part 3

WRIA 14b/16 Service Area
Hood Canal, Washington



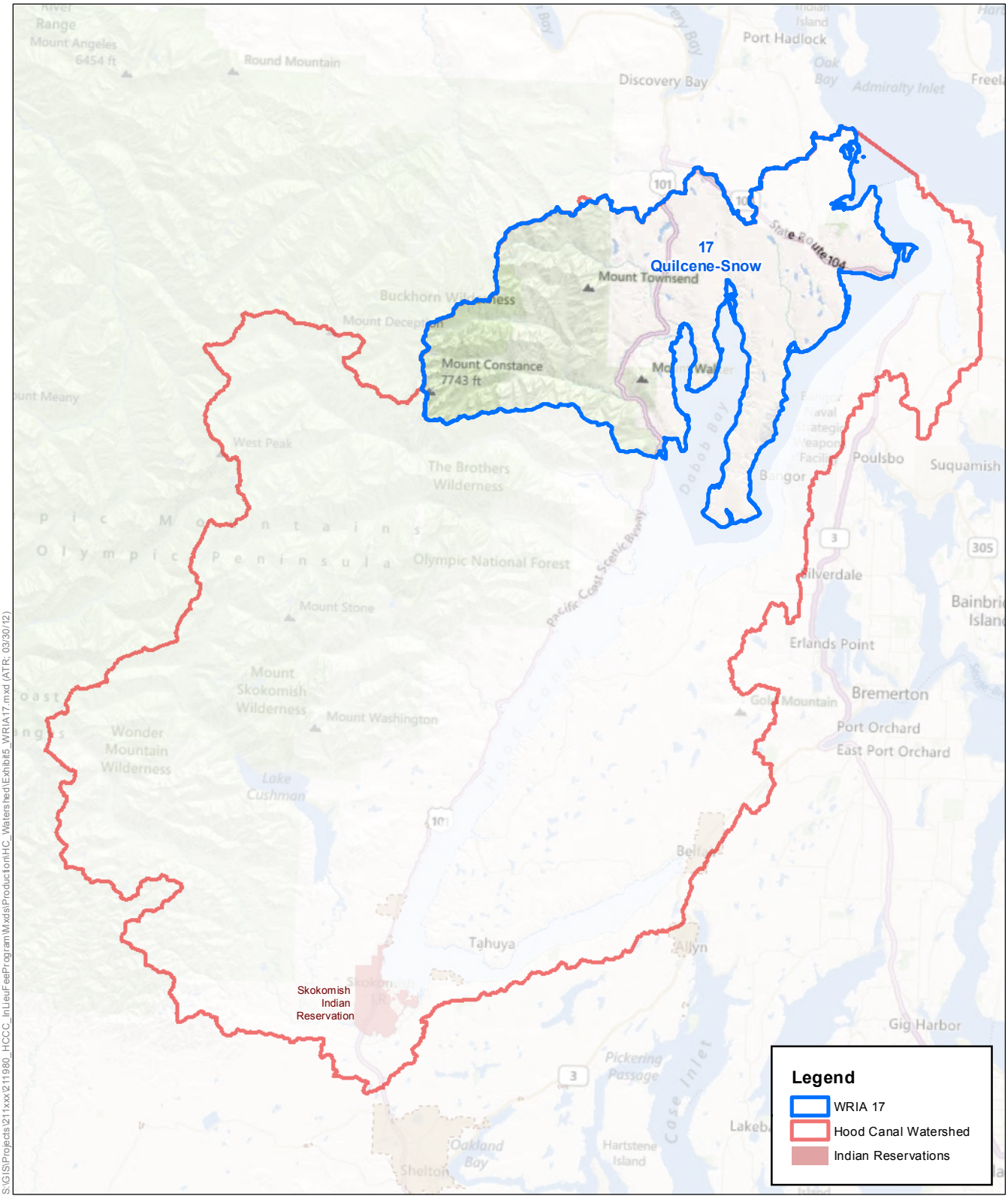
SOURCE: Ecology, 2009; Bing, 2010.

HCCC ILF Program . 211980

Exhibit 1 - Part 4

WRIA 15 Service Area

Hood Canal, Washington



S:\GIS\Projects\211xxx\211980_HCCC_InLieuFeeProgram\Mxds\Production\HC_Watershed\Exhibit5_WRIA17.mxd (ATR: 03/30/12)

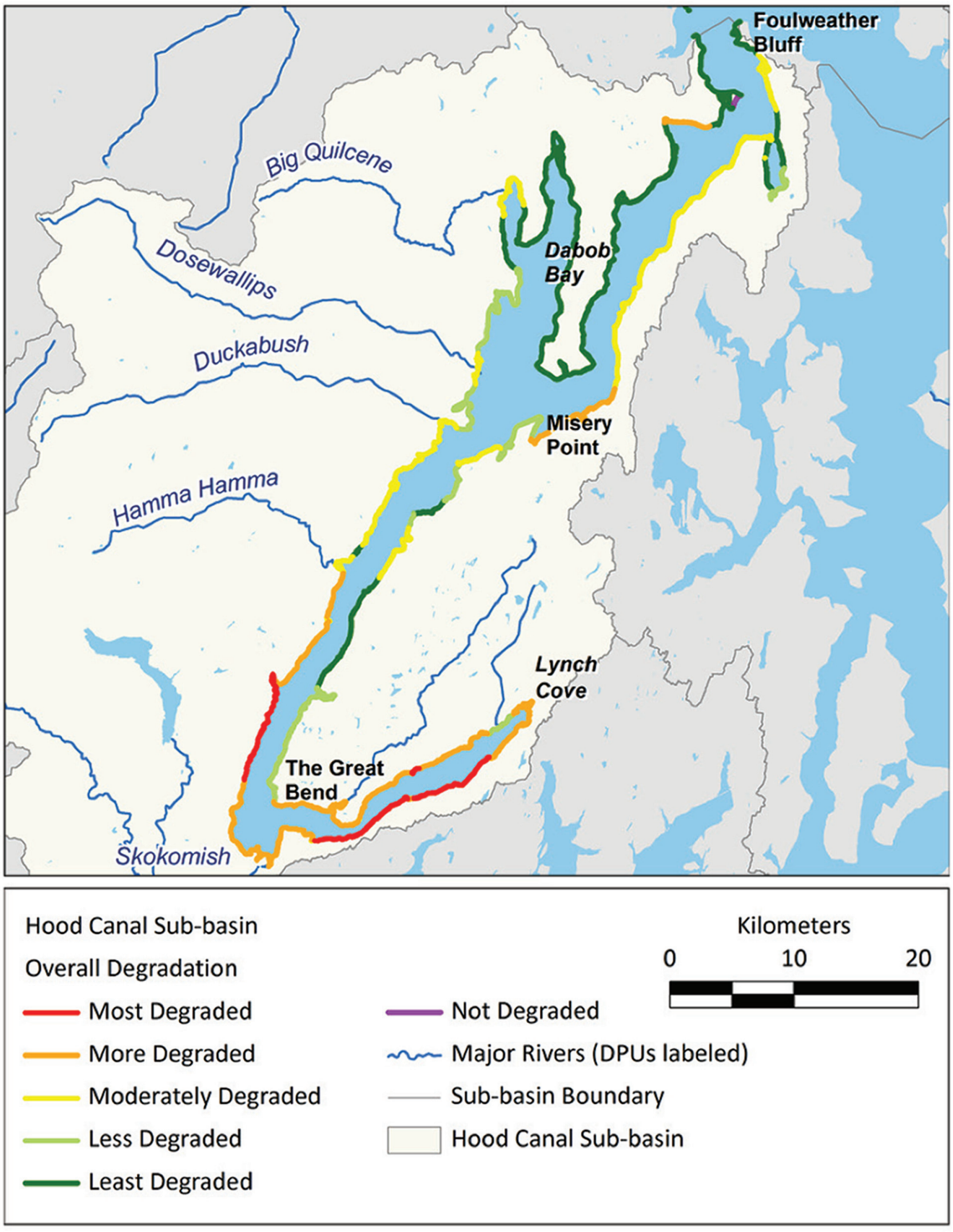
SOURCE: Ecology, 2009; Bing, 2010.

HCCC ILF Program. 211980

Exhibit 1 - Part 5

WRIA 17 Service Area

Hood Canal, Washington



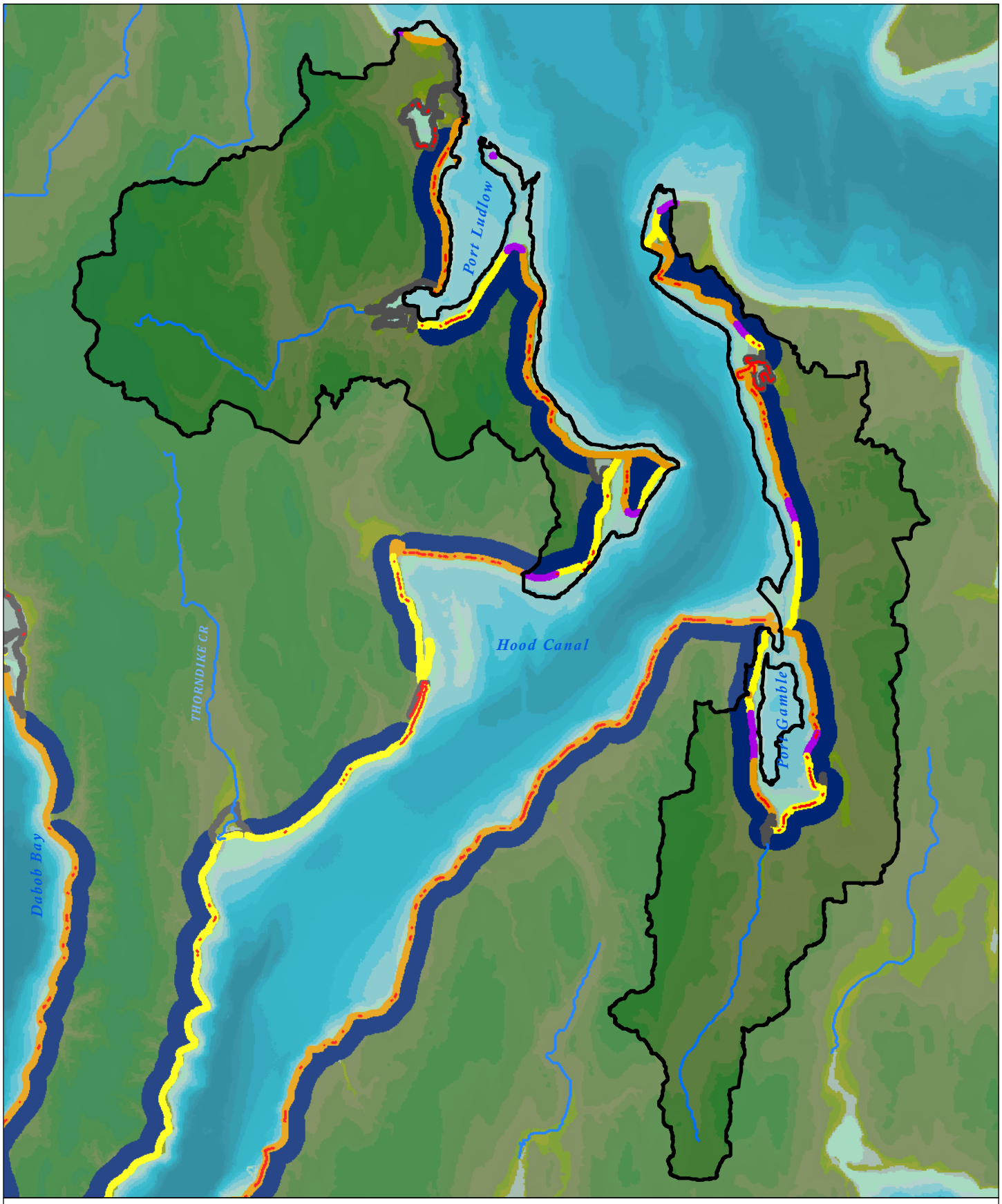
FILE NAME: Fig01_Part06_SubbasinDegradation.ai / CREATED BY: JAB / DATE LAST UPDATED: 03/30/12

SOURCE: Puget Sound Nearshore Ecosystem Restoration Project, 2011.

HCCC ILF Program . 210761

Exhibit 1 - Part 6

Sub-basin Scale Categories of Degradation in the Hood Canal Sub-basin
Hood Canal, Washington



Legend

- AMU Boundary
- Armoring
- Feeder Bluff

Drift Cell

- Convergence Zone
- Divergence Zone
- Left to Right (Facing the Shore)
- Right to Left (Facing the Shore)
- No Appreciable Drift

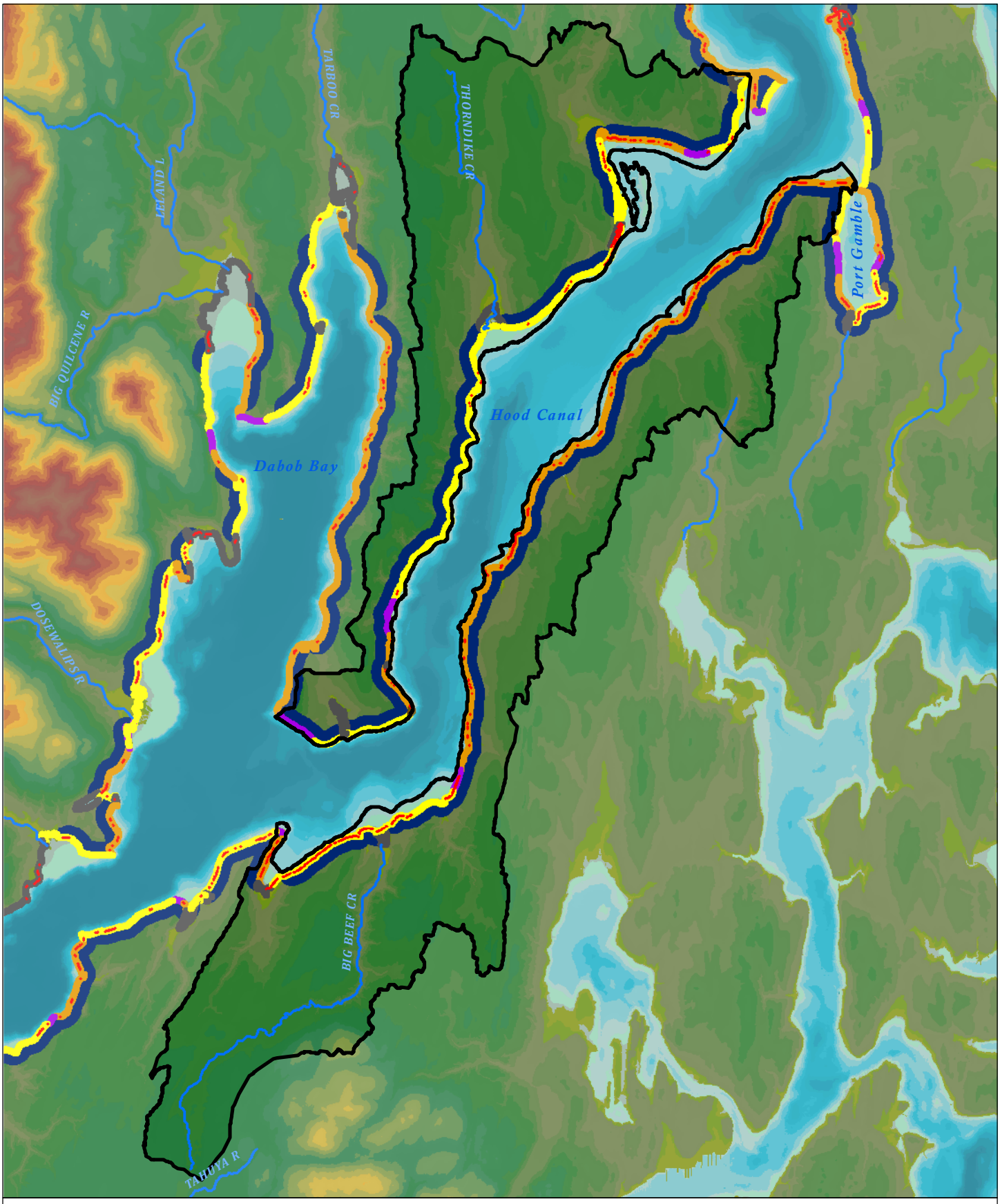
SOURCE: PSNERP, 2010

Drift Cells, Feeder Bluffs & Armoring
Hood Canal Entrance
Exhibit 1 - Part 7

N

0 1.8

Miles



Legend

- AMU Boundary
- Armoring
- Feeder Bluff

Drift Cell

- Convergence Zone
- Divergence Zone
- Left to Right (Facing the Shore)
- Right to Left (Facing the Shore)
- No Appreciable Drift

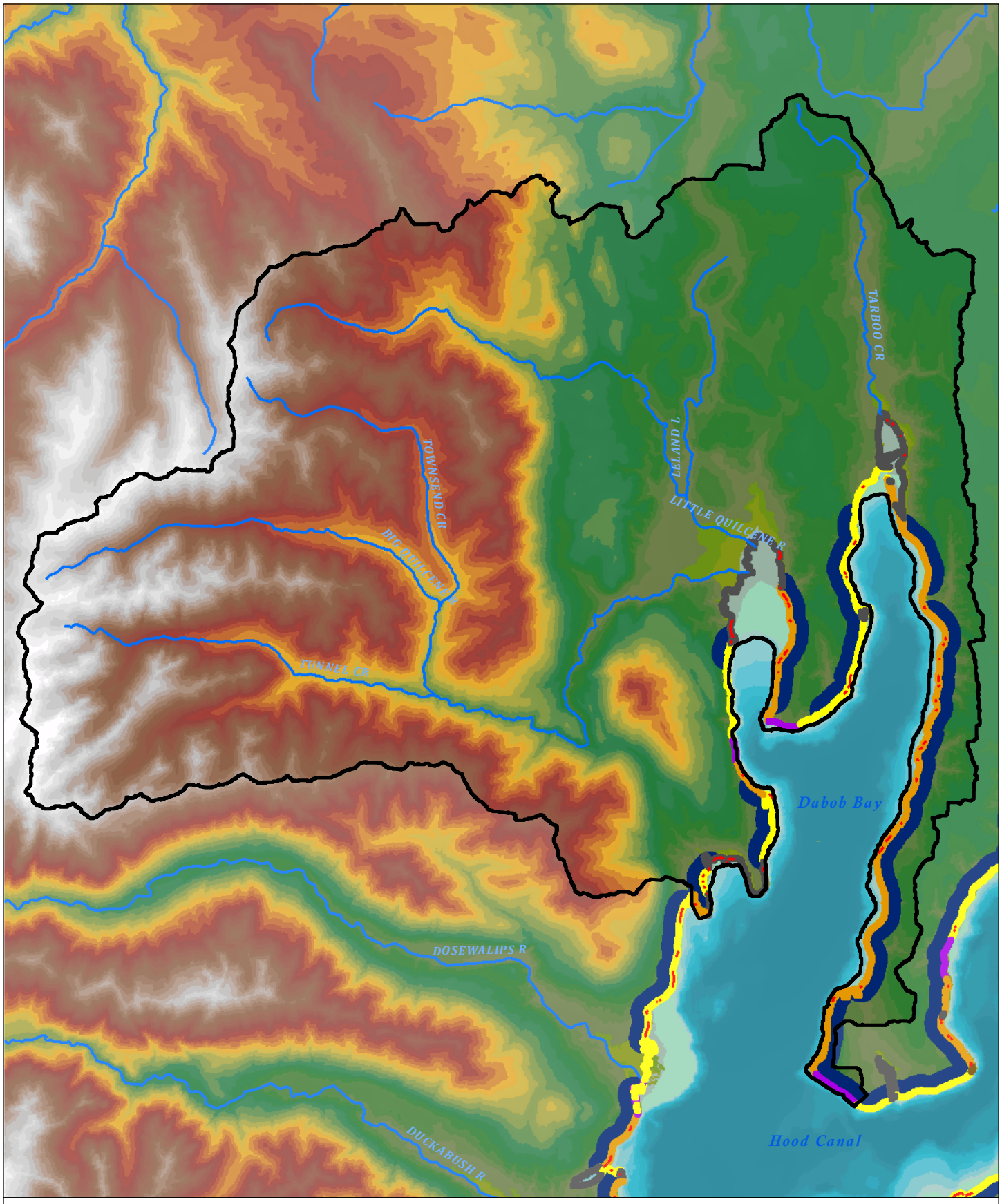
SOURCE: PSNERP, 2010

Drift Cells, Feeder Bluffs & Armoring
North Hood Canal
Exhibit 1 - Part 8

N

0 2

Miles



Legend

- AMU Boundary
- Armoring
- Feeder Bluff

Drift Cell

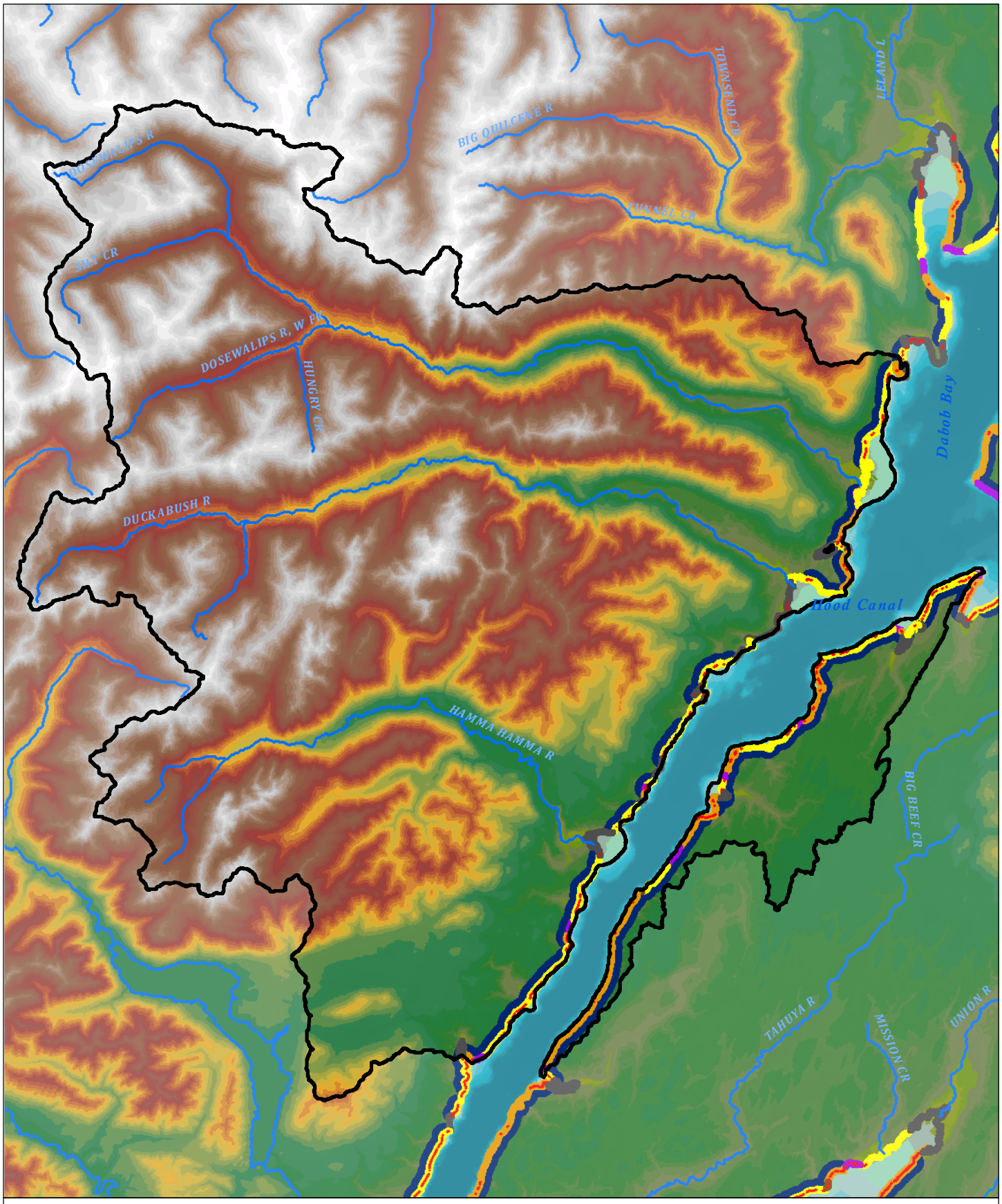
- Convergence Zone
- Divergence Zone
- Left to Right (Facing the Shore)
- Right to Left (Facing the Shore)
- No Appreciable Drift

SOURCE: PSNERP, 2010

Drift Cells, Feeder Bluffs & Armoring
Dabob Bay
Exhibit 1 - Part 9

N

0 2
Miles



Legend

- AMU Boundary
- Armoring
- Feeder Bluff

Drift Cell

- Convergence Zone
- Divergence Zone
- Left to Right (Facing the Shore)
- Right to Left (Facing the Shore)
- No Appreciable Drift

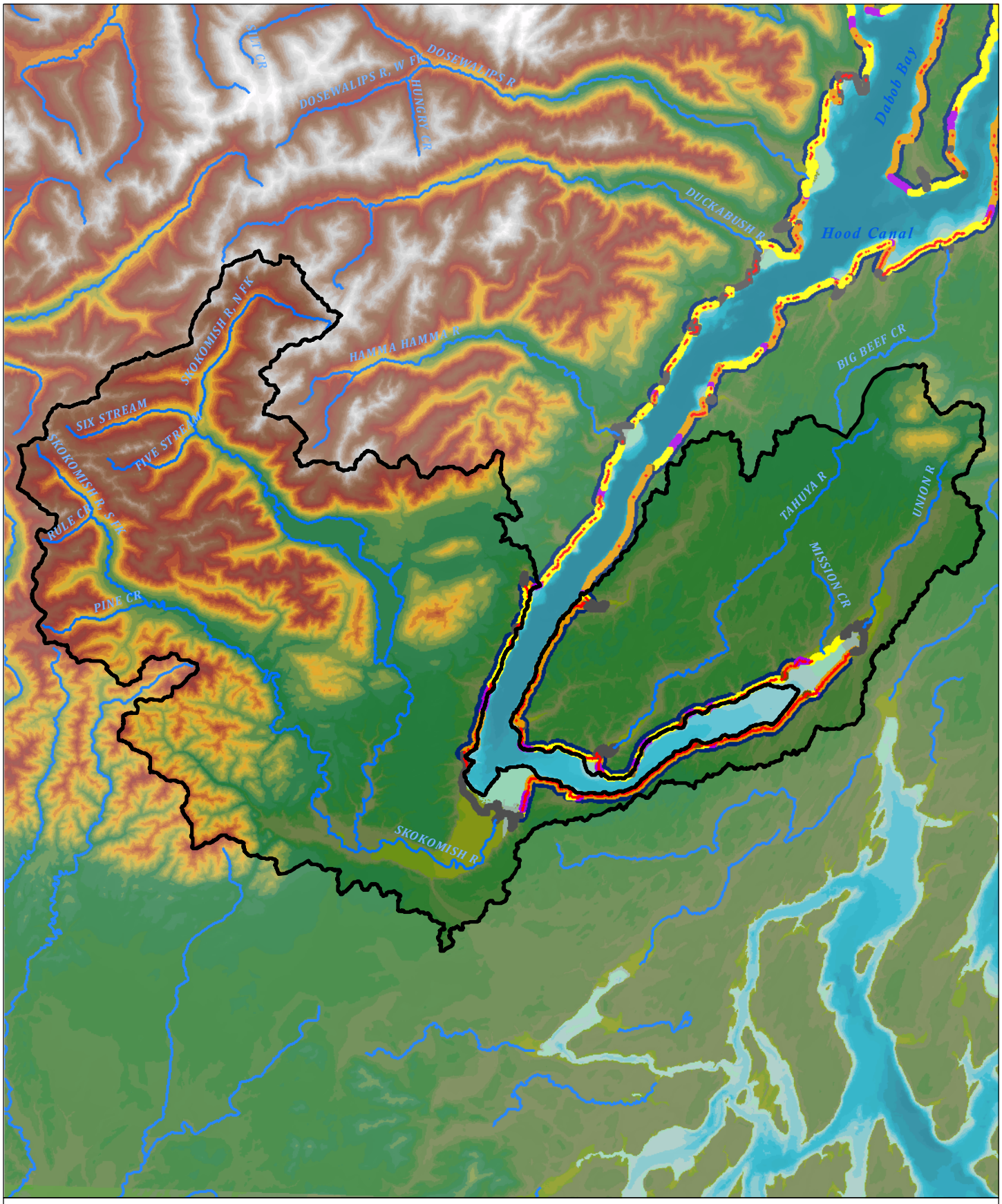
SOURCE: PSNERP, 2010

Drift Cells, Feeder Bluffs & Armoring
Central Hood Canal
Exhibit 1 - Part 10

N

0 3

Miles



Legend

- AMU Boundary
- Armoring
- Feeder Bluff

Drift Cell

- Convergence Zone
- Divergence Zone
- Left to Right (Facing the Shore)
- Right to Left (Facing the Shore)
- No Appreciable Drift

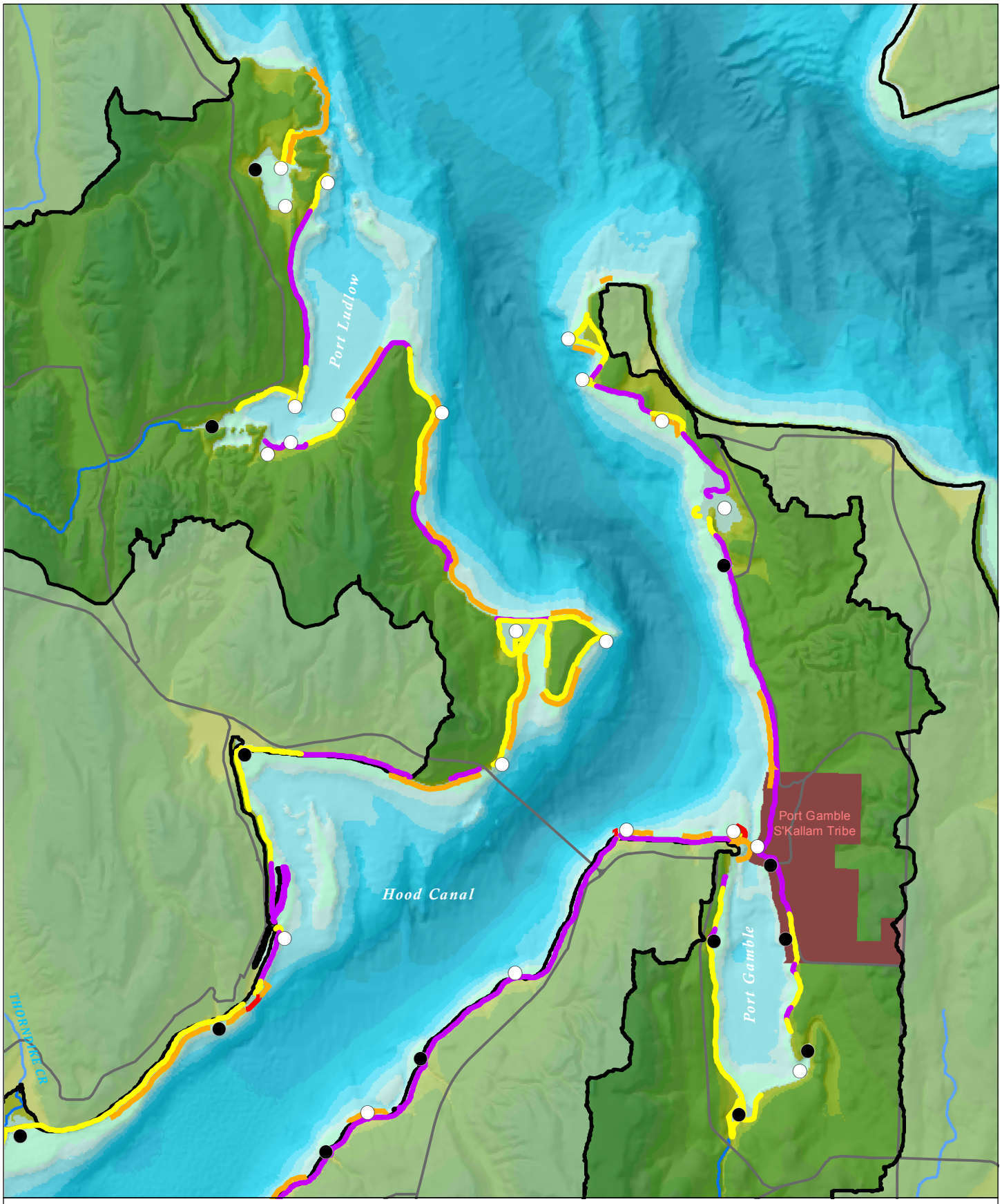
SOURCE: PSNERP, 2010

Drift Cells, Feeder Bluffs & Armoring
South Hood Canal
Exhibit 1 - Part 11

N

0 5

Miles



Legend

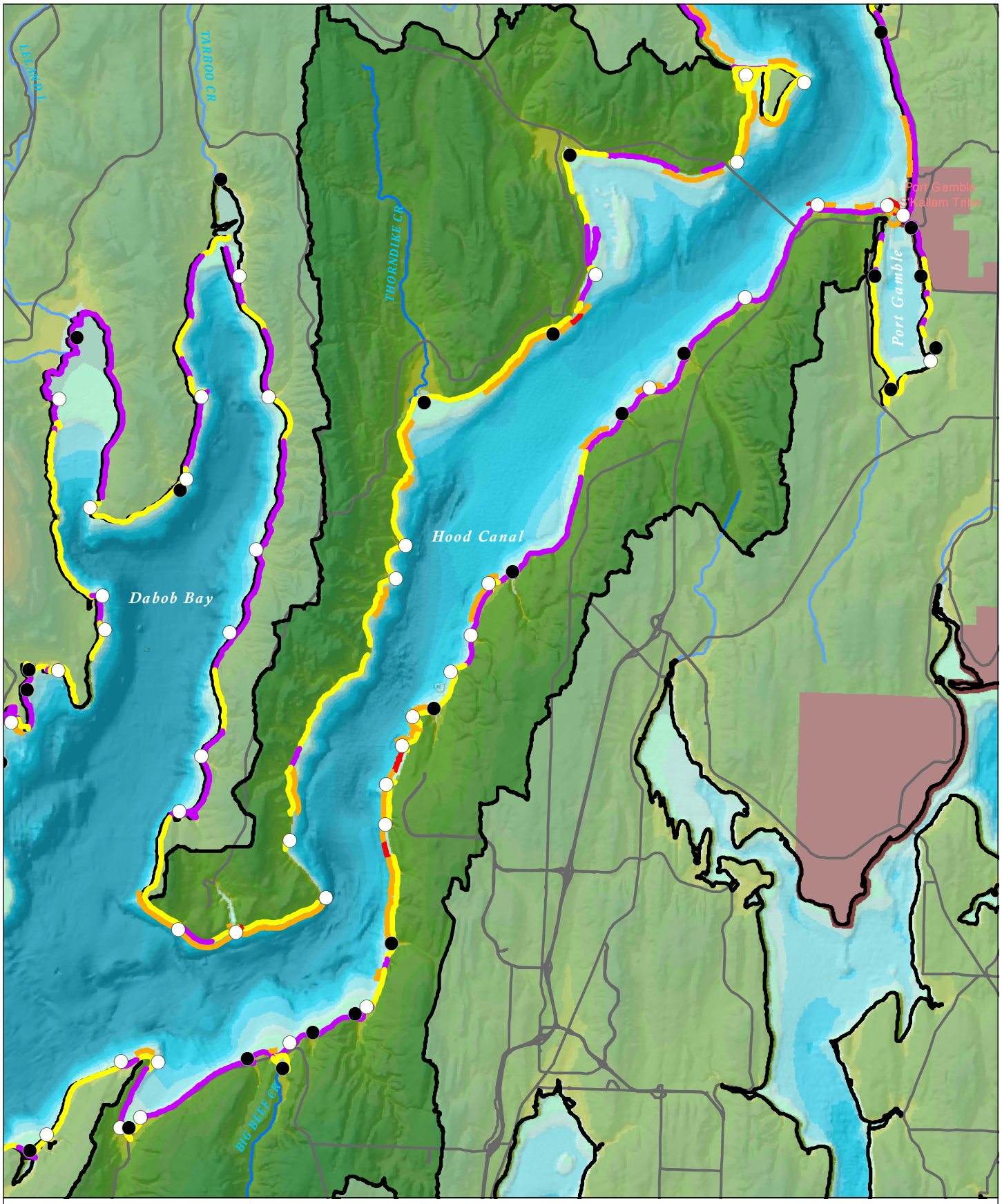
- AMU Boundary
- Tribal Reservations
- Eelgrass (Continuous)
- Eelgrass (Patchy)
- Kelp (Continuous)
- Kelp (Patchy)
- Spit/Marsh Complexes
- Stream-Delta Complexes

Eelgrass, Kelp, and Complexes
Hood Canal Entrance
Exhibit 1 - Part 12

N

0 1.4
Miles

SOURCE: HCCC, 2012; PSNERP, 2010.



Legend

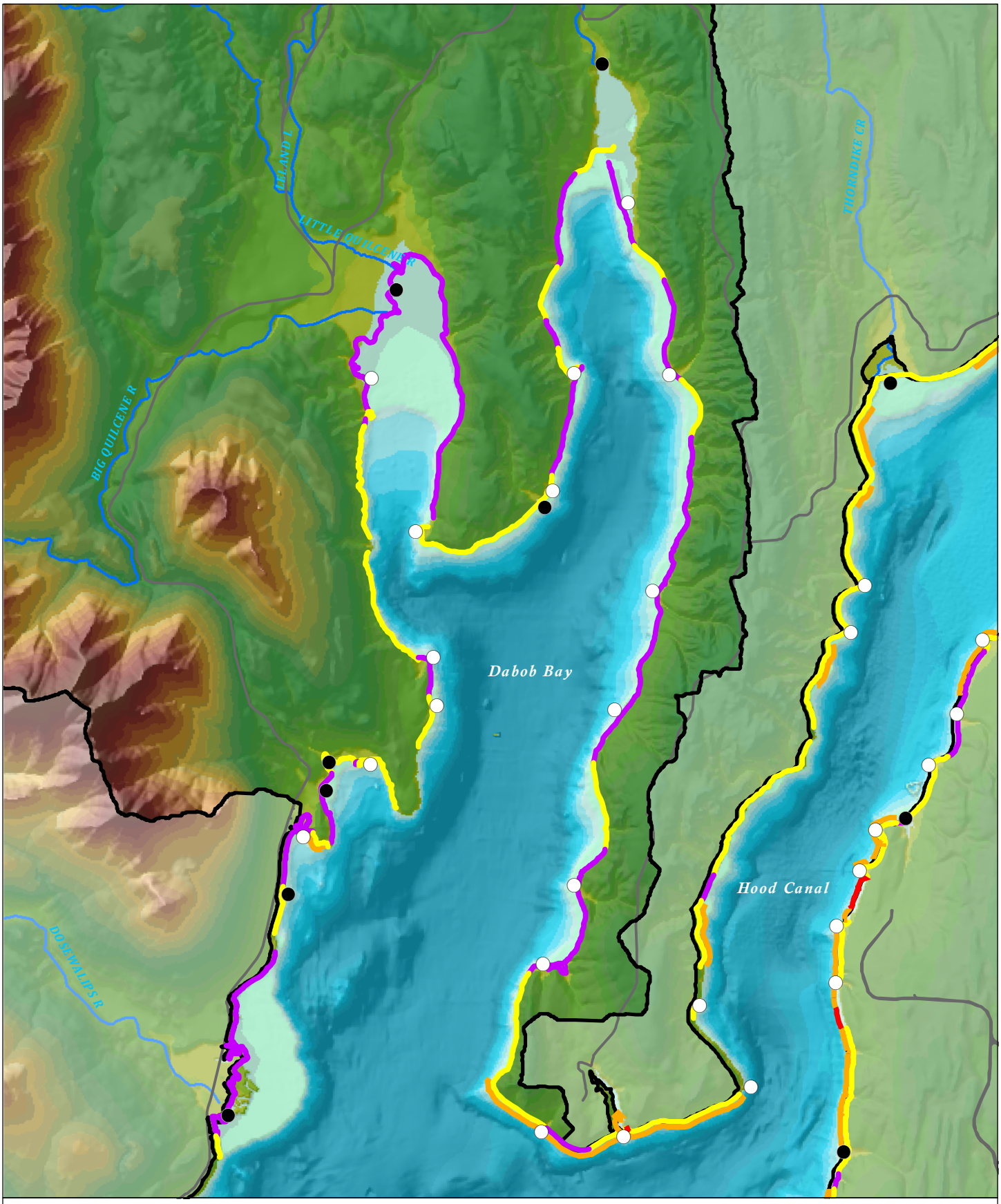
- AMU Boundary
- Tribal Reservations
- Eelgrass (Continuous)
- Eelgrass (Patchy)
- Kelp (Continuous)
- Kelp (Patchy)
- Spit/Marsh Complexes
- Stream-Delta Complexes

Eelgrass, Kelp, and Complexes
North Hood Canal
Exhibit 1 - Part 13

N

0 2
Miles

SOURCE: HCCC, 2012; PSNERP, 2010.



Legend

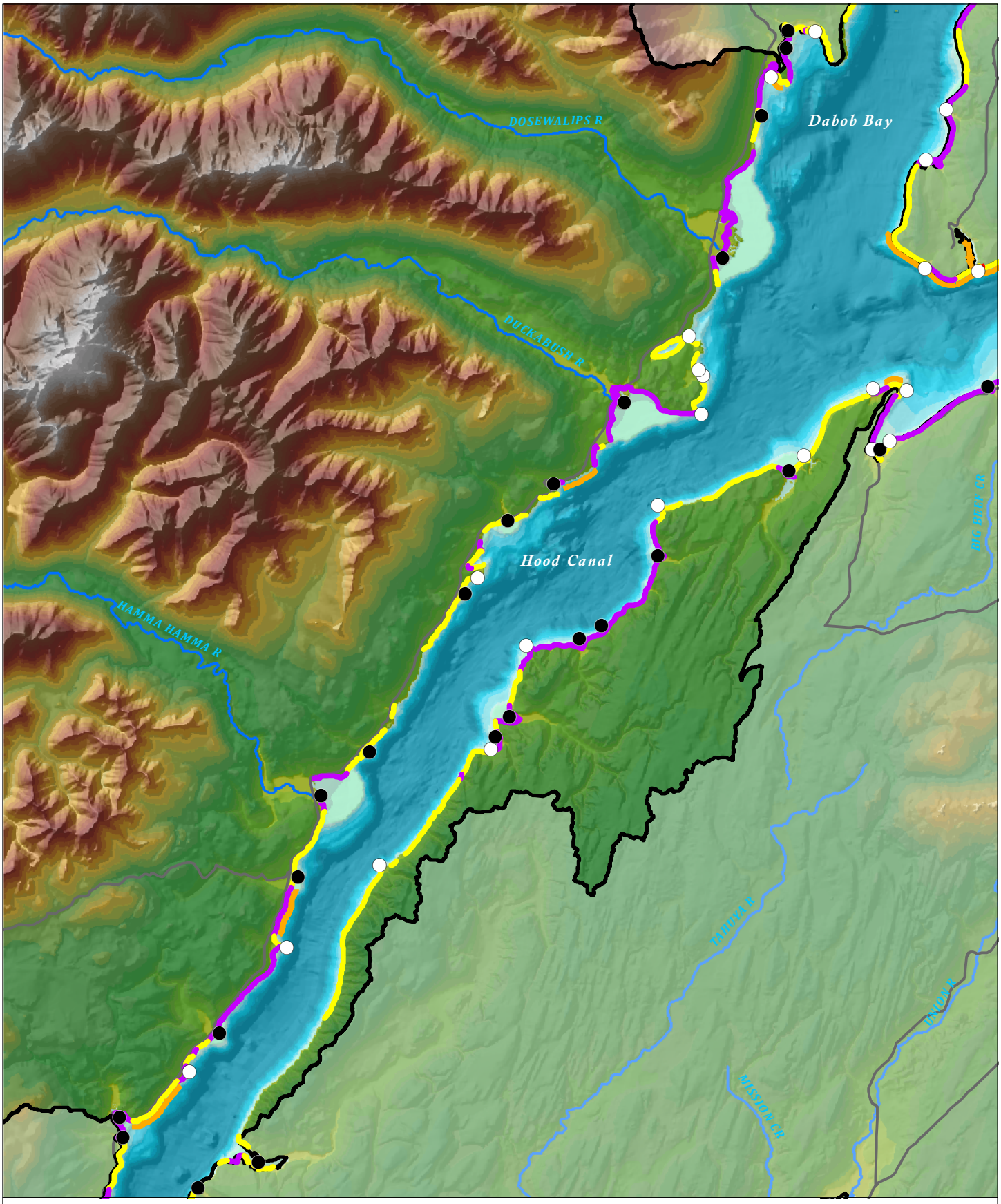
- AMU Boundary
- Tribal Reservations
- Eelgrass (Continuous)
- Eelgrass (Patchy)
- Kelp (Continuous)
- Kelp (Patchy)
- Spit/Marsh Complexes
- Stream-Delta Complexes

Eelgrass, Kelp, and Complexes
Dabob Bay
Exhibit 1 - Part 14

N

0 1.5
Miles

SOURCE: HCCC, 2012; PSNERP, 2010.



Legend

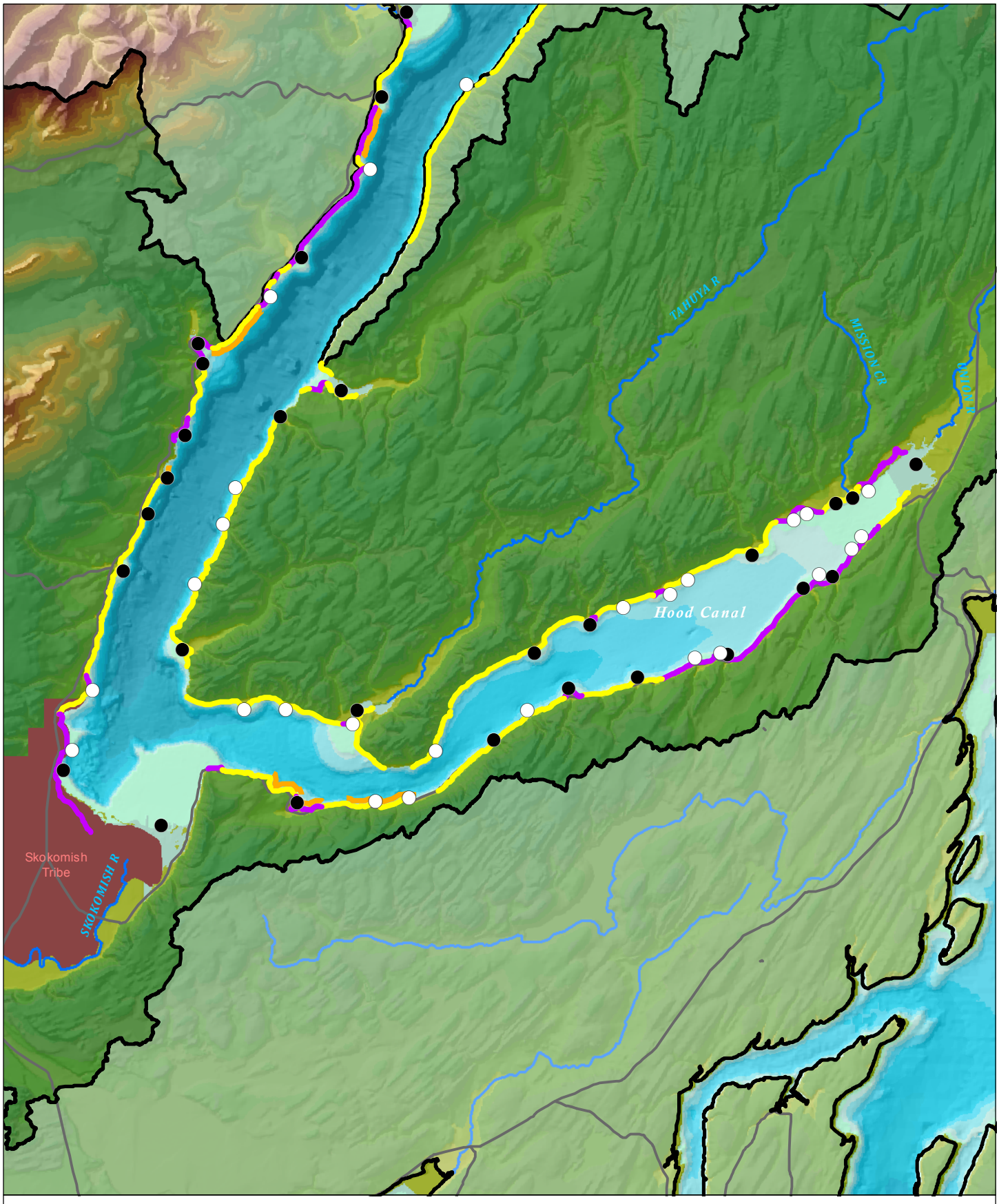
AMU Boundary
Tribal Reservations
Eelgrass (Continuous)
Eelgrass (Patchy)
Kelp (Continuous)
Kelp (Patchy)
Spit/Marsh Complexes
Stream-Delta Complexes

Eelgrass, Kelp, and Complexes
Central Hood Canal
Exhibit 1 - Part 15

N

0 2
Miles

SOURCE: HCCC, 2012; PSNERP, 2010.



Legend

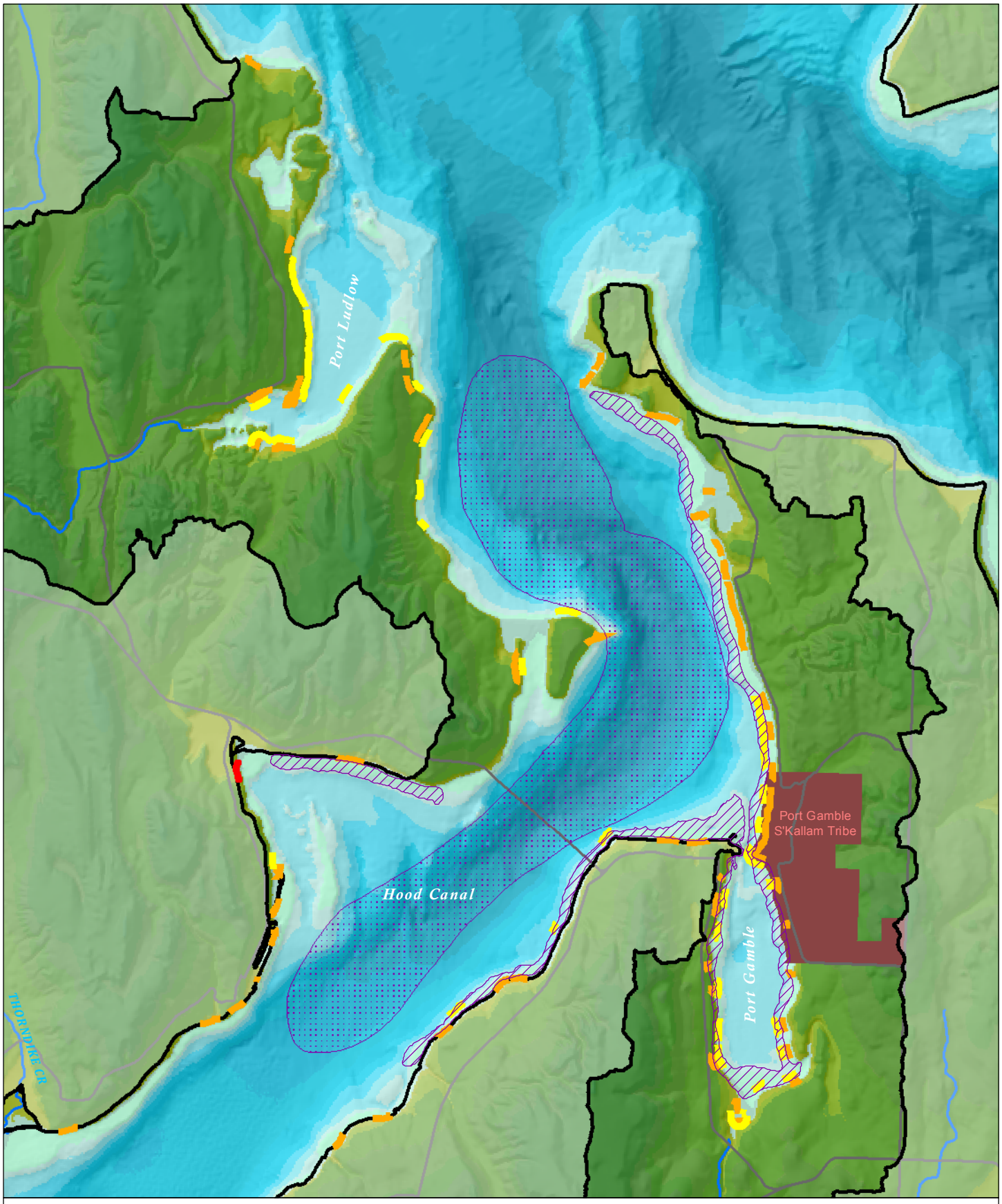
- AMU Boundary
- Tribal Reservations
- Eelgrass (Continuous)
- Eelgrass (Patchy)
- Kelp (Continuous)
- Kelp (Patchy)
- Spit/Marsh Complexes
- Stream-Delta Complexes

Eelgrass, Kelp, and Complexes
South Hood Canal
Exhibit 1 - Part 16

N

0 2
Miles

SOURCE: HCCC, 2012; PSNERP, 2010.



Legend

- AMU Boundary
- Tribal Reservations
- Herring Holding
- Herring Spawning
- Sand Lance Spawning
- Smelt Spawning
- Rock Sole

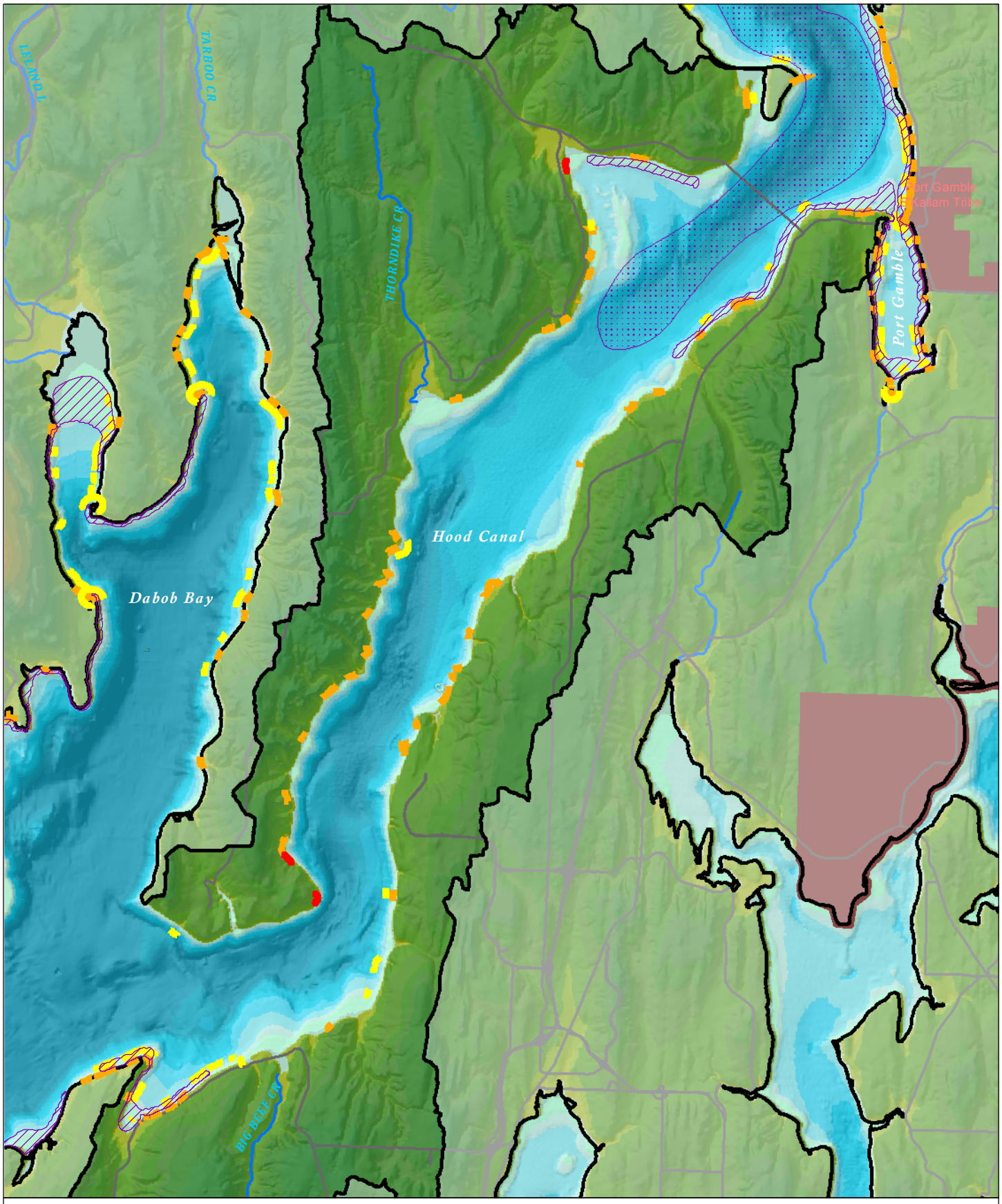
Forage Fish
Hood Canal Entrance
Exhibit 1 - Part 17

N

0 1.4

Miles

SOURCE: WDFW, 2010



Legend

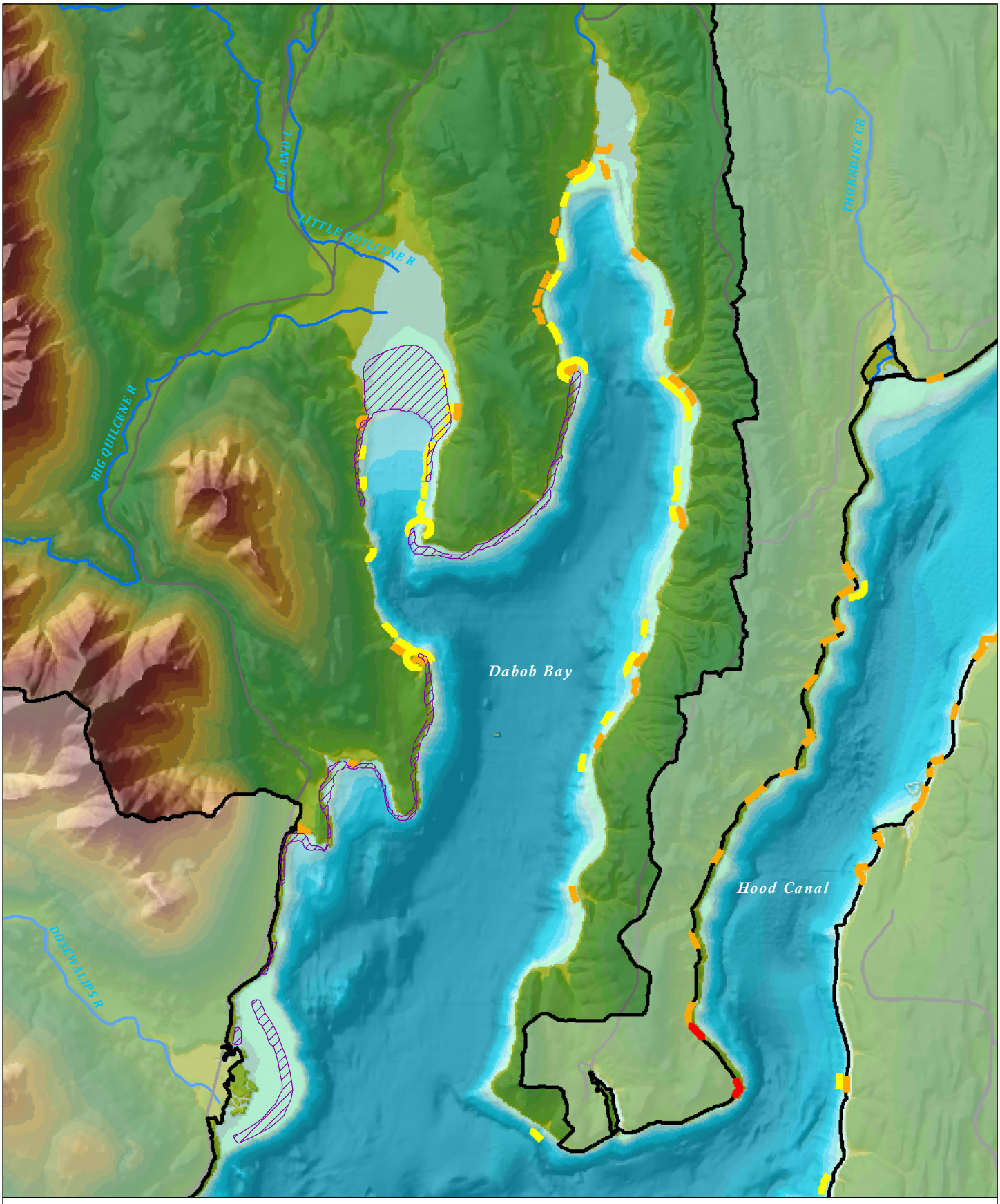
- AMU Boundary
- Tribal Reservations
- Herring Holding
- Herring Spawning
- Sand Lance Spawning
- Smelt Spawning
- Rock Sole

Forage Fish
North Hood Canal
Exhibit 1 - Part 18

N

0 2
Miles

SOURCE: WDFW, 2010



Legend

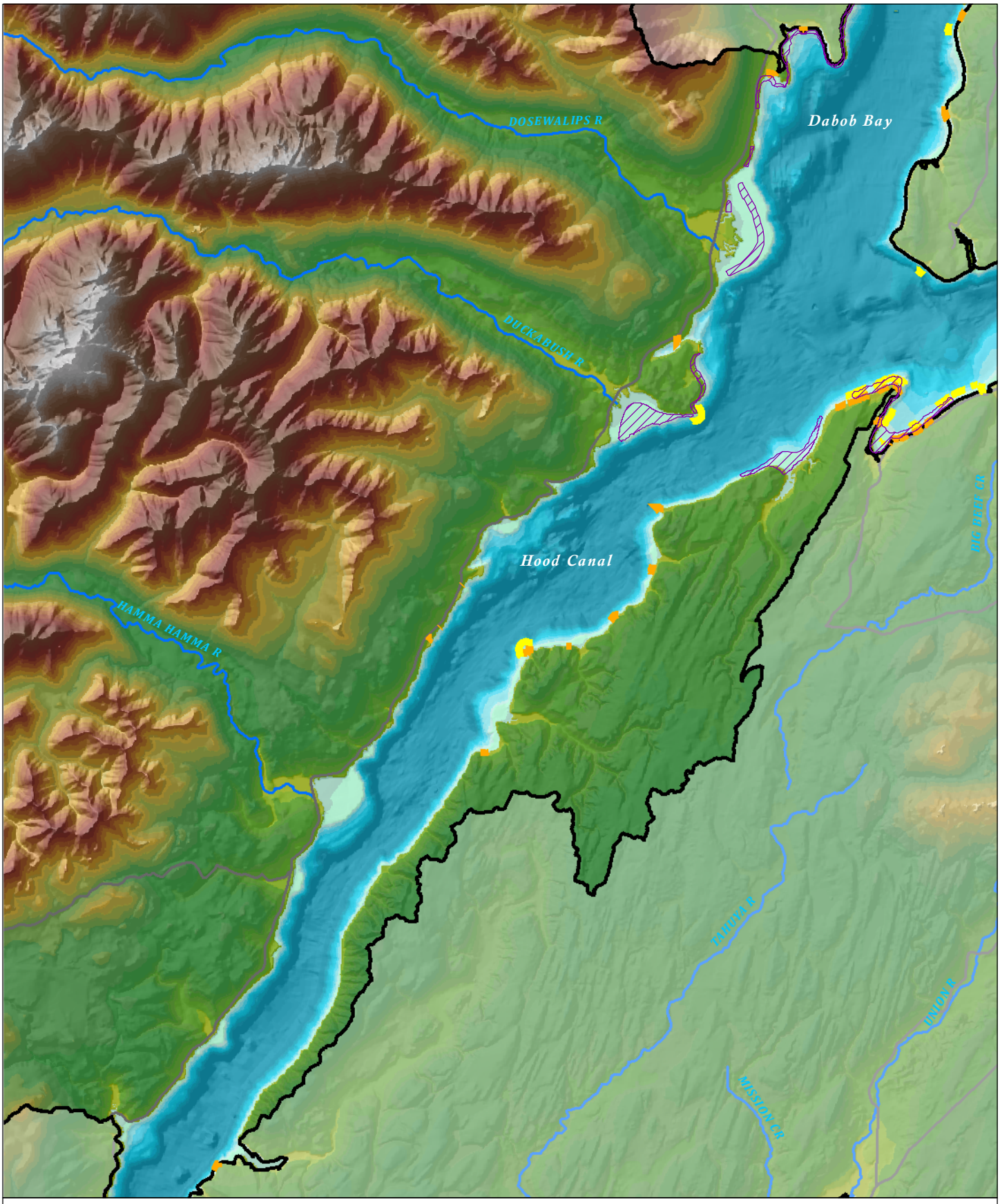
- AMU Boundary
- Tribal Reservations
- Herring Holding
- Herring Spawning
- Sand Lance Spawning
- Smelt Spawning
- Rock Sole

Forage Fish
Dabob Bay
Exhibit 1 - Part 19

N

0 1.5
Miles

SOURCE: WDFW, 2010



Legend

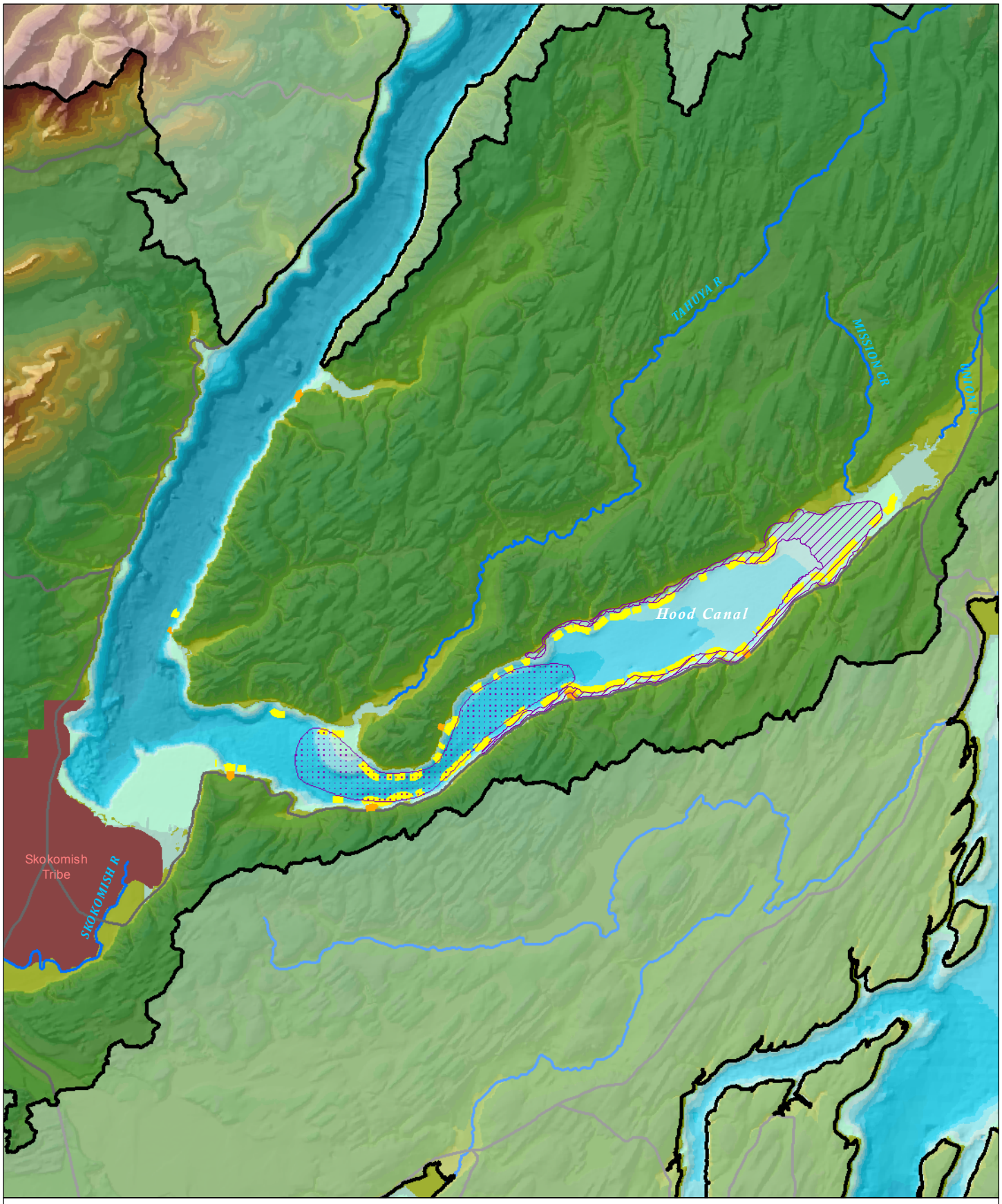
- AMU Boundary
- Tribal Reservations
- Herring Holding
- Herring Spawning
- Sand Lance Spawning
- Smelt Spawning
- Rock Sole

Forage Fish
Central Hood Canal
Exhibit 1 - Part 20

N

0 2
Miles

SOURCE: WDFW, 2010



Legend

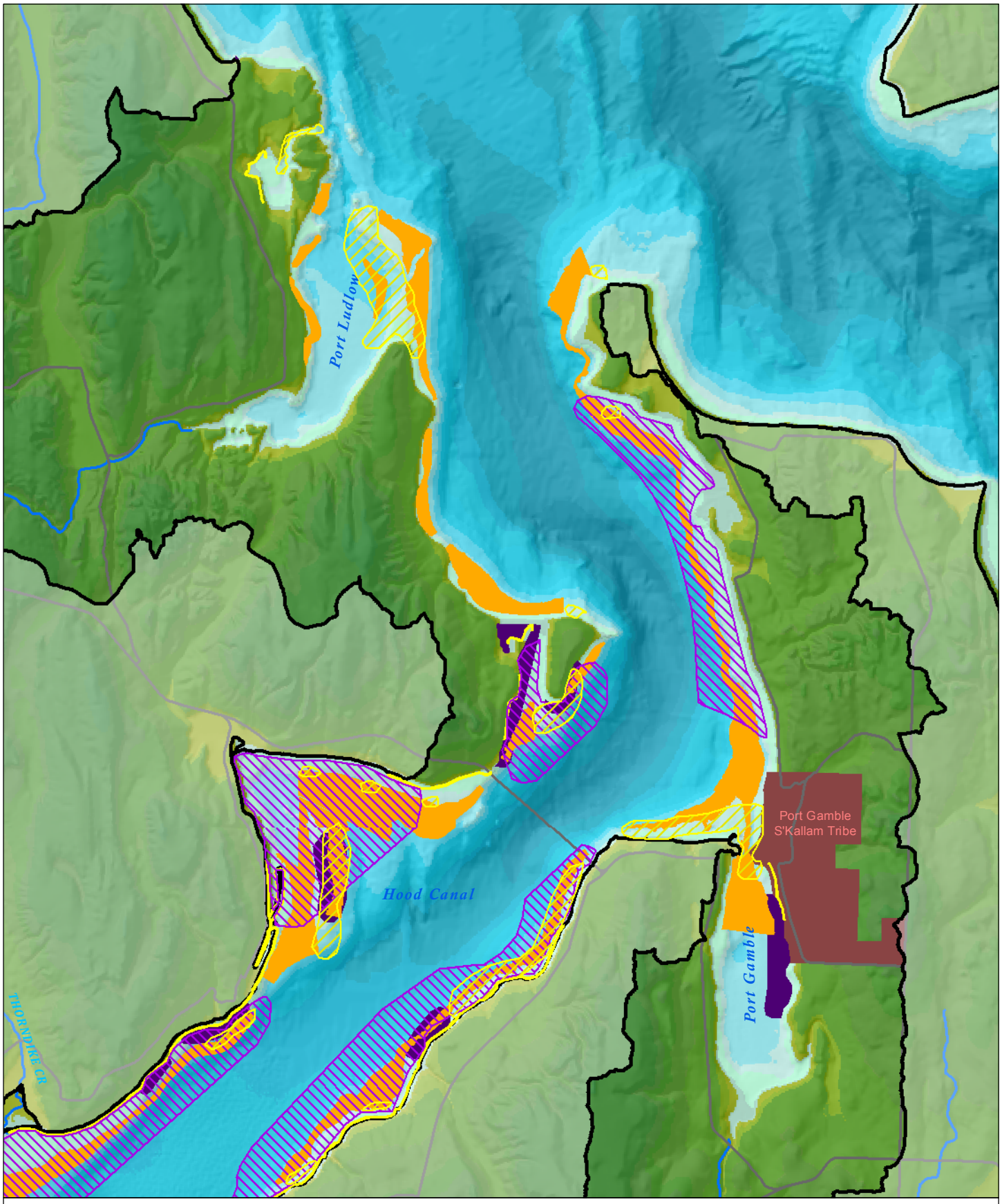
- AMU Boundary
- Tribal Reservations
- Herring Holding
- Herring Spawning
- Sand Lance Spawning
- Smelt Spawning
- Rock Sole

Forage Fish
South Hood Canal
Exhibit 1 - Part 21

N

0 2
Miles

SOURCE: WDFW, 2010



Legend

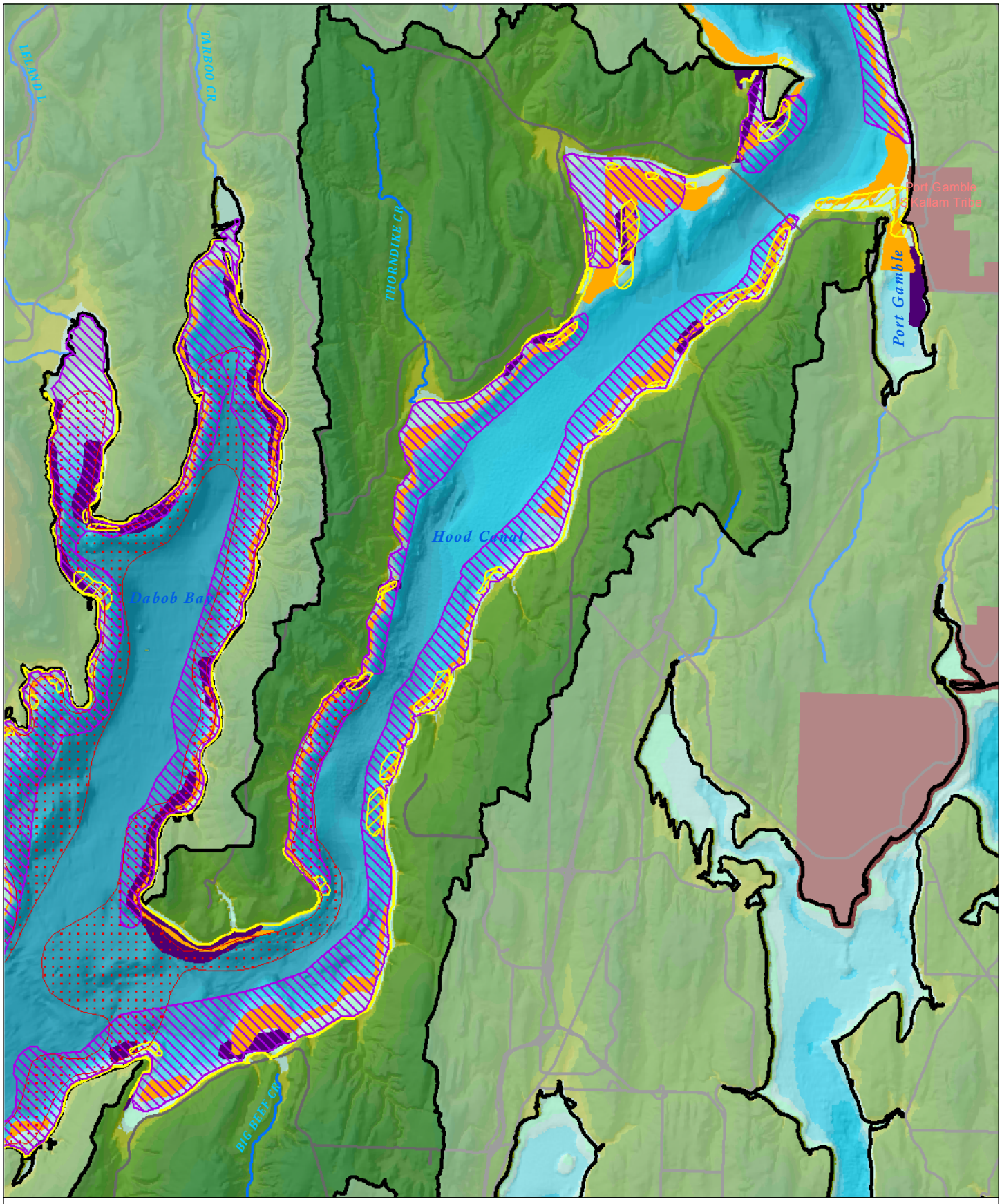
- AMU Boundary
- Tribal Reservations
- Pandalid Shrimp
- Subtidal Hardshell Clam
- Dungeness Crab
- Geoduck
- Oyster Beds
- Hardshell Clam

Shellfish
Hood Canal Entrance
Exhibit 1 - Part 22

N

0 1.4
Miles

SOURCE: PSNERP, 2010



Legend

- AMU Boundary
- Tribal Reservations
- Pandalid Shrimp
- Subtidal Hardshell Clam
- Dungeness Crab
- Geoduck
- Oyster Beds
- Hardshell Clam

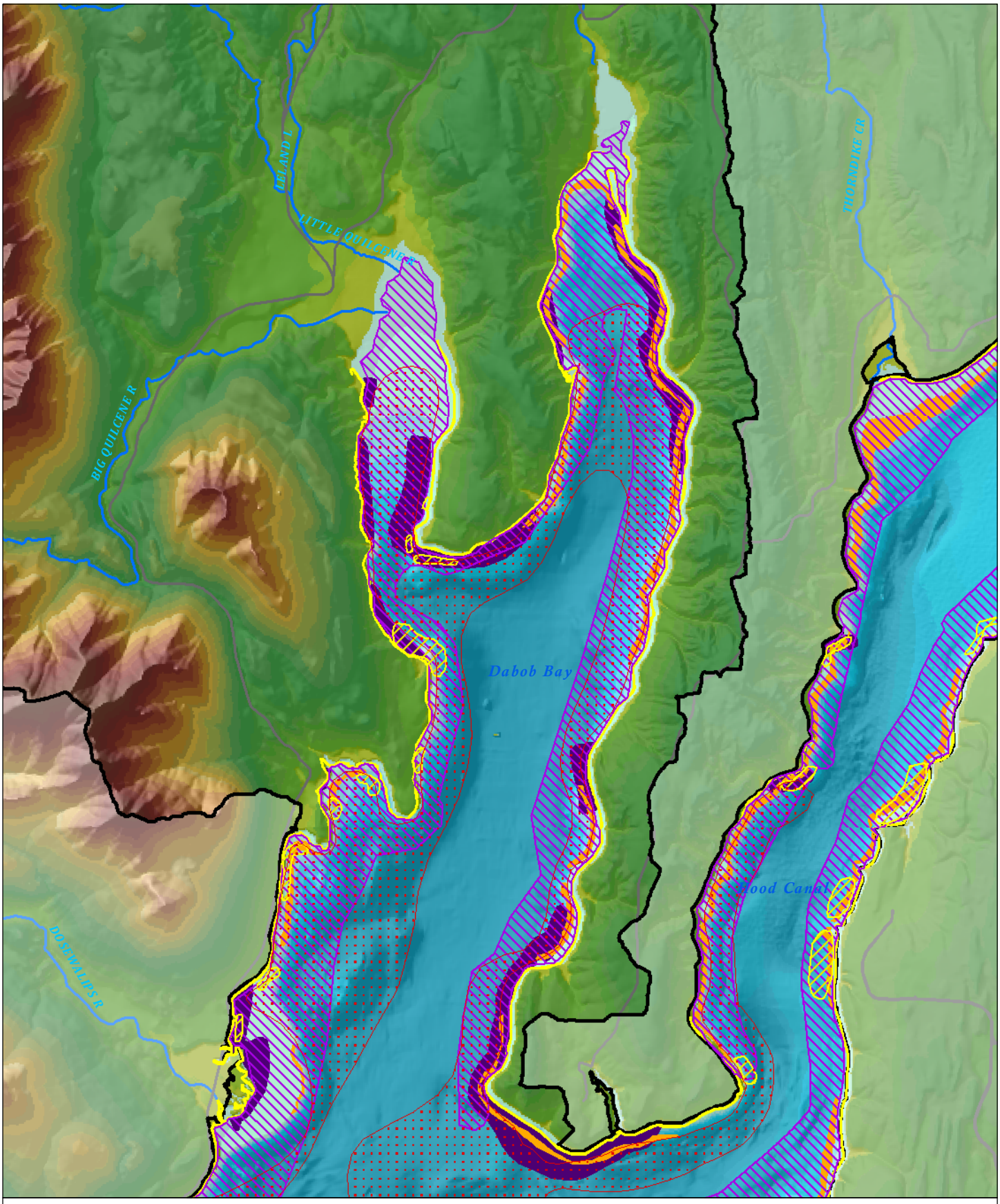
Shellfish
North Hood Canal
Exhibit 1 - Part 23

N

0 2

Miles

SOURCE: PSNERP, 2010



Legend

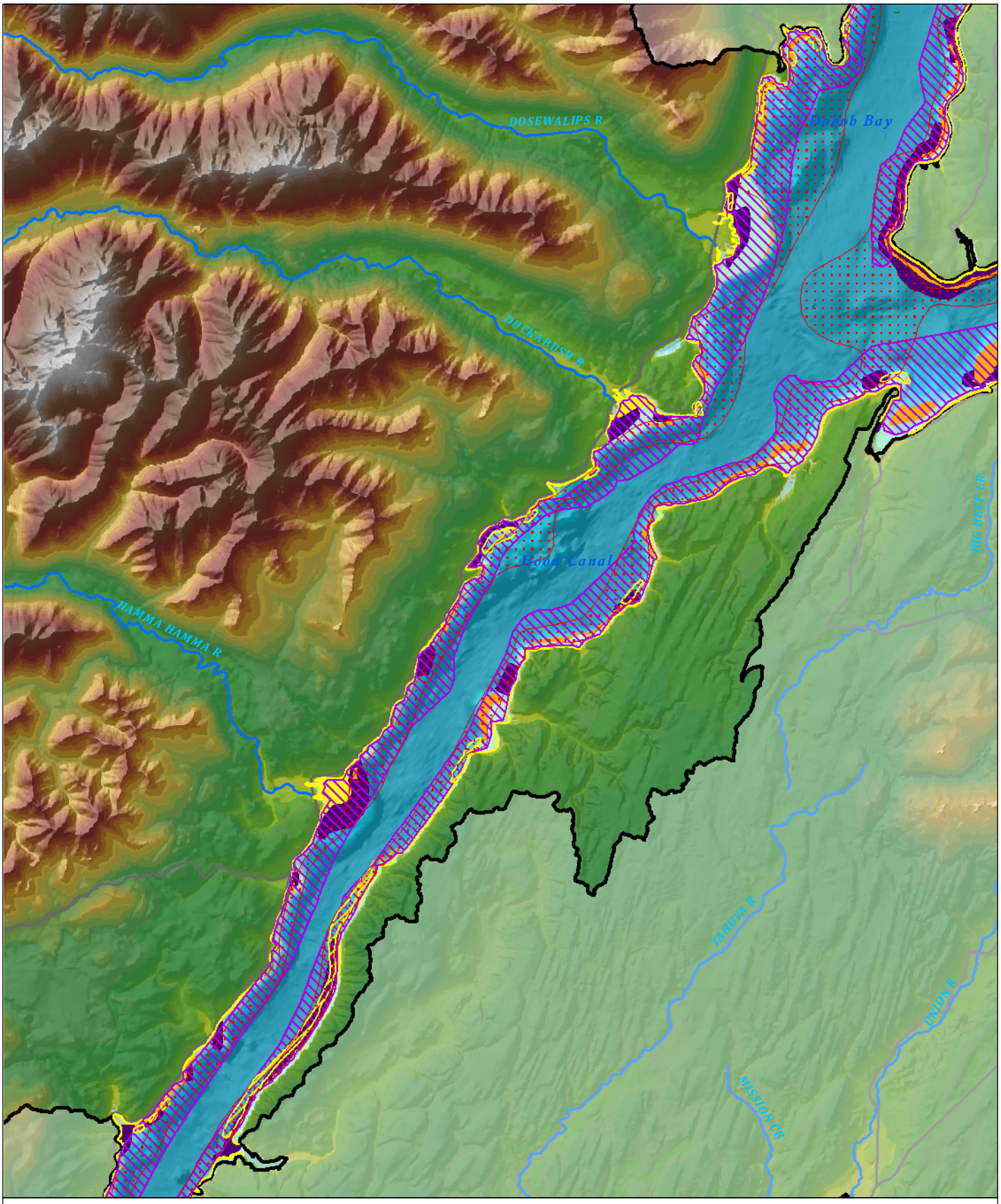
- AMU Boundary
- Tribal Reservations
- Pandalid Shrimp
- Subtidal Hardshell Clam
- Dungeness Crab
- Geoduck
- Oyster Beds
- Hardshell Clam

Shellfish
Dabob Bay
Exhibit 1 - Part 24

N

0 1.5
Miles

SOURCE: PSNERP, 2010



Legend

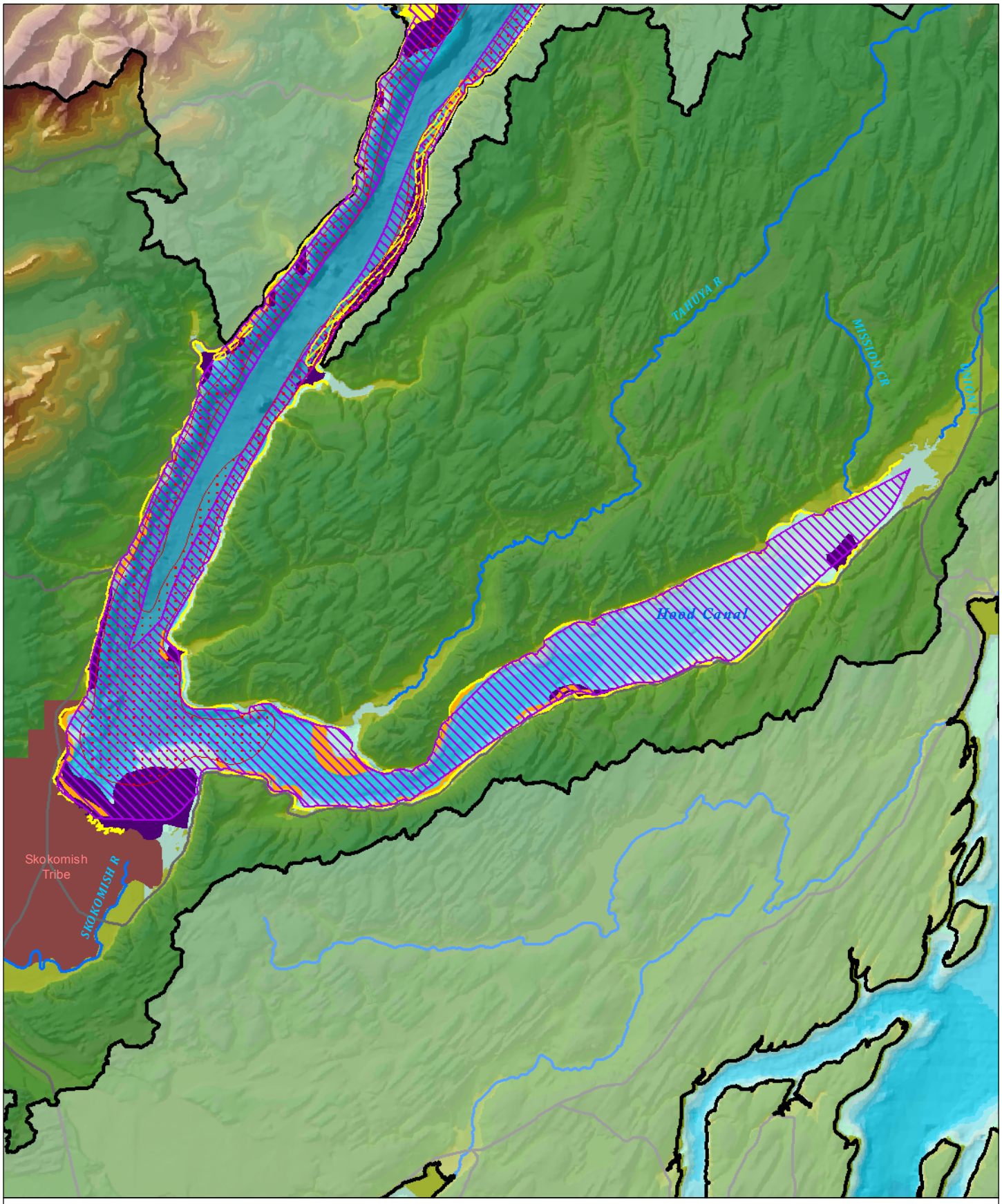
- AMU Boundary
- Tribal Reservations
- Pandalid Shrimp
- Subtidal Hardshell Clam
- Dungeness Crab
- Geoduck
- Oyster Beds
- Hardshell Clam

Shellfish
Central Hood Canal
Exhibit 1 - Part 25

N

0 2
Miles

SOURCE: PSNERP, 2010



Legend

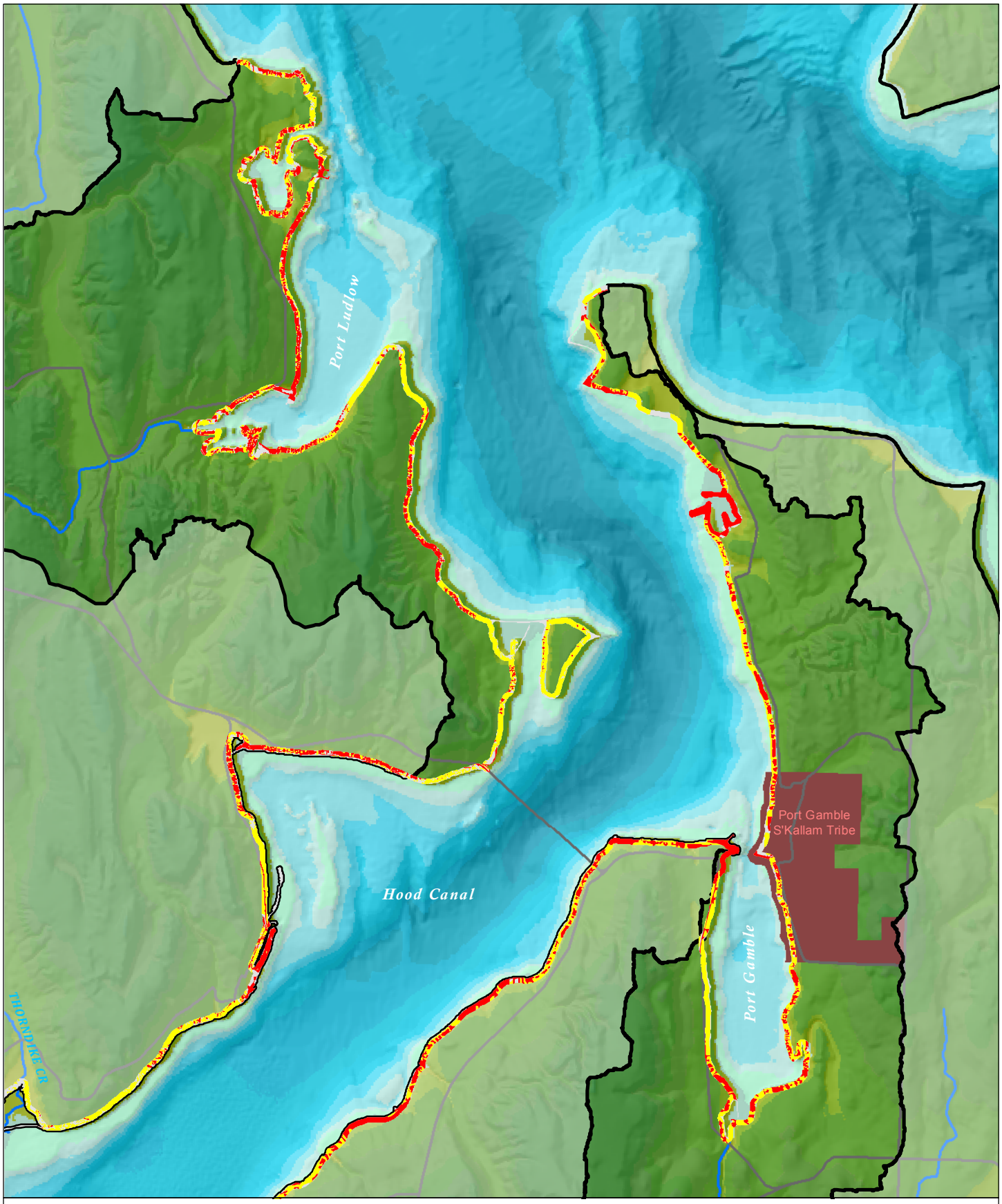
- AMU Boundary
- Tribal Reservations
- Pandalid Shrimp
- Subtidal Hardshell Clam
- Dungeness Crab
- Geoduck
- Oyster Beds
- Hardshell Clam

Shellfish
South Hood Canal
Exhibit 1 - Part 26

N

0 2
Miles

SOURCE: PSNERP, 2010



Legend

- AMU Boundary
- Tribal Reservations

Marine Riparain (300ft from OHWM)

- Closed Canopy
- Non-Forest
- No Data

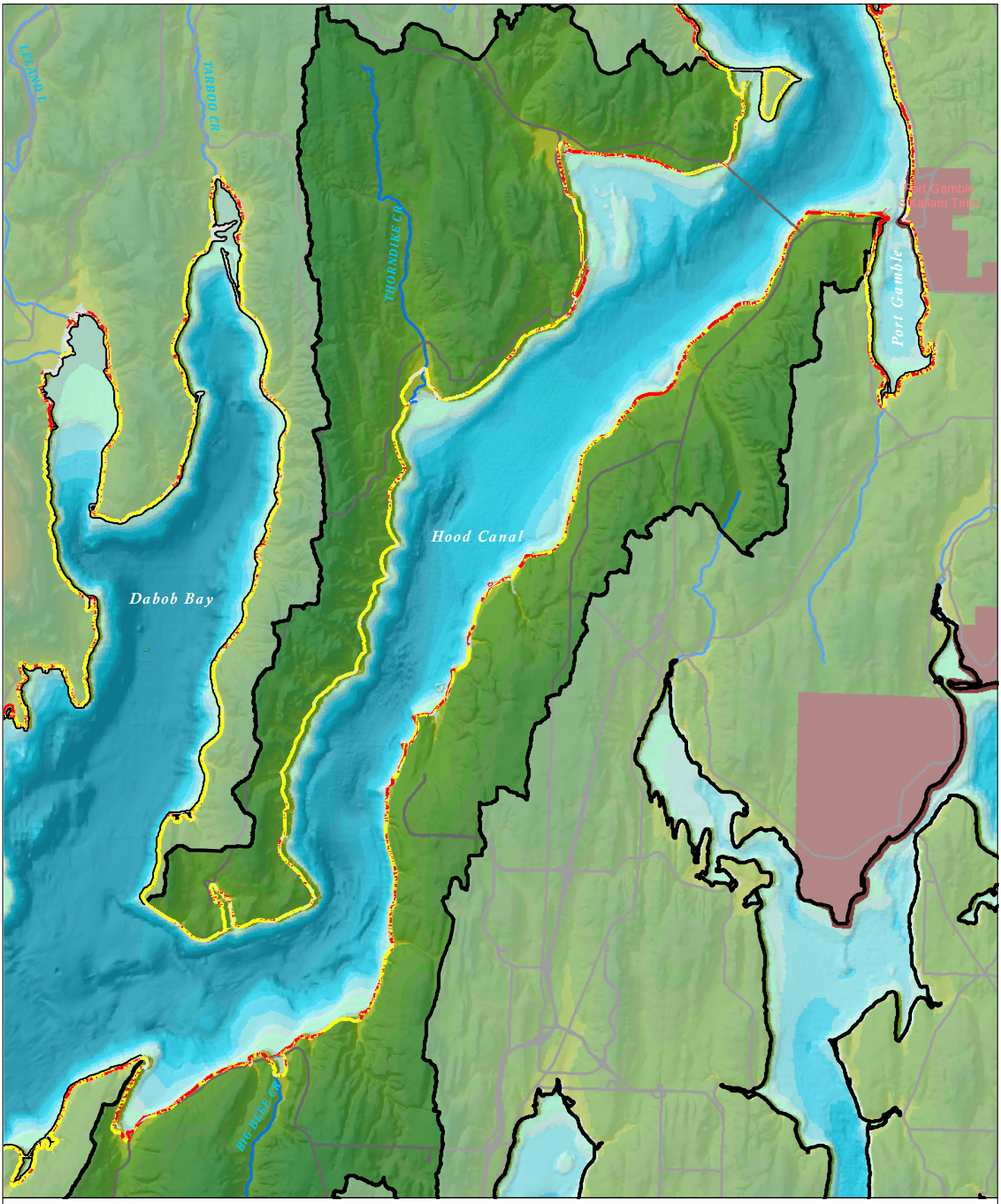
SOURCE: HCCC, 2012

Marine Riparian
Hood Canal Entrance
Exhibit 1 - Part 27

N

0 1.4

Miles



Legend

- AMU Boundary
- Tribal Reservations

Marine Riparain (300ft from OHWM)

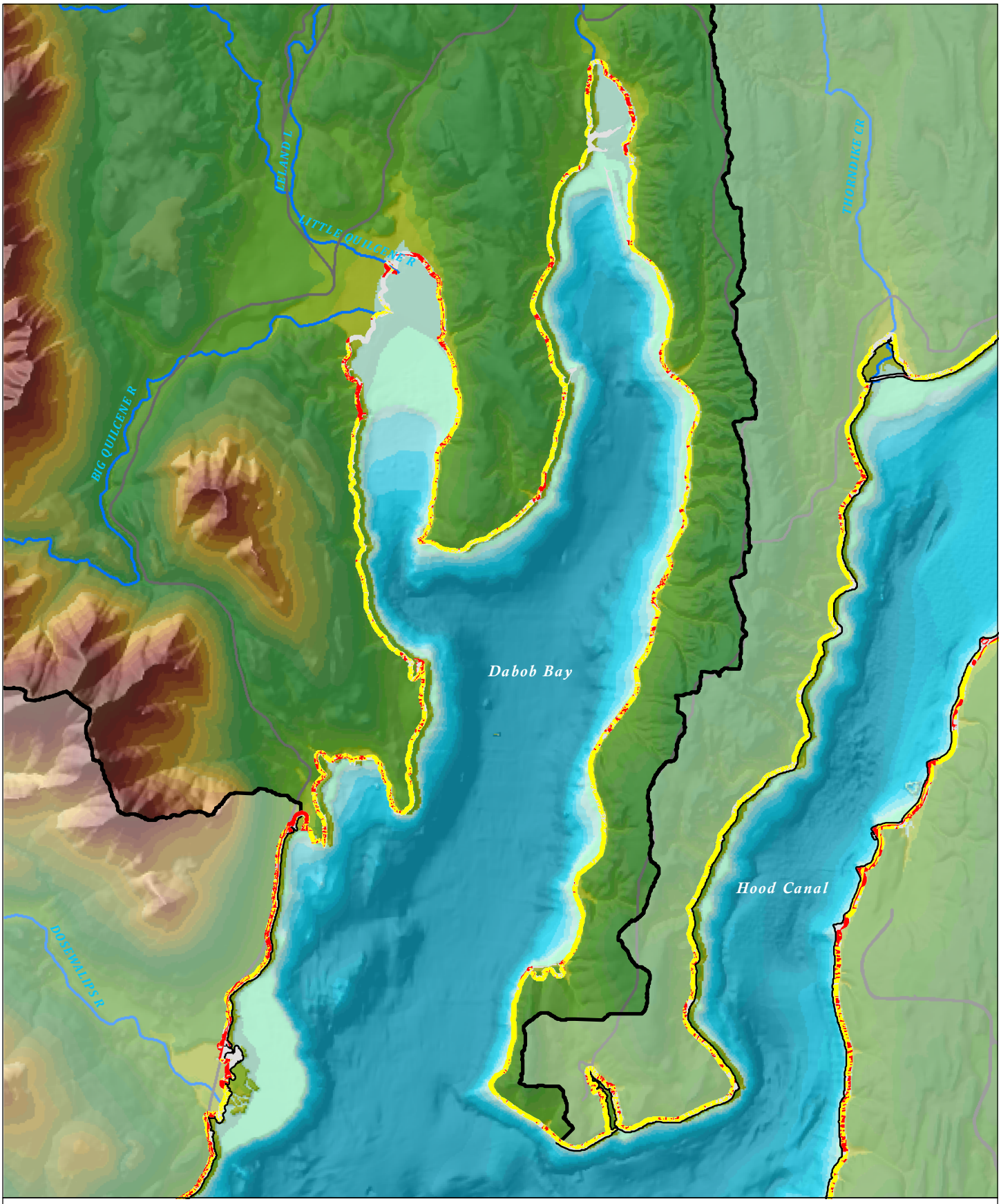
- Closed Canopy
- Non-Forest
- No Data

Marine Riparian
North Hood Canal
Exhibit 1 - Part 28

N

0 2
Miles

SOURCE: HCCC, 2012



Legend

AMU Boundary

Tribal Reservations

Marine Riparain (300ft from OHWM)

Closed Canopy | Non-Forest | No Data

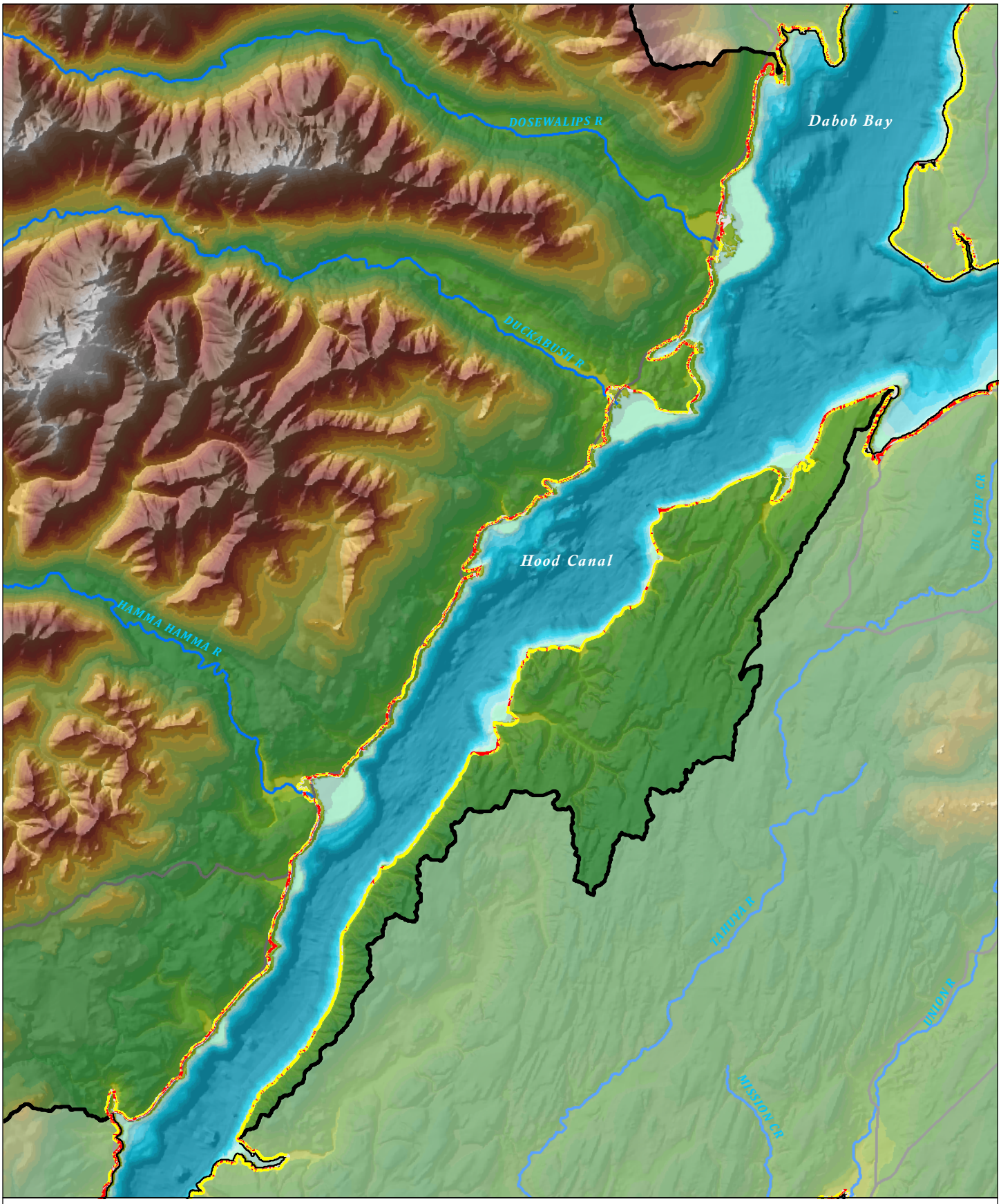
Marine Riparian
Dabob Bay
Exhibit 1 - Part 29

N

0 1.5

Miles

SOURCE: HCCC, 2012



Legend

- AMU Boundary
- Tribal Reservations

Marine Riparain (300ft from OHWM)

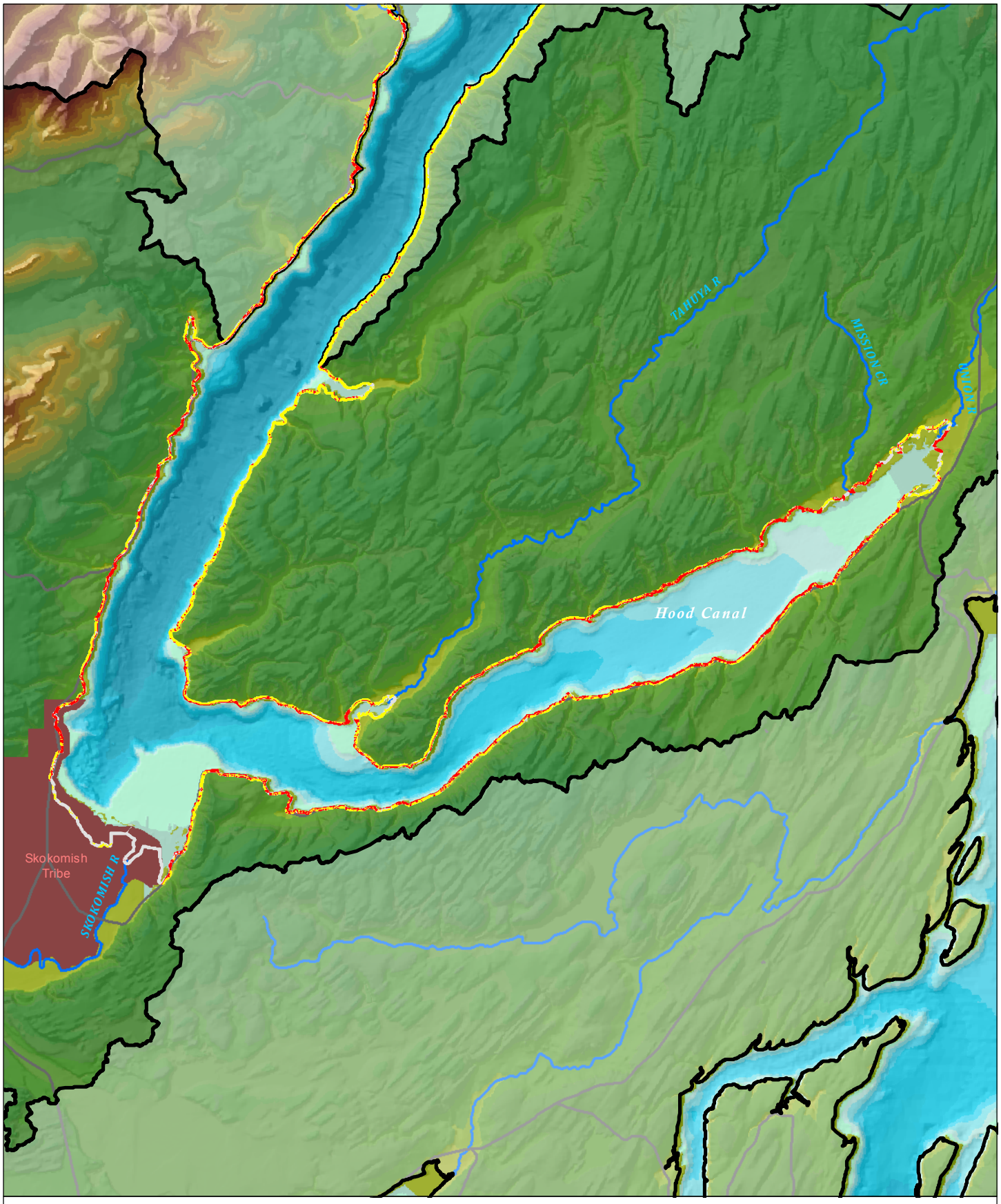
- Closed Canopy
- Non-Forest
- No Data

SOURCE: HCCC, 2012

Marine Riparian
Central Hood Canal
Exhibit 1 - Part 30

N

0 2
Miles



Legend

- AMU Boundary
- Tribal Reservations

Marine Riparain (300ft from OHWM)

- Closed Canopy
- Non-Forest
- No Data

Marine Riparian
South Hood Canal
Exhibit 1 - Part 31

N

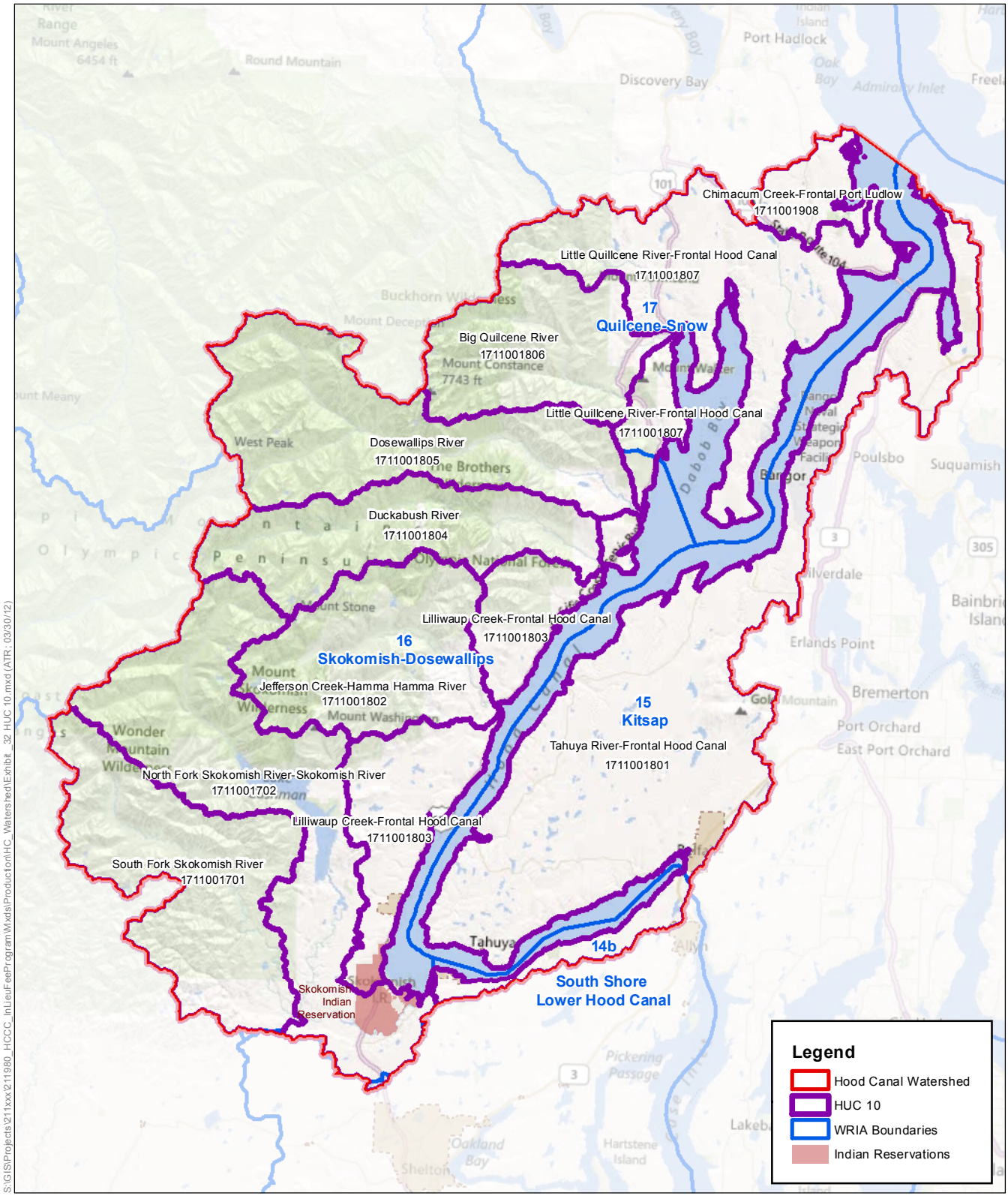
0 2
Miles

SOURCE: HCCC, 2012

Marine Riparian Cover for AMUs: Total Acres and as a Percentage of Total Land Cover: Exhibit 1, Part 31a

AMU (Acres)	Closed Canopy	Non-Forest	Off-Shore	Other Natural Vegetation	Total
Hood Canal Entrance	280.33	243.85	20.60	42.51	587.29
North Hood Canal	455.90	397.01	36.66	37.26	926.83
Central Hood Canal	924.55	267.14	75.92	97.88	1,365.49
South Hood Canal	1,051.44	869.10	51.09	300.83	2,272.46
Grand Total	2,712.22	1,777.10	184.27	478.47	5,152.06

AMU (%)	Closed Canopy	Non-Forest	Off-Shore	Other Natural Vegetation	Total
Hood Canal Entrance	47.7%	41.5%	3.5%	7.2%	100.0%
North Hood Canal	49.2%	42.8%	4.0%	4.0%	100.0%
Central Hood Canal	67.7%	19.6%	5.6%	7.2%	100.0%
South Hood Canal	46.3%	38.2%	2.2%	13.2%	100.0%
Grand Total	52.6%	34.5%	3.6%	9.3%	100.0%



S:\GIS\Projects\211xxx\211980_HCCC_InLieuFeeProgram\Mxds\Production\HC_Watershed\Exhibit_32 HUC 10.mxd (ATR: 03/30/12)

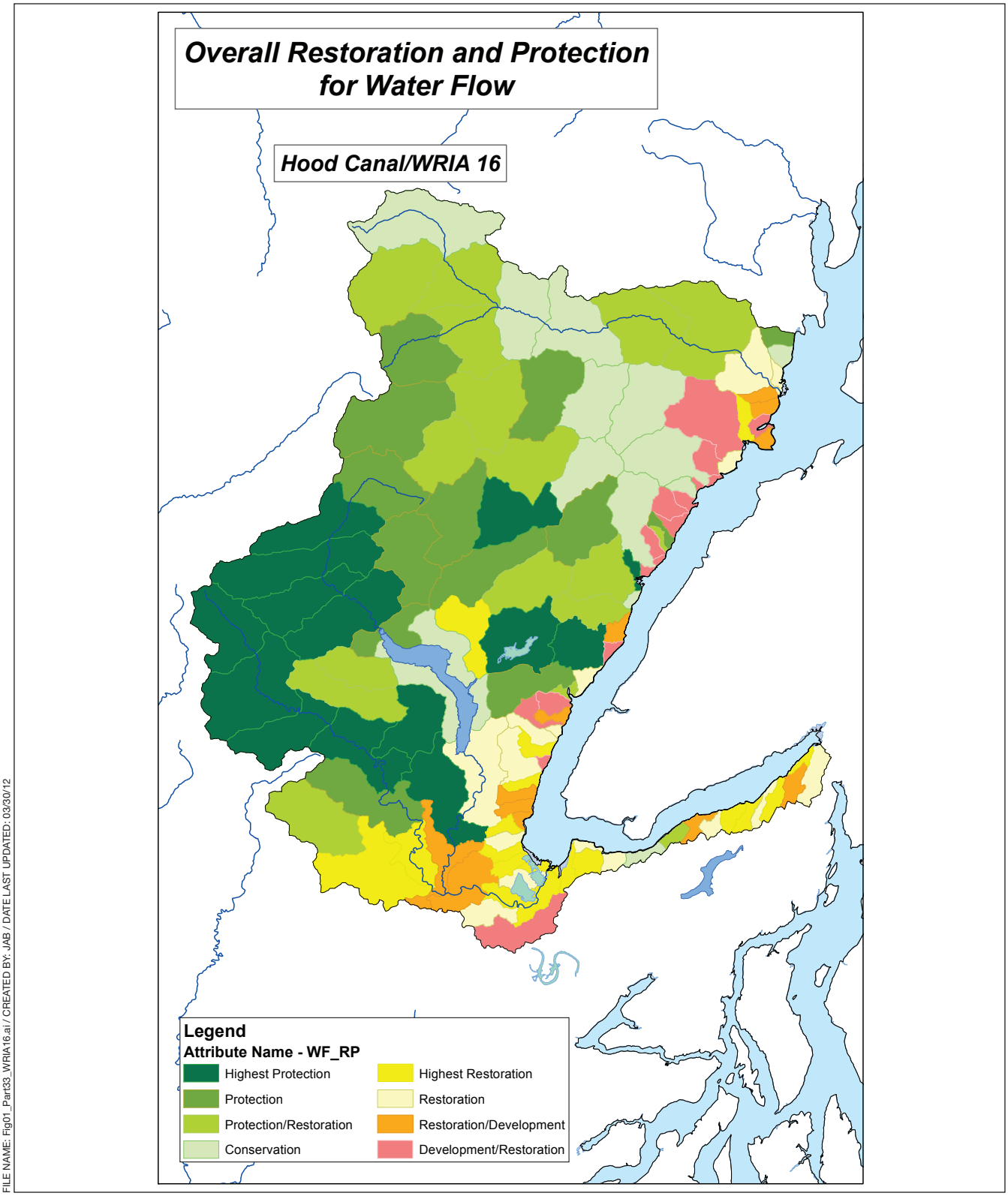
SOURCE: Ecology, 2009; Bing, 2010.

0 5
Miles

HCCC ILF Program. 211980

Exhibit 1 - Part 32

Overview - Hood Canal Watershed
Hood Canal, Washington

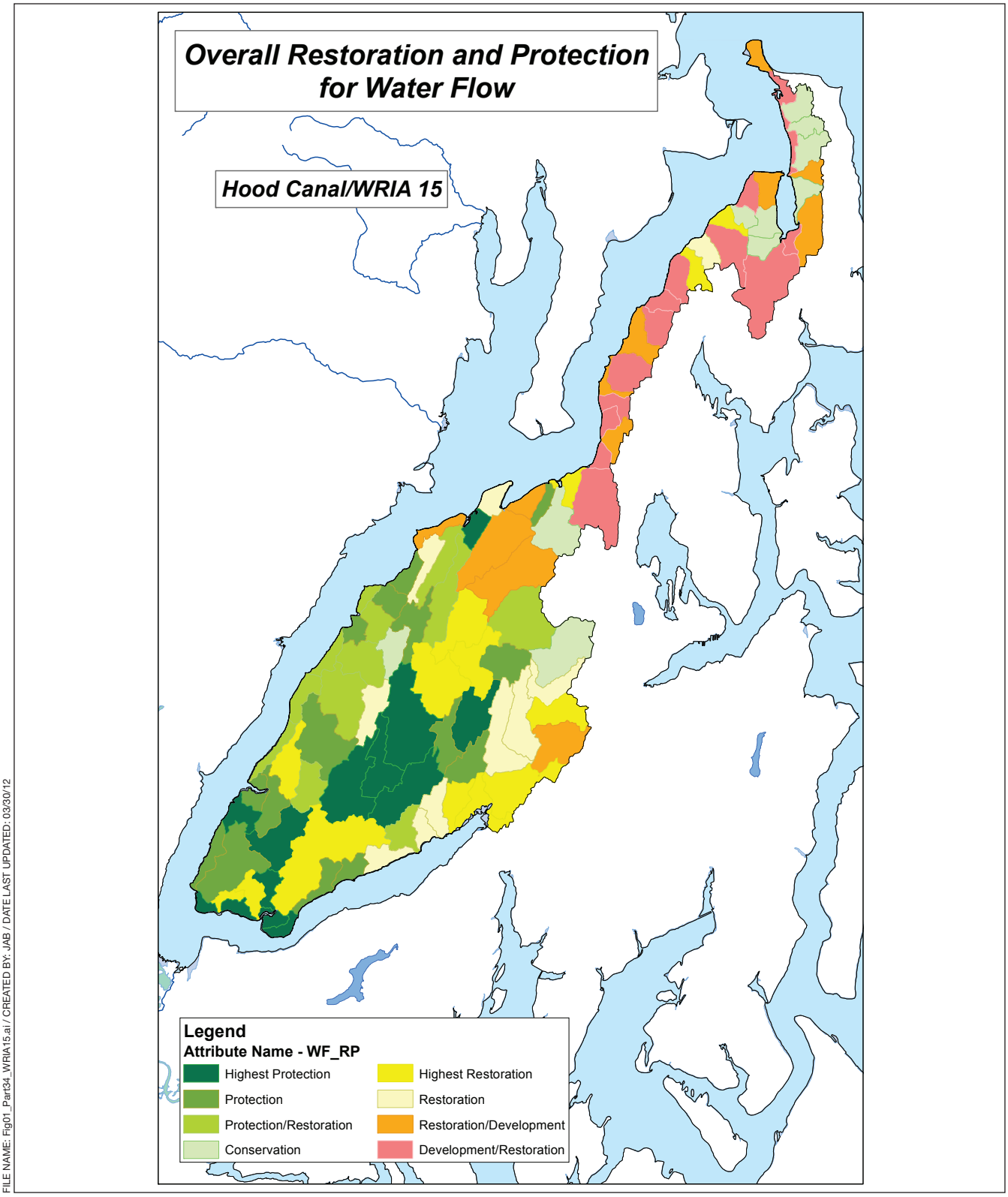


FILE NAME: Fig01_Part33_WRIA16.ai / CREATED BY: JAB / DATE LAST UPDATED: 03/30/12

SOURCE: Ecology, 2012.

HCCC ILF Program . 210761

Exhibit 1 - Part 33
Hood Canal/WRIA 16
Hood Canal, Washington

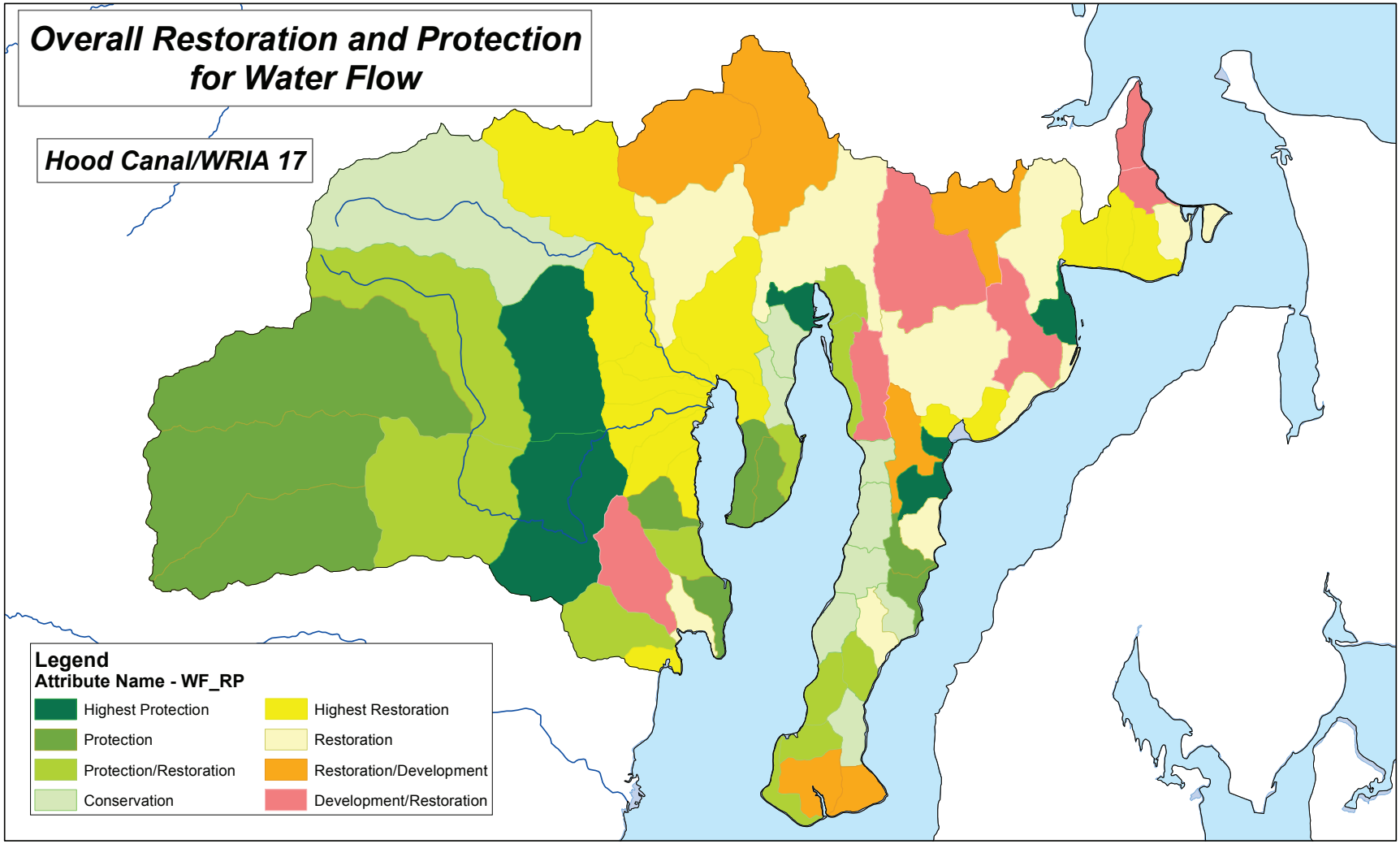


FILE NAME: Fig01_Part34_WRIA15.ai / CREATED BY: JAB / DATE LAST UPDATED: 03/30/12

SOURCE: Ecology, 2012.

HCCC ILF Program . 210761

Exhibit 1 - Part 34
Hood Canal/WRIA 15
Hood Canal, Washington



FILE NAME: Fig01_Part35_WRIA17.ai / CREATED BY: JAB / DATE LAST UPDATED: 03/30/12

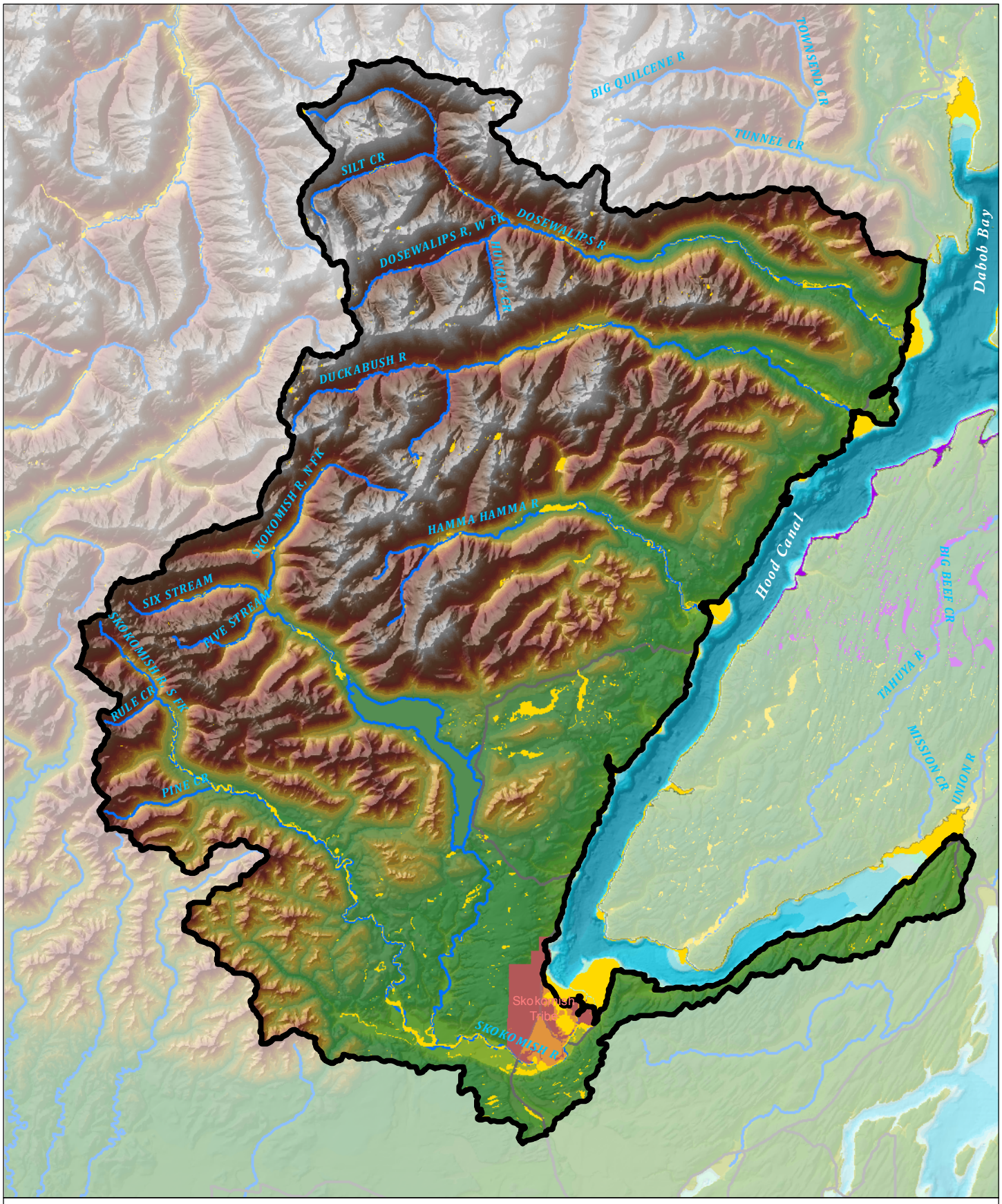
SOURCE: Ecology, 2012.

HCCC ILF Program . 210761

Exhibit 1 - Part 35

Hood Canal/WRIA 17

Hood Canal, Washington



Legend

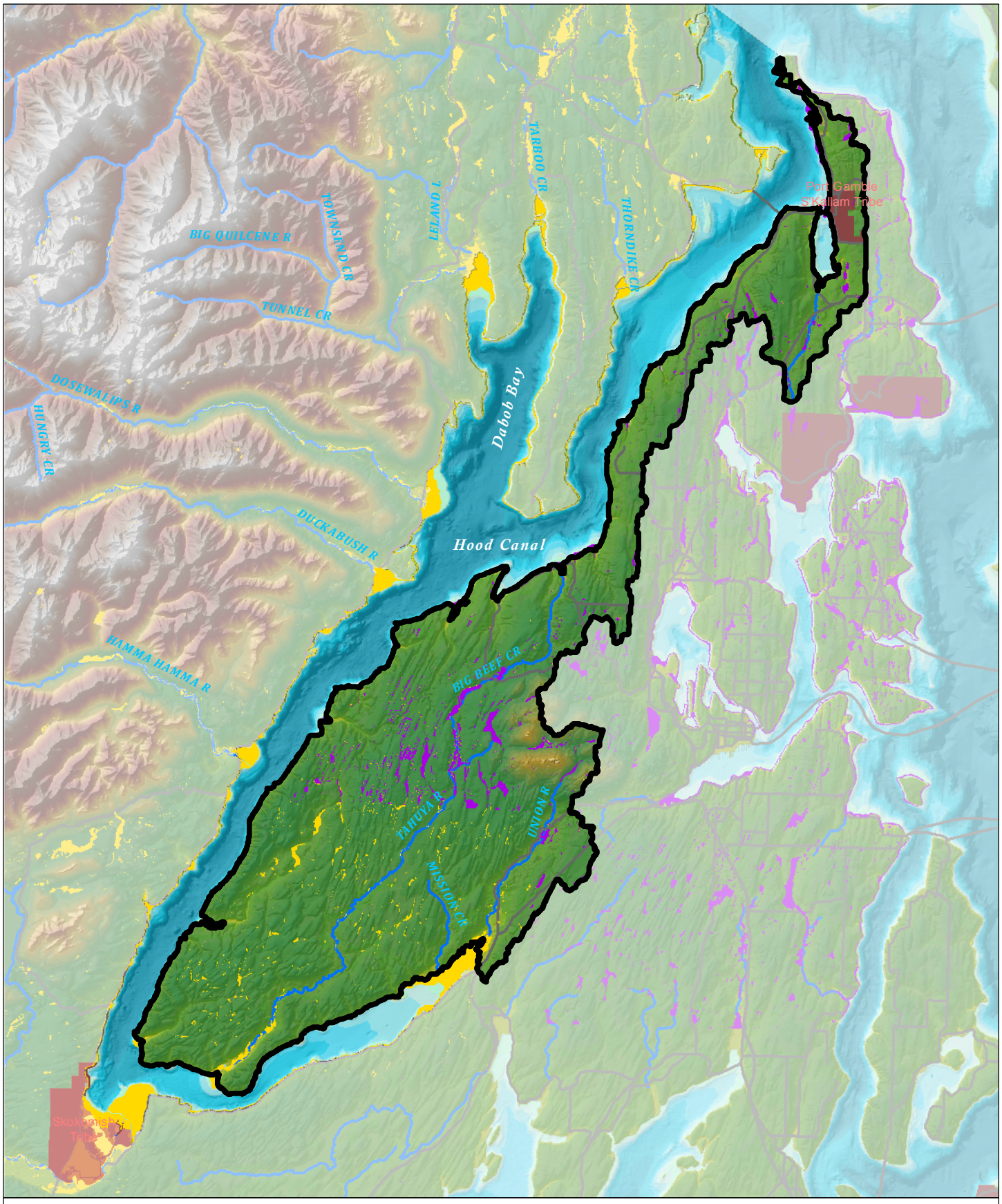
Service Area Boundary | Tribal Reservations | Wetlands (NWI) | Wetlands (Kitsap)

Wetlands
WRIA 14b/16 Service Area
Exhibit 1 - Part 36

N

0 4
Miles

SOURCE: Kitsap County, 2008; WDFW, 2010



Legend

Service Area Boundary | Tribal Reservations | Wetlands (NWI) | Wetlands (Kitsap)

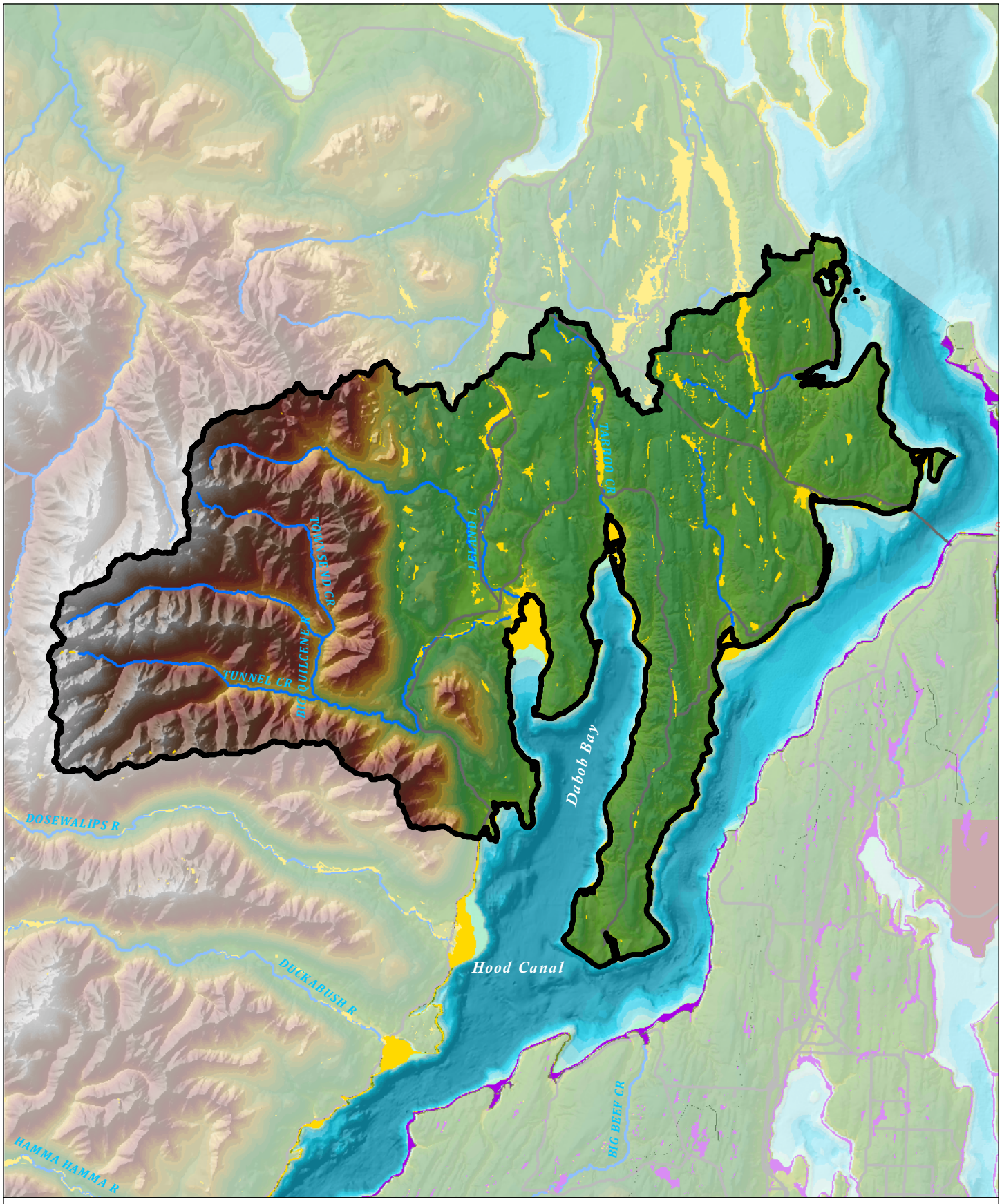
Wetlands
WRIA 15 Service Area
Exhibit 1 - Part 37

N

0 5

Miles

SOURCE: Kitsap County, 2008; WDFW, 2010



Legend

Service Area Boundary | Tribal Reservations | Wetlands (NWI) | Wetlands (Kitsap)

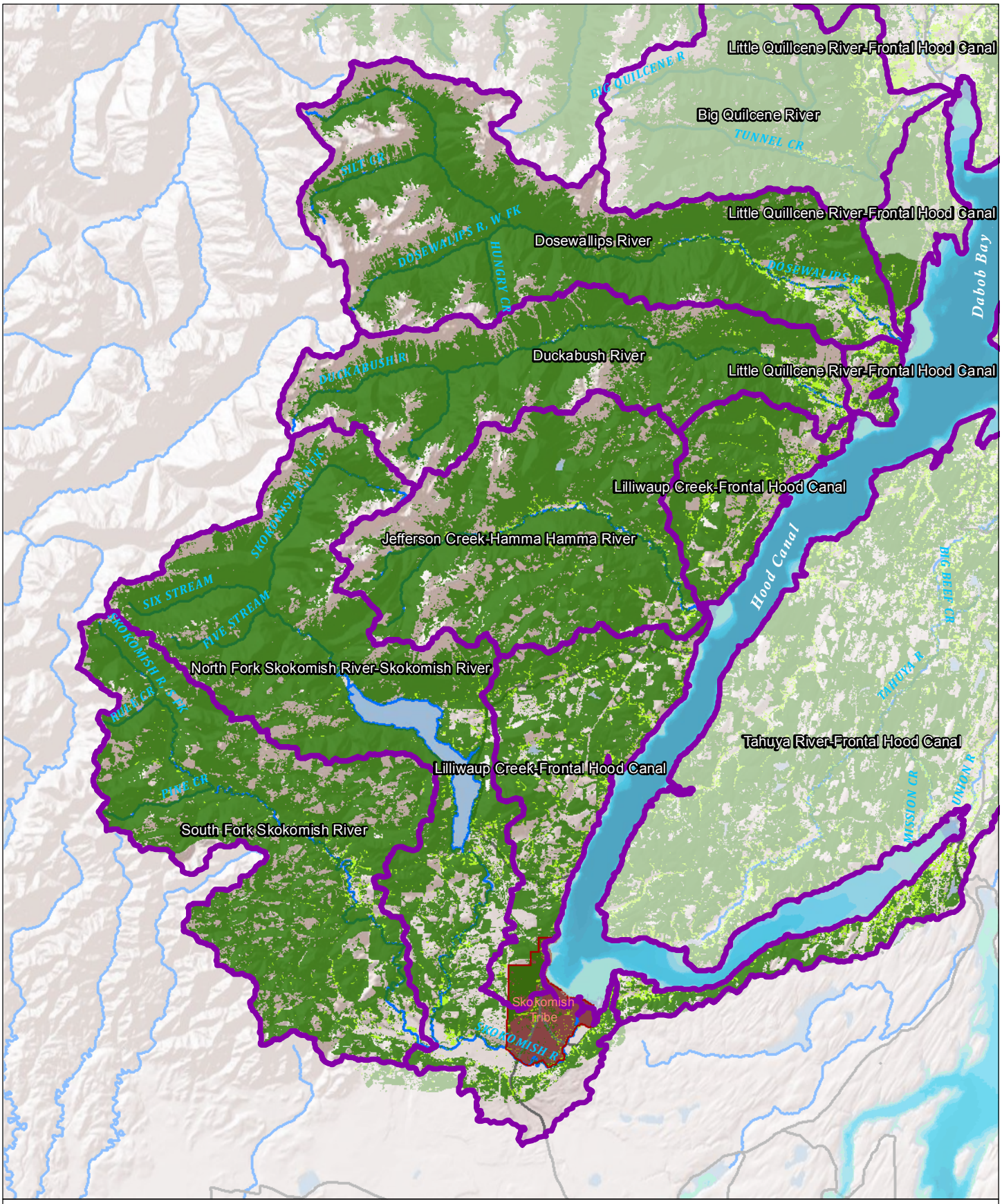
Wetlands
WRIA 17 Service Area
Exhibit 1 - Part 38

N

0 3

Miles

SOURCE: Kitsap County, 2008; WDFW, 2010



Legend

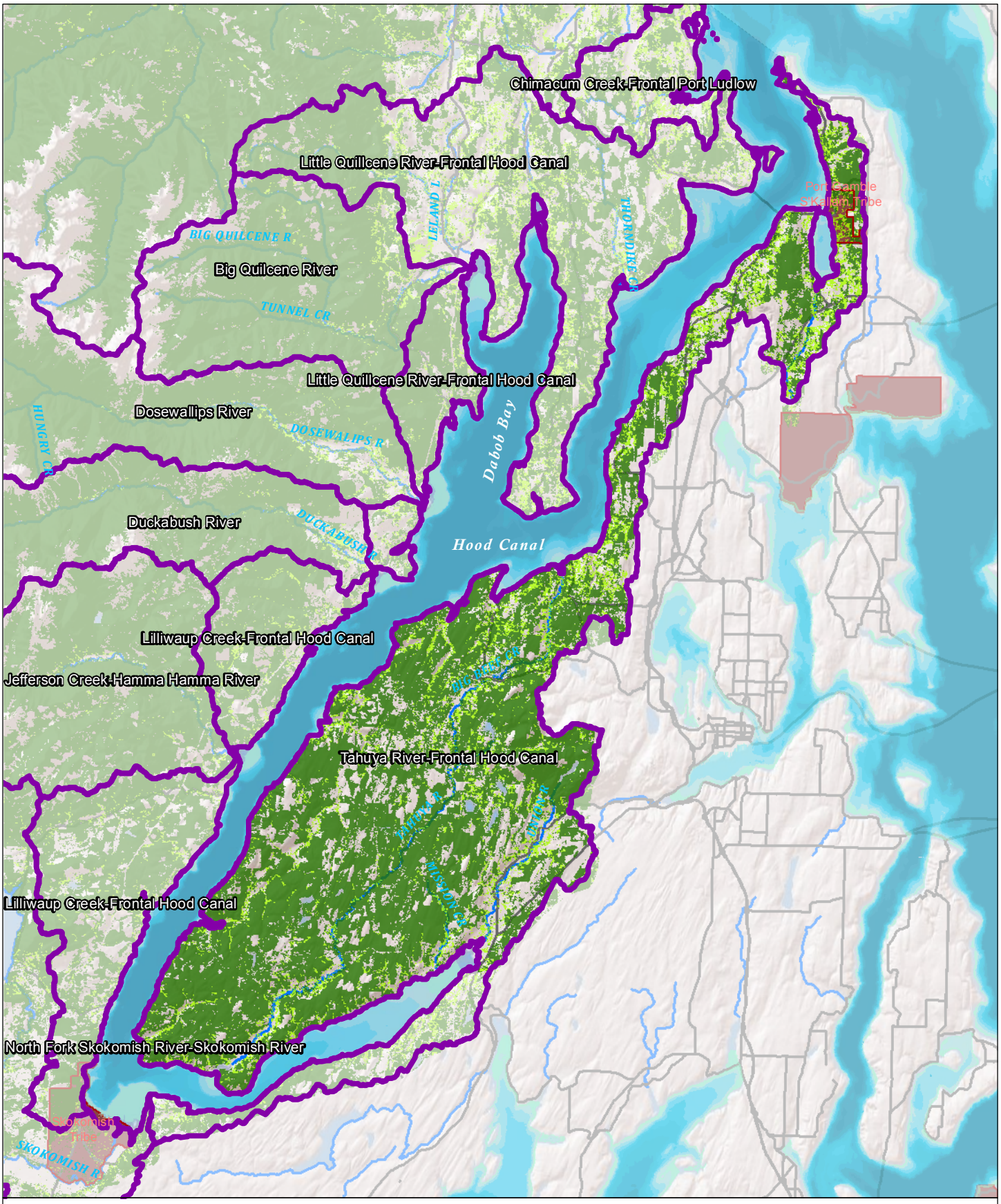
- Service Area Boundary
- Tribal Reservations
- Evergreen Forest
- Mixed Forest
- HUC 10 Boundaries

Forest Cover
WRIA 14b/16 Service Area
Exhibit 1 - Part 39

N

0 4
Miles

SOURCE: CCAP (NOAA), 2006.



Legend

- Service Area Boundary
- Tribal Reservations
- Evergreen Forest
- Mixed Forest
- HUC 10 Boundaries

Forest Cover
WRIA 15 Service Area
Exhibit 1 - Part 40

N

0 5

Miles

SOURCE: CCAP (NOAA), 2006.

Legend

- Service Area Boundary
- Tribal Reservations
- Evergreen Forest
- Mixed Forest
- HUC 10 Boundaries

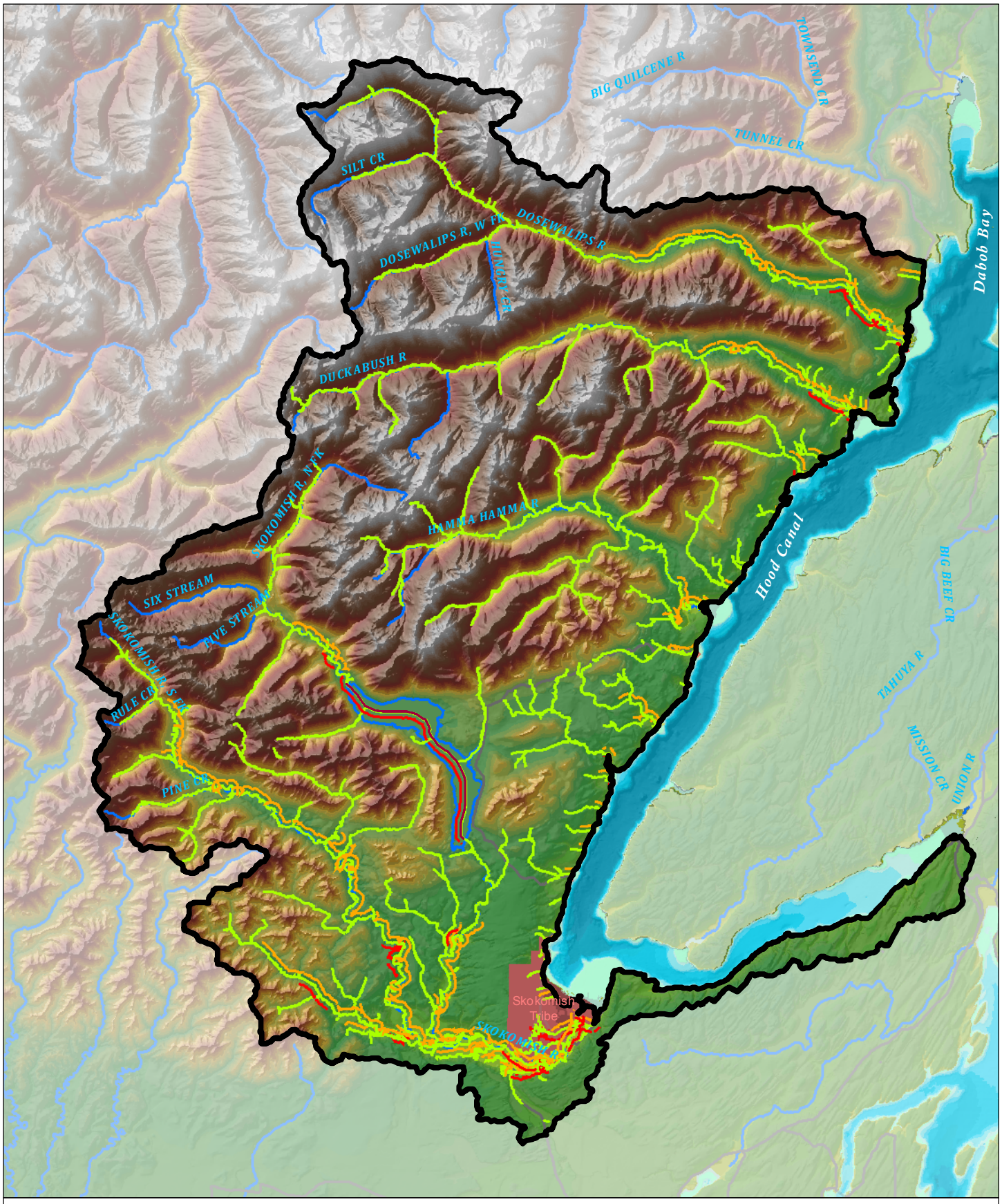
Forest Cover
WRIA 17 Service Area
Exhibit 1 - Part 41

N

0 3

Miles

SOURCE: CCAP (NOAA), 2006.



Legend

- Service Area Boundary
- Tribal Reservations

Fish Distribution

- Presence/Migration: Coho, Dolly Varden/Bull Trout, Fall Chinook, Fall Chum, Kokanne, Pink, Rainbow Trout, Sockeye, Summer Chum, Summer Steelhead, Winter Steelhead
- Known Spawning: Coho, Dolly Varden/Bull Trout, Fall Chinook, Fall Chum, Pink, Summer Chum, Summer Steelhead, Winter Steelhead
- Known Juvenile Rearing: Coho, Dolly Varden/Bull Trout, Fall Chinook, Fall Chum, Pink, Winter Steelhead

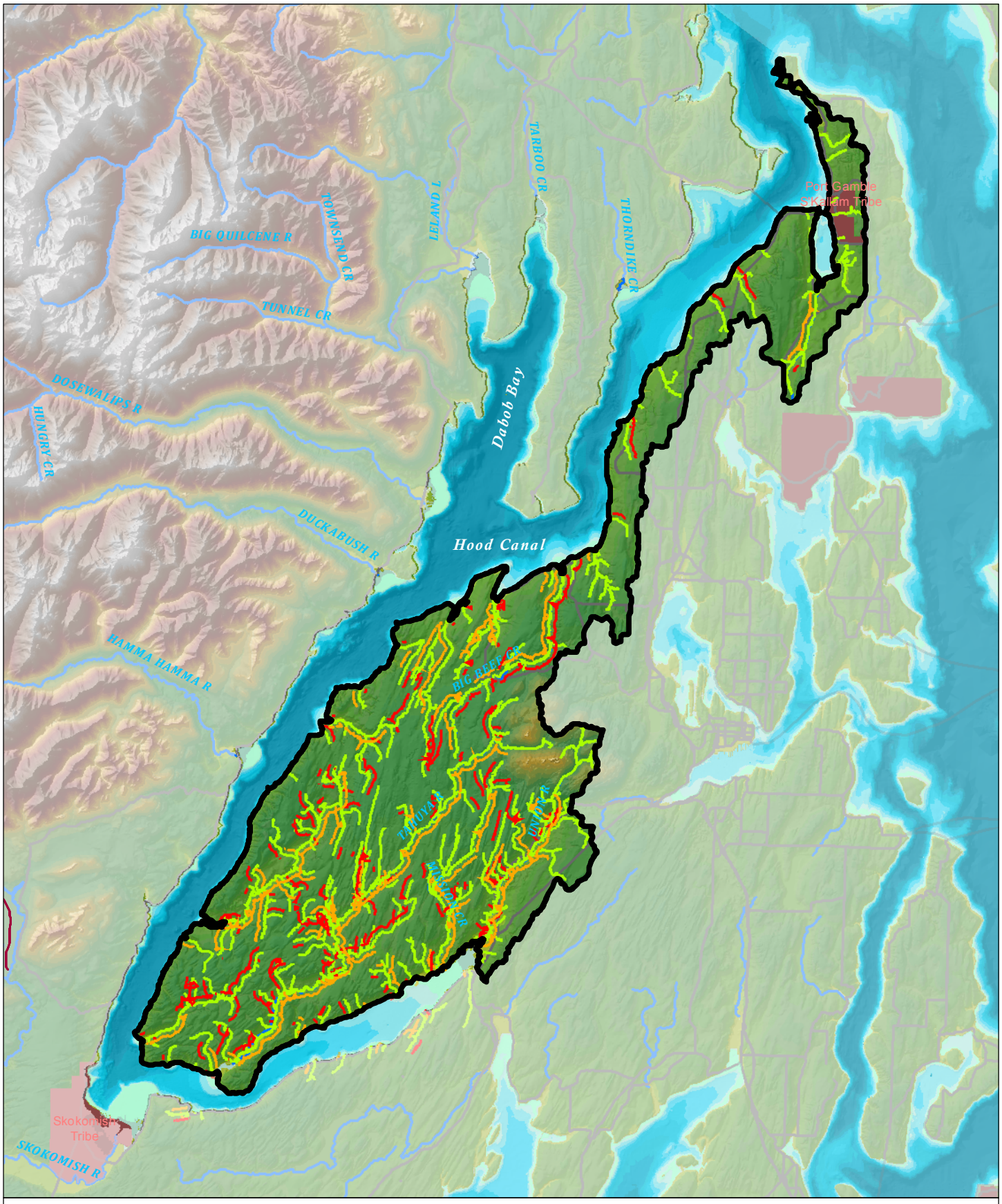
SOURCE: WDFW, 2010

Priority Fish Distribution
WRIA 14b/16 Service Area
Exhibit 1 - Part 42

N

0 4

Miles



Legend

- Service Area Boundary
- Tribal Reservations

Fish Distribution

- Presence/Migration: Coho, Fall Chinook, Fall Chum, Largemouth Bass, Pink, Rainbow Trout, Resident Cutthroat, Summer Chum, Winter Steelhead
- Known Spawning: Coho, Fall Chinook, Fall Chum, Summer Chum, Winter Steelhead
- Known Juvenile Rearing: Coho, Fall Chinook, Fall Chum, Winter Steelhead

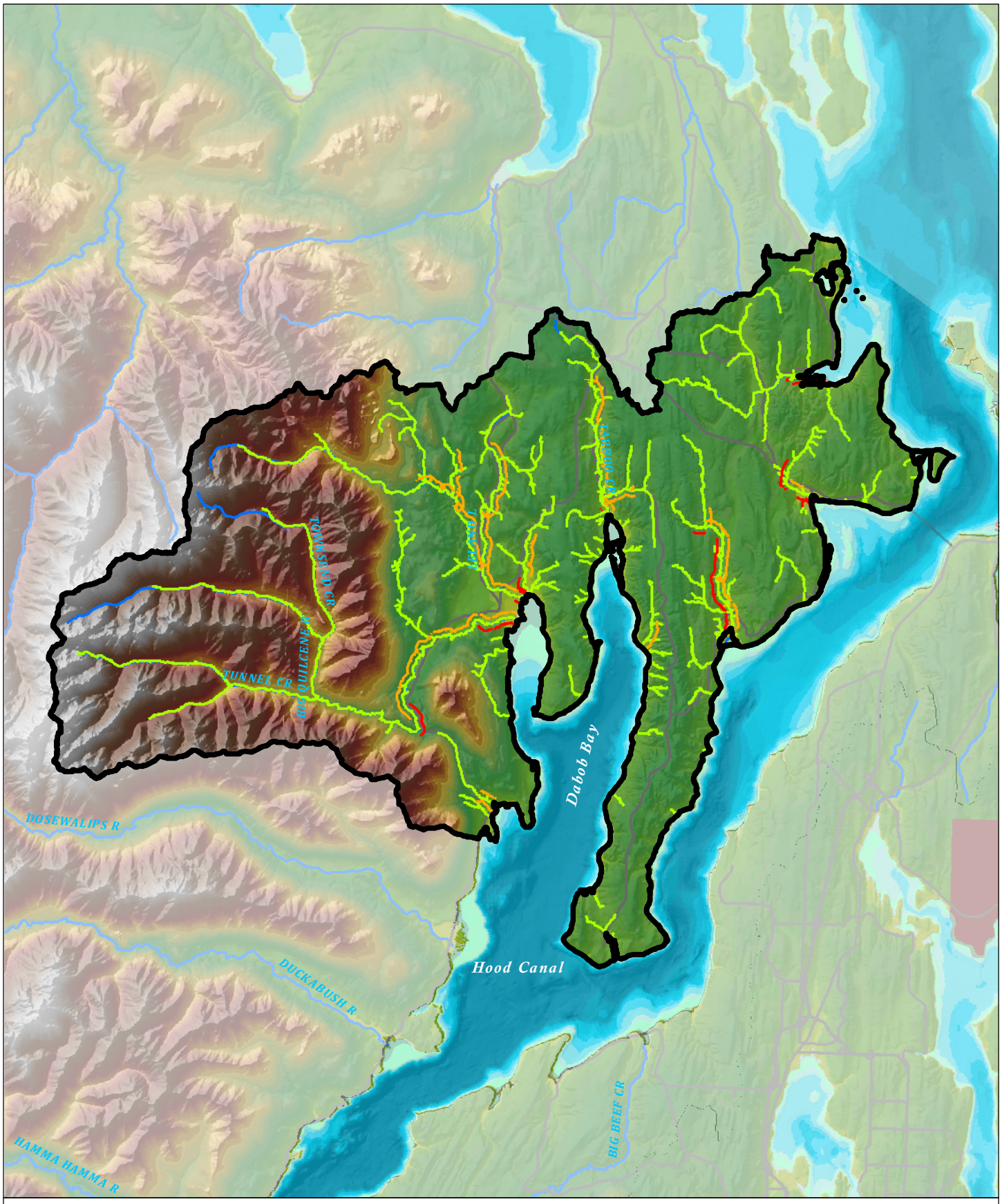
SOURCE: WDFW, 2010

Priority Fish Distribution
WRIA 15 Service Area
Exhibit 1 - Part 43

N

0 5

Miles



Legend

- Service Area Boundary
- Tribal Reservations

Fish Distribution

- Presence/Migration: Coho, Dolly Varden/Bull Trout, Fall Chinook, Fall Chum, Pink, Rainbow Trout, Resident Cutthroat, Summer Chum, Winter Steelhead
- Known Spawning: Coho, Fall Chinook, Fall Chum, Pink, Summer Chum, Winter Steelhead
- Known Juvenile Rearing: Coho, Fall Chinook, Fall Chum, Winter Steelhead

SOURCE: WDFW, 2010

Priority Fish Distribution
WRIA 17 Service Area
Exhibit 1 - Part 44

N

0 3

Miles

Forest Cover for HUC 10 Subbasins as a Percentage of Total Land Cover: Exhibit 1, Part 45

	1992		1996		2001		2006	
HUC 10	**Evergreen forest**	**Mixed forest**	**Evergreen forest**	**Mixed forest**	**Evergreen forest**	**Mixed forest**	**Evergreen forest**	**Mixed forest**
Big Quilcene River	78%	3%	78%	0%	79%	3%	80%	3%
Dosewallips River	69%	1%	69%	0%	70%	2%	69%	1%
Duckabush River	75%	1%	74%	0%	73%	1%	73%	1%
Jefferson Creek-Hamma Hamma River	75%	1%	74%	0%	75%	1%	75%	1%
Lilliwaup Creek-Frontal Hood Canal	79%	5%	78%	0%	74%	6%	69%	5%
Little Quillcene River-Frontal Hood Canal	55%	13%	57%	0%	57%	13%	54%	12%
North Fork Skokomish River-Skokomish River	73%	2%	70%	0%	70%	3%	69%	2%
South Fork Skokomish River	79%	2%	78%	0%	79%	2%	79%	1%
Tahuya River-Frontal Hood Canal	67%	10%	67%	11%	66%	11%	63%	10%
South Shore	60%	11%	60%	12%	64%	12%	56%	12%

Riparian Forest Cover for HUC 10 Subbasins as a Percentage of Total Land Cover: Exhibit 1, Part 46

	1992		1996		2001		2006	
	Evergreen forest	Mixed Forest	Evergreen forest	Mixed Forest	Evergreen forest	Mixed Forest	Evergreen forest	Mixed Forest
Dosewallips River								
Dosewallips	68%	1%	68%	2%	69%	2%	69%	2%
Duckabush River								
DUCKABUSH RIVER	73%	2%	72%	2%	72%	2%	72%	2%
Jefferson Creek-Hamma Hamma River								
HAMMA HAMMA RIVER	74%	1%	74%	1%	74%	1%	74%	1%
Lilliwaup Creek-Frontal Hood Canal								
Eagle Creek	81%	7%	81%	7%	80%	7%	73%	7%
Finch Creek	62%	7%	62%	7%	53%	6%	52%	5%
Fulton Creek	87%	4%	87%	4%	87%	4%	88%	4%
Jorsted/Ayock Creek	74%	5%	74%	5%	74%	5%	67%	4%
LILLIWAUP CREEK	81%	6%	81%	6%	78%	7%	74%	4%
Sund/Miller Creek	77%	6%	77%	6%	61%	5%	52%	5%
North and South Forks Skokomish River								
SKOKOMISH RIVER	75%	2%	73%	3%	73%	3%	72%	2%
South Shore								
Twanoh 14 North	57%	10%	57%	11%	62%	11%	54%	11%
Tahuya River-Frontal Hood Canal								
Big Anderson	68%	7%	68%	7%	67%	7%	59%	7%
Big Beef	63%	13%	63%	15%	63%	14%	62%	14%
Dewatto	84%	6%	84%	6%	79%	5%	73%	5%
Gamble	35%	18%	40%	18%	47%	19%	45%	19%
Hawks Hole	42%	28%	42%	28%	42%	28%	42%	28%
Little Anderson	53%	19%	51%	19%	51%	19%	48%	19%
Mission	71%	6%	71%	6%	70%	6%	65%	6%
Rendsland	76%	6%	76%	6%	76%	6%	75%	5%
Seabeck	60%	16%	60%	16%	63%	17%	62%	17%
stavis	64%	11%	64%	11%	71%	12%	69%	11%
Tahuya	77%	7%	77%	7%	74%	7%	68%	6%
Union	54%	10%	54%	10%	52%	10%	47%	9%
Lowfall	38%	19%	38%	16%	36%	16%	36%	15%
Big Quilcene RIver								
BIG QUILCENE RIVER	76%	3%	76%	4%	78%	4%	78%	3%
Little Quilcene River-Frontal Hood Canal								
LITTLE QUILCENE	55%	12%	53%	11%	56%	11%	55%	11%
Ludlow Creek (port ludlow)	52%	15%	51%	16%	45%	18%	38%	17%
Shine Creek (squamish harbor)	46%	13%	46%	13%	50%	14%	48%	14%
Tarboo Creek	42%	16%	48%	16%	49%	17%	46%	16%
Thorndyke Creek	74%	7%	74%	7%	66%	7%	53%	6%
Donovan	26%	25%	26%	25%	25%	23%	25%	23%

Exhibit 2: ILF Use Plan

Interagency Review Team for Washington State

Guidance Paper

Using Credits from In-Lieu Fee Programs:

Guidance to Applicants on Submittal Contents for In-Lieu Fee Use Plans

The Interagency Review Team (IRT) for Washington State includes standing members representing the U.S. Army Corps of Engineers (Corps), U.S. Environmental Protection Agency (EPA), and Washington State Department of Ecology (Ecology). The IRT is issuing this paper to provide guidance to permit applicants who wish to use in-lieu fee (ILF) program credits to compensate for unavoidable impacts to wetlands and other aquatic resources including buffers (wetlands) associated with their projects. The types of impacts to aquatic resources for which in-lieu fee credits (ILF credits) can be purchased to meet mitigation needs will vary depending on the in-lieu fee program, but may include freshwater systems such as wetlands, rivers, streams, lakes, buffers, and estuaries and marine environments. This paper does not replace or modify any of the existing laws and policies enforced by the IRT member agencies. The IRT reserves the right to make exceptions to or modify this guidance when doing so would benefit the public interest, the aquatic environment, and/or authorized in-lieu fee programs operating in Washington State.

This paper consists of an annotated outline for a report that would serve as the mitigation plan for projects proposing to use an ILF program. Since the applicant is proposing to use ILF credits as mitigation, standard mitigation plans are not appropriate, nor are they required. However, some of the same components occur in both. For the purposes of this guidance, we will refer to this submittal as an *In-Lieu Fee Use Plan.*

The purpose of the In-Lieu Fee Use Plan is to provide permit decision-makers at the regulatory agencies with sufficient information to decide whether project applicants have:

1) Avoided and minimized wetland impacts to the extent practicable,
2) Considered all available mitigation opportunities, and
3) Provided sufficient compensation for unavoidable impacts to aquatic resources by proposing to purchase credits from a certified in-lieu fee program.

The plan has two parts: Part A asks applicants to describe impacts as completely as possible. Part B asks applicants to explain why the use of credits from an in-lieu fee program is the best choice for mitigating the proposed impact.

Project managers and wetland specialists at the Corps, Ecology, and other regulatory agencies typically have general knowledge of in-lieu fee programs in the regions they cover. However, it is up to the permit applicant to provide enough information in their application package to demonstrate how the use of an in-lieu fee program adequately mitigates for their specific project's impacts. Following this outline will help applicants to do so.

The following outline summarizes the type of information the IRT recommends for inclusion in an In-Lieu Fee Use Plan. If applicants have questions about what to include in the plan or on the

process of permitting mitigation using ILF credits, they should contact the project manager designated for their region (see http://www.nws.usace.army.mil/PublicMenu/documents/REG/PM_county_assignment_list.pdf for a list of Corps project managers and http://www.ecy.wa.gov/programs/sea/wetlands/contacts.htm for Ecology wetland specialists). General guidance on wetland mitigation is available online in *Wetland Mitigation in Washington State* (Part 1: http://www.ecy.wa.gov/biblio/0606011a.html, Part 2: http://www.ecy.wa.gov/biblio/0606011b.html.

Important Notes to Applicants:

For information on authorized in-lieu fee programs in Washington State refer to the Corps' RIBITS website at: https://rsgis.crrel.usace.army.mil/ribits/f?p=107:2:136943704396553 or Ecology's website at: http://www.ecy.wa.gov/mitigation/ilf.html. Permit applicants should contact the ILF program sponsor (sponsor) directly for information on the functions provided by their ILF program and the process of purchasing credits.

- *Location of an impact project within an in-lieu fee program's service area does not guarantee that federal, state, or local regulatory agencies will approve use of ILF credits as mitigation. As with all mitigation, approval of a specific mitigation plan is decided on a case-by-case basis. The permit application should demonstrate that potential impacts to aquatic resources have been avoided and minimized to the greatest extent practicable and that the in-lieu fee program proposed for use has the ability to provide appropriate compensation for project impacts. In some cases, agencies may decide that impacts would be better mitigated on or closer to the project site. One agency may require that more ILF credits be used, or one or more agencies may determine that the in-lieu fee program will not compensate for the loss of certain functions, and therefore, mitigation for those functions must be provided separately. Applicants should communicate with all permitting agencies early in the permit process and show due caution when considering early purchase of ILF credits. Agencies cannot guarantee that an applicant will be approved to use ILF credits prior to review of the complete application package and a permit decision.*

- *If other mitigation for aquatic resource impacts is proposed for a project in addition to purchasing ILF credits, this should be described in detail in a separate standard mitigation plan. Please note: brief mention of the additional mitigation and the citation for the mitigation plan should be included in Part B, Section 1 of the In-Lieu Fee Use Plan.*

- *Be aware that in-lieu fee program sponsors are not authorized to sell credits that have not yet been advanced or released by the IRT. Before deciding on a mitigation path, check with Corps or Ecology project managers to confirm that a particular in-lieu fee program will likely have adequate credit available at the time your project is expected to be permitted. It is reasonable for prospective buyers to request an updated credit ledger from the ILF Program Sponsor prior to committing to credit purchase.*

In-Lieu Fee Use Plan Outline

PART A: IMPACT PROJECT DESCRIPTION

1. Project Description

Provide a brief description of the development project and the types of activities that will impact wetlands and other aquatic resources including wetland buffers. If a more detailed project description is available in other documents in the application package, this section should just summarize the project description and cite the more detailed document(s).

2. Existing Conditions of Aquatic Resources and Wetlands

Provide brief descriptions of the aquatic resources and buffers on the development site. Include the location, landscape position, size (in acres), vegetation, soils, hydroperiod, source of water, surrounding land uses, and functions. Include the hydrogeomorphic classification and wetland rating as determined by the eastern or western Washington State rating systems (documents can be located at: http://www.ecy.wa.gov/programs/sea/wetlands/ratingsystems/index.html). This is intended to be a summary of existing conditions. Any wetland delineation or other such assessment report should be cited. Consider including a summary table that identifies the aquatic resource type, square footage or linear footage, Cowardin class, Hydrogeomorphic class, Ecology rating, local jurisdictional rating, buffer and other pertinent information. For Corps of Engineers permitting, drawings are essential. Proving a drawing showing the existing conditions and wetland or other aquatic resource boundaries and a separate drawing showing the impact area is highly recommended

3. Avoidance and Minimization of Impacts to Aquatic Resources

Describe how adverse impacts, both direct and indirect, to aquatic resources will be avoided and minimized by the project to the greatest extent practicable. This should include consideration of project location, surrounding land uses, design, construction practices, monitoring efforts and/or other relevant factors. If other impact sites were considered and rejected based on wetland impacts, briefly mention them in this section. If a Clean Water Act Section 404(b)(1) Alternatives Analysis was prepared for the project, cite that document here. Further information is available online: http://www.epa.gov/owow/wetlands/regs/mitigate.html.

If site-specific mitigation measures were used adjacent to specific wetlands or other aquatic resources, a table similar to the following example may be useful for capturing those.

Example Table 1
Avoidance and Minimization Measures

Wetland Identifier	Total Wetland Area (acres or SF)	Linear Feet of area affected	Potential Fill in Wetland Prior to Avoiding and Minimizing (acres)	Proposed Fill in Wetland After Avoiding and Minimizing (acres)	Avoidance and Minimization Steps Taken
Wetland A	1.01acres		0.08	0.03	Stormwater outfall designed to minimize impacts to wetland.
Big Creek	(0.039 acres) 170 sf	NA	NA	NA	Impacts unavoidable – 6 bridge support piles designed with smallest possible footprint to meet engineering requirements.

Riparian and Wetland Buffers	.32 acres	450	NA	0	Unavoidable impacts to buffers result from construction of a temporary access road. Road path chosen to minimize need for clearing large conifers. Impacts include clearing approximately 14,000sf of native/non-native shrubs, removing 11 deciduous trees, and 2 conifers. Temporary road will be decommissioned and replanted at end of project.
TOTALS	**1.334 acres**	**450**	**.08**	**.03**	

Note: Examples of impact avoidance and minimization for several types of development include:

- *Commercial Facility: Minimizing new impervious surface, using pervious surfaces for parking lots, using infiltration to treat stormwater, enhancing wetland buffers, providing appropriate water quality treatment, reducing the project footprint from the original proposal, using native landscape plants, using integrated pest management techniques, using other low impact development measures, and others.*

- *Road Widening: Widening asymmetrically to avoid wetlands or streams, widening toward the road median, using retaining walls to reduce side slopes, minimizing new impervious surface by lane re-striping, using road shoulder-installed filters for water quality treatment, locating stormwater treatment facilities outside of wetlands, and others.*

- *Residential Development: Retaining native vegetation where possible, infiltrating roof runoff, using pervious surfaces for driveways, using other low impact development measures, enhancing wetland buffers, and others. Required Best Management Practices (BMPs) will not count as avoidance measures, but implementation of additional voluntary BMPs may result in reduced mitigation requirements.*

4. Unavoidable Wetland Impact Acreage

Summarize the acreage of unavoidable wetland and/or buffer and other aquatic resource impacts expected using tables similar to the following examples. Cite corresponding drawings in the application package.

Example Table 2
Expected Impacts to Wetlands

Wetland Identifier	Total Wetland Area (acres)	Proposed Fill in Wetland After Avoiding and Minimizing (acres)	Temporarily Impacted Wetland Area (acres)	Indirect Impact Area (acres)	Cowardin Classification	Ecology Rating	Local Jurisdiction Rating	HGM Classification
Wetland A	1.01	0.03	0	0	PEM	IV	4	Depressional
Big Creek	0.0039	NA	0	0	PEM	IV	4	Depressional
Riparian and Wetland Buffers	.32	0	0.52	0	PSS	III	3	Riverine
TOTALS	**1.334**	**.03**	**0.52**	**0**				

Example Table 3
Wetland Impact Summary by Classification

Classification System	Class[1]	Area of Permanent Impacts (acres)	Area of Temporary Impacts (acres)	Area of Indirect Impacts (acres)
Washington State Rating	I			
	II			
	III	0.95	0.52	
	IV	0.49		
Local Jurisdiction Rating	1			
	2			
	3	0.95	0.52	
	4	0.49		
USFWS (Cowardin)	PFO			
	PSS	0.95	0.52	
	PEM	0.49		
	PAB			
	POW			
Hydrogeomorphic	Depressional	0.49		
	Riverine	0.95	0.52	
	Slope			
	Flats			
	Lake Fringe			
	Freshwater Tidal Fringe			
	Estuarine Fringe			

5. Impacted Wetland Functions

Describe the wetland functions that are expected to be lost or altered. Divide the discussion into groups of wetland functions such as water quality, hydrologic, and habitat. If a more detailed function description is available in other documents in the application package, this section should simply summarize the functions that will be affected and cite the more detailed document. If a 'Debit Worksheet' was prepared for the impact project, cite that document here. (See *Calculating Credits and Debits for Compensatory Mitigation in Wetlands of Western Washington at http://www.ecy.wa.gov/biblio/1006011.html.)*

Note: Ecology requests that all applicants use the Washington State Wetland Rating System and submit the rating forms and accompanying maps/drawings for all wetland impact projects requiring Section 401 Water Quality Certification. Rating methods for both western and eastern WA are available at http://www.ecy.wa.gov/programs/sea/wetlands/ratingsystems/index.html). *For*

freshwater wetland impacts proposed to be mitigated using ILF credits, Ecology recommends applicants calculate "debits" of impact using the method Calculating Credits and Debits for Compensatory Mitigation in Wetlands of Western Washington, *available online at* http://www.ecy.wa.gov/biblio/1006011.html *Applicants may use other wetland function assessments, at their discretion, but they do not substitute for the rating system.*

If the project will eliminate an entire wetland, assume that all functions will be lost. If a wetland will be partially filled or otherwise affected, discuss the extent to which existing functions will be lost. Include a discussion of the potential indirect and/or temporary impacts to the remaining wetland, if any.

Note: Fill or clearing in a wetland buffer may result in indirect wetland impacts that could also require mitigation. Even temporary clearing of forested or shrub areas in wetlands or buffers may have long-term indirect impacts to wetlands and may require mitigation, depending on the agencies involved. In addition, functions are not evenly distributed throughout a wetland. For example, a wetland may be mostly forested with some disturbed emergent patches along the edges. If the project will only fill those emergent patches, then habitat functions may be less affected than if forested areas were eliminated. However, in this example, indirect impacts to habitat in the forested areas may result and should be accounted for.

Ecology's Focus Sheet *Using the Wetland Rating System in Compensatory Mitigation* (Ecology Publication 08-06-009, found at http://www.ecy.wa.gov/pubs/0806009.pdf) provides a very simple method for using the rating system to compare functions under existing conditions with those after impacts or mitigation.

Water Quality Functions – Briefly describe characteristics of wetlands relative to water quality functions such as water movement, extent of vegetation as it relates to potential for slowing and filtering water (e.g., extent of grazing), extent of ponding, opportunity to improve water quality and so on. Describe how these functions will be affected by the project.

Hydrologic Functions – Briefly describe characteristics of wetlands relative to the ability and opportunity of the wetland to store water. Wetlands store precipitation and surface water and then slowly release the water into associated surface water resources, ground water, or the atmosphere depending on the hyrdologic function of the particular wetland. Wetland types differ in this capacity based on a number of physical and biological characteristics, including: landscape position, soil saturation, the fiber content/degree of decomposition of the organic soils, vegetation density and type of vegetation water. Describe the hydrologic functions of the impacted wetland and describe how the project will affect these functions.

Habitat Functions – Briefly describe characteristics of wetlands relative to habitat functions such as interspersion of habitats, corridor connectivity, plant species richness, buffer condition, and so on. Describe how these functions will be affected by the project.

6. Unavoidable Impacts to non-wetland Aquatic Areas and Buffers

Summarize the amount of unavoidable impacts to non-wetland aquatic resources expected using tables similar to the following examples. Cite corresponding drawings in application package.

Example Table 4
Expected Impacts to Rivers, Streams, and Buffers

River or Stream Identifier	Affected Area (ac, lf, or sf)	Permanently Altered Area (ac, lf, or sf)	Temporarily Altered Area (ac, lf, or sf)	Indirect Impact Area (ac, lf, or sf)	Classification	State Rating	Local Jurisdiction Rating	
Stream A	400sf	170sf	230sf	NA			4	
Stream B	0.46	0.46ac	NA	NA			4	
Stream A Buffer	0.3ac							
Totals	0.31ac							

7. Impacted Non-Wetland Aquatic Area and Buffer Functions Applicants will also need to describe the aquatic resource functions that are expected to be lost or altered. The discussion can be divided into groups of functions such as water quality, hydrologic/hydraulic, and habitat. If a more detailed function description is available in other documents in the application package, this section should simply summarize the functions that will be affected and cite the more detailed document.

PART B: JUSTIFICATION FOR USING IN-LIEU FEE PROGRAM

1. Description of Mitigation Options Considered

The type of mitigation proposed to compensate for the project impact should be ecologically appropriate. In addition, the federal rule on compensatory mitigation titled *Compensatory Mitigation for Losses of Aquatic Resources; Final Rule* (Federal Rule) 33 CFR Section 332.3(b) specifies that when considering options for successfully providing the required compensatory mitigation, the district engineer shall consider the type and location options in the following order:

a. Wetland Mitigation Banks,
b. In-Lieu Fee Programs, and lastly
c. Permittee-Responsible Mitigation.

Prove a brief description of the potential (or lack thereof) for each type of mitigation listed above. If the impact project is within the service area of an approved wetland mitigation bank, describe why use of the bank is not appropriate. If onsite mitigation will occur, cite the mitigation plan and explain why the full mitigation needs cannot be met onsite. Permitte-responsible onsite mitigation must be ecologically preferable and sustainable and it is the burden of the permittee to provide adequate justification for choosing this route over a bank or ILF program.

2. In-Lieu Fee Program Selection Rationale

Determine if an ILF program is available in your immediate area. ILF programs are listed on Ecology's website at: http;//www.ecy.wa.gov/mitigation/ilf.html and the *Corps' RIBITS website at: https://rsgis.crrel.usace.army.mil/ribits/f?p=107:2:136943704396553*. Identify which in-lieu fee program you intend to use credits from and confirm that your project is located within the service area for that ILF program and that credits are available for sale. Provide rationale for proposing the in-lieu fee program as mitigation. This section should provide appropriate detail to demonstrate how

the ILF credits will provide adequate mitigation for the impact project. This discussion may include such points as:

- whether the development project will affect critical wetland functions that should be replaced on-site and, if so, have on-site mitigation opportunities been considered;
- Is the impact project within the service area of an approved mitigation bank, and if so, was purchase of credits from the bank considered and discussed with agency project managers;
- how the wetland or other aquatic resource mitigation needs of the project correspond with the purpose, goals, and objectives of the in-lieu fee program, discuss the impacts and how the watershed is impacted by the proposed project and how the impacts will be mitigated by the ILF;
- any other relevant considerations.

3. Wetland Functions Provided by the In-lieu Fee Program
Briefly describe the proposed in-lieu fee program, including how the program addresses watershed needs. If possible, describe the functions that are expected to be provided by the in-lieu fee program from which you are proposing to use credits. This information should be obtained directly from the in-lieu fee program sponsor, but may not always be available.

For ease of comparison, please discuss the ILF program's functions in the same way as the impact project's functions – grouped as water quality, hydrologic, and habitat functions. If a credit worksheet was prepared for the ILF project, cite that document here (see *Calculating Credits and Debits for Compensatory Mitigation in Wetlands of Western Washington* at http://www.ecy.wa.gov/biblio/1006011.html.)

Note: In-lieu fee programs are awarded a certain number of "advance credits" upon certification of the program. The number of credits awarded to an ILF program is determined during the approval process and varies with each ILF program due to the expected lift in functions that could result from the restoration actions undertaken by the sponsor. After the program sponsor sells credits to applicants, the program sponsor has up to three years to implement projects to "earn" credits. In some cases, it may be possible for an in-lieu fee program sponsor to identify a specific site and/or project where credits will be earned to offset a particular impact (and thereby the functions the credits will provide). It is reasonable for an applicant to request such information from an in-lieu fee program sponsor. However, inability of an in-lieu fee program sponsor to identify where credits will be generated should not affect the decision to use the program as long as the program has the capability to generate the appropriate type and amount of credits to compensate for the impact.

8. Aquatic Resource Functions unlikely to be mitigated by projects implemented through the In-lieu Fee Program
Describe the functions that will be affected by the project that are not expected to be compensated for by the in-lieu fee program. This may include functions that are difficult to replace or functions that a regulatory agency has determined must be replaced within or near the project area. Examples include stormwater treatment, groundwater recharge, flood storage, riparian habitat and others. If there are functions that will not or cannot be addressed by the in-lieu fee program, then explain how these functions will be otherwise mitigated by the project – cite other documents that describe this mitigation. This may include restoration of temporarily impacted areas as well. Alternatively, it is possible that an in-lieu fee program will not compensate for every function of the affected wetland

but that there will be a net gain in other functions that justifies that loss. If so, explain the reasoning that lead to that conclusion.

5. Proposed Use of ILF Credits

Each ILF program will specify in the ILF instrument their credit method and specify the method impact projects shall use for determining debits (e.g., *Calculating Credits and Debits for Compensatory Mitigation in Wetlands of Western Washington or* Ecology Publication #04-06-025, *Washington State Wetland Rating System for Western Washington*). If a different debit method is proposed, supply rationale for this decision. Due to the variety and typically high level of functioning of Category I wetlands, compensation for impacts to these resources by credits will be determined by the regulatory agencies on a case-by-case basis.

Applicants should consult with agency staff early in the permitting process to discuss credit use. Factors that may affect the number of credits needed to compensate for an adverse impact to wetlands and other aquatic resources include:

- whether the impact is permanent or temporary,
- the extent to which the functions of a wetland are eliminated when indirect impacts are concerned,
- whether some of the wetland functions affected by a project are mitigated for elsewhere,
- the extent to which the functions provided by the ILF program differ from the functions impacted by the project, and
- whether an ILF site is currently in the ground or not.

Credits for an ILF program are generally calculated one of two ways:

1. Using the Credit/Debit method: the Credit/Debit Method is based on the Washington State Wetland Rating System for Western Washington (Ecology publication #04-06-025). It also incorporates some recent refinements and updates in characterizing functions and values.
2. Using wetland area and ratios: if the ratios proposed for determining the amount of credits needed differ from those suggested in the ILF Instrument, provide the rationale for this.

Show the number of credits that are proposed to be purchased or transferred from the ILF program. If more than one wetland is impacted, it is helpful to use a table such as the following example to show the credit calculations.

Example Table 5
Example of ILF Credits Proposed for Use by Impact Project

Wetland	Total Wetland Area (acres)	Permanently Impacted Wetland Area (acres)[1]	Ecology Rating	Credit Needed per Impact Acre[2]	Credit Proposed for Use
A	1.01	0.03	IV	0.85	0.025
B	0.46	0.46	IV	0.85	0.39
C	5.88	0.95	III	1	0.95
TOTAL	**7.35**	**1.44[3]**			**1.36**

[1] In this example, the temporary impacts to the palustrine emergent wetlands listed in Table 2 will be mitigated by restoring those areas on-site following construction.

[2] Find recommended credit use ratio table (similar to Example Table 4) in the ILF Instrument you are using credits from or propose alternative ratios.

[3] Based on this example, the applicant is proposing to purchase 1.36 credits from the ILF program to compensate for 1.44 acres of permanent fill in wetlands.

6. Credit Purchase or Transfer Timing

This section should note the anticipated timing of purchase or transfer of the credits and any other details regarding credit use that may be relevant to the permit process. It is not necessary to disclose credit costs or specific financial arrangements made between the applicant and in-lieu fee program sponsor. When purchasing credits, the final sale should generally not occur until the permits relevant to the aquatic resources impacts have been issued. Prior to impacting project aquatic resources, permit applicants typically must submit proof of purchase (e.g., bill of sale) or transfer of credits to project managers for both Ecology and the Corps.

Exhibit 3: FINAL Mitigation Assessment Method ("the wetland tool"):

As of March 2012, a final version of the tool, *Calculating Credits and Debits for Compensatory Mitigation in Western Washington – Final Report, March 2012*, is complete. A copy of the wetland tool is available on Ecology's website at:

https://fortress.wa.gov/ecy/publications/publications/1006011.pdf

Exhibit 4: Marine/Nearshore Interim Approach Worksheet

v6.5.2012	**Subtidal Non-vegetated**	**Subtidal Vegetated** (eelgrass, kelp)	**Tidal Wetland** (tidal swamp, low marsh, high marsh, scrub-shrub, forested)	**Intertidal Non-wetland Vegetated** (eelgrass, algae dominated sites, vegetated berm)	**Intertidal Non-wetland Non-vegetated** (mudflats, oyster and other native shellfish beds, tidal flats/channels, low tide terrace, beach face, berm, rocky or sandy ramp/platform)	**Riparian** (terrestrial edge, bluff/rock face, supralittoral, and alluvial floodplain)	**Total**
Area of Impact in Acres	**TBD**	**TBD**	**TBD**	**TBD**	**TBD**	**TBD**	**Sum**
Degree of Impact Factor Range	1.2 to 2.0	1.2 to 2.0	1.2 to 2.0	1.2 to 2.0	1.2 to 2.0	1.2 to 2.0	
Duration (1/2 of DOI)	0 to 1.0	0 to 1.0	0 to 1.0	0 to 1.0	0 to 1.0	0 to 1.0	
Intensity (1/3 of DOI)	0 to 0.67	0 to 0.67	0 to 0.67	0 to 0.67	0 to 0.67	0 to 0.67	
Cumulative (1/6 of DOI)	0 to 0.33	0 to 0.33	0 to 0.33	0 to 0.33	0 to 0.33	0 to 0.33	
Total for DOI Factor (or 1.2, whichever is greater)	**TBD**	**TBD**	**TBD**	**TBD**	**TBD**	**TBD**	
Risk Factor	1.2 to 3.0	1.2 to 5.0	1.2 to 3.0	1.2 to 5.0	1.2 to 2.0	1.2 to 3.0	
Type of Habitat Sub-class (1/2 of Risk)	0 to 1.5	0 to 2.5	0 to 1.5	0 to 2.5	0 to 1.0	0 to 1.5	
Quality of Habitat (1/6 of Risk)	0 to 0.5	0 to 0.83	0 to 0.5	0 to 0.83	0 to 0.33	0 to 0.5	
Habitat Connectivity (1/6 of Risk)	0 to 0.5	0 to 0.83	0 to 0.5	0 to 0.83	0 to 0.33	0 to 0.5	
Imperiled Species (1/6 of Risk)	0 to 0.5	0 to 0.83	0 to 0.5	0 to 0.83	0 to 0.33	0 to 0.5	
Total for Risk Factor (or 1.2, whichever is greater)	**TBD**	**TBD**	**TBD**	**TBD**	**TBD**	**TBD**	
Total Number of Habitat Class Debits (Area X DOI X Risk)	**TBD**	**TBD**	**TBD**	**TBD**	**TBD**	**TBD**	**Sum**
Cost per Habitat Class Credits - Exhibit 5	TBD	TBD	TBD	TBD	TBD	TBD	
Total Mitigation Fee (Number X Cost)	**TBD**	**TBD**	**TBD**	**TBD**	**TBD**	**TBD**	**Sum**
Land Costs - Table 5	TBD	TBD	TBD	TBD	TBD	TBD	
Total Land Fee (Number X Cost)	**TBD**	**TBD**	**TBD**	**TBD**	**TBD**	**TBD**	**Sum**
Required Habitat Class Credits	TBD	TBD	TBD	TBD	TBD	TBD	
Restoration	1.0 to 1.3	1.0 to 1.3	1.0 to 1.3	1.0 to 1.3	1.0 to 1.3	1.0 to 1.3	
Establishment	1.2 to 2.0	1.2 to 2.0	1.2 to 2.0	1.2 to 2.0	1.2 to 2.0	1.2 to 2.0	
Enhancement	1.5 to 3.0	1.5 to 3.0	1.5 to 3.0	1.5 to 3.0	1.5 to 3.0	1.5 to 3.0	
Preservation	2.0 to 5.0	2.0 to 5.0	2.0 to 5.0	2.0 to 5.0	2.0 to 5.0	2.0 to 5.0	
Total Mitigation Acreage Required	**TBD**	**TBD**	**TBD**	**TBD**	**TBD**	**TBD**	**Sum**
						Overall Mitigation Ratio:	

Exhibit 5, Part 1: WETLAND CREDIT PRICING ANALYSIS

				Base Credits*				Earned Credits*					007	003	009										
Project Name	**HGM**	**Type**	**Acres of Treatment**	Wq	Hy	Ha	*Risk Factor***	Wq	Hy	Ha	**Total Function credits**	**Credits / Acre**	**Site Selection, Planning, Permitting & Design**	**Construction & Materials**	**Maintenance & Monitoring**	**Contingency**	*Conting %*	**Large Project Contractor Upcharge**	**Long-term M & M**	**MRP Admin**	**Total Project Budget**	**CPI Scaling Factor**	**2010 Adjusted (Using CPI)**	**Cost / "Universal Credit"**
Project 1	Riverine	Enhancement	14.85	0	0	44.55	*0.9*	0	0	40.1	40.1	2.7	$161,062	$322,624	$166,278	$97,495	*15%*	$64,525	$13,345	$64,996	$890,325	100%	$890,325	**$22,205**
Project 2	Depressional	Enhancement	1.38	0	0	5.52	*0.9*	0	0	5.0	5.0	3.6	$85,253	$86,860	$75,920	$49,607	*20%*	$17,372	$2,108	$24,803	$341,923	100%	$341,923	**$68,825**
Project 3	Riverine	Enhancement	5.85	5.85	0	11.7	*0.9*	5.265	0	10.5	15.8	2.7	$370,852	$295,642	$44,944			$59,128			$770,566	100%	$770,566	**$48,785**
Project 4	Depressional	Enhancement	6.14	5.53	11.05	11.05	*0.9*	5.0	9.9	9.9	24.9	4.1	$72,079	$123,395	$37,509	$46,597	*20%*	$24,679	$12,280	$23,298	$339,837	118%	$401,008	**$16,126**
			28.22					**10.2**	**9.9**	**65.5**	**85.7**												$2,403,821	

*Acre-point calculations subject to change as the tool is revised
** Risk Factor values are policy-based.

Weighted Average cost per credit $28,041
(Subject to change based on further analysis before first credit sale)

PRESERVATION CREDITS

Project Name	**Acres Preserved**	**Preservation Credits**	**Land Cost Surcharge**	**Cost / Preservation Credit**
Project 1	18.67	4.2	$96,948	$23,083
Project 2	3.9	0.6825	$242,296	$355,012
Project 3	9	1.1	$344,761	$313,419
Project 4	NA			

Exhibit 5, Part 2: MARINE/NEARSHORE CREDIT PRICING

v3.15.2012					Account Types: Individual Mitigation Project Accounts						Contingency Fee	Long term Management	Program Administration	
Project	Activity Type	Habitat Class	Scale/ Intensity	Acres	Site Survey, Design, Permitting	Construction, Materials, Tax	Monitoring and Maintenance	Large Project Surcharge	Sub-Total/Acre	Average Sub-Total/Acre	Contingency Cost	Long term Management Cost	Administrative Cost	Total Cost/Acre Credit
					Lump Sum	Lump Sum	10%+	5%			22% of construction	12% of construction	12% of all other costs	
1	Overwater Structure Removal	Subtidal or Intertidal	Small	2	$168,006	$786,704	$78,670	$39,335	$536,358	$556,392	$122,406	$66,767	$89,468	$835,034
2	Overwater Structure Removal	Subtidal or Intertidal	Large/ Intensive	5	$168,006	$2,360,112	$236,011	$118,006	$576,427					
3	Eelgrass Supplementation	Subtidal or Intertidal			?	?	?	?	?	?	?	?	?	?
4	Bulkhead Removal	Intertidal	Medium	0.46	$52,897	$115,420	$11,542	$5,771	$404,301	$404,301	$88,946	$48,516	$65,012	$606,775
5	Bulkhead Setback	Intertidal	Small	0.46	$158,690	$230,840	$23,084	$11,542	$923,812	$674,575	$148,407	$80,949	$108,472	$1,012,402
6	Bulkhead Setback	Intertidal	Large	2.87	$158,690	$923,360	$92,336	$46,168	$425,339					
7	Levee Removal	Intertidal	Small	1.8	$87,523	$173,077	$17,308	$8,654	$159,201	$135,268	$29,759	$16,232	$21,751	$203,010
8	Levee Removal	Intertidal	Large	15	$116,697	$1,350,713	$135,071	$67,536	$111,334					
9	Fill Removal	Intertidal	Small	0.11	$20,000	$40,000	$4,000	$2,000	$574,992	$502,246	$110,494	$60,270	$80,761	$753,771
10	Fill Removal	Intertidal	Large	1	$50,000	$330,000	$33,000	$16,500	$429,500					
11	Riverine Channel	Intertidal	Small	0.46	$45,000	$220,000	$22,000	$11,000	$649,044	$576,081	$126,738	$69,130	$92,634	$864,582
12	Riverine Channel	Intertidal	Large	1.15	$60,000	$450,000	$45,000	$22,500	$503,118					
13	Tidal Channel	Intertidal	Small	0.17	$25,000	$60,000	$6,000	$3,000	$545,952	$434,366	$95,560	$52,124	$69,846	$651,896
14	Tidal Channel	Intertidal	Large	0.57	$30,000	$135,000	$13,500	$6,750	$322,780					
15	Wood Placement	Intertidal	Light	1	$30,000	$70,000	$7,000	$3,500	$110,500	$175,875	$38,693	$21,105	$28,281	$263,953
16	Wood Placement	Intertidal	Intensive	1	$40,000	$175,000	$17,500	$8,750	$241,250					
17	Conifer Underplanting	Riparian	Medium	1	$5,000	$20,000	$4,000	$1,000	$30,000	$30,000	$6,600	$3,600	$4,824	$45,024
18	Open Space Planting	Riparian	Medium	1	$5,000	$40,000	$8,000	$2,000	$55,000	$55,000	$12,100	$6,600	$8,844	$82,544
19	Invasives Control	Riparian	Light	1	$5,000	$10,000	$1,000	$500	$16,500	$22,250	$4,895	$2,670	$3,578	$33,393
20	Invasives Control	Riparian	Intensive	1	$5,000	$20,000	$2,000	$1,000	$28,000					
21	Structure/Fill Removal	Riparian or Intertidal	Small	0.15	$20,000	$90,000	$9,000	$4,500	$823,333	$779,204	$171,425	$93,505	$125,296	$1,169,430
22	Structure/Fill Removal	Riparian or Intertidal	Large	0.28	$30,000	$150,000	$15,000	$7,500	$735,075					

Exhibit 6: HCCC ILF Program Fee Ledger

_____Service Area Fee Ledger

Current Program Account balance is $0

MITIGATION FEES Date **31-Oct-11**

Total Mitigation Fee Income	Credit Fees	Land Fees	Impact Permit #

Exhibit 6: HCCC ILF Program Fee Ledger
_____Service Area Fee Ledger
Current Program Account balance is $0

_____ SERVICE AREA

LAND FEES AND EXPENDITURES Date **31-Oct-11**

Land Fee Balance **$** -

Land Fee Deposits	**Impact Permit #**
$ -	0
$ -	0
$ -	0
$ -	0
$ -	

Land Fee Expenditures	**Acquisition project name**	**Date**	**Columns added as needed to provide detail**
$ -			
$ -			
$ -			

Exhibit 6: HCCC ILF Program Fee Ledger
_____Service Area Fee Ledger
Current Program Account balance is $0

_____ SERVICE AREA

CONTINGENCY ACCOUNT Date 31-Oct-11

Contingency Balance **$** -

Deposits	**Impact Permit #**
$ -	0
$ -	0
$ -	0
$ -	0
$ -	

Contingency Expenditures	**Mitigation Project Name**	**Description of expenditures**	**Columns added as needed to provide detail**
$ -			
$ -			
$ -			
0			

As of 31-Oct-11
Contingency % is: 0.00%

Exhibit 6: HCCC ILF Program Fee Ledger
_____Service Area Fee Ledger
Current Program Account balance is $0

_____ SERVICE AREA

PROGRAM ADMINISTRATION ACCOUNT DATE 31-Oct-11

Program Admin Balance **$** **-**

Deposits	**Impact Permit #**
$ -	0
$ -	0
$ -	0
$ -	0
$ -	

Prog Admin Expenditures	**Additional columns as needed to provide detail**
$ -	
$ -	
$ -	
0	

As of 31-Oct-11
Program Admin % is: 0.00%

Exhibit 6: HCCC ILF Program Fee Ledger

_____Service Area Fee Ledger

Current Program Account balance is $0

_____ SERVICE AREA

LONG-TERM MANAGEMENT ACCOUNT DATE **31-Oct-11**

Long-term Admin Balance **$** **-**

Deposits	**Impact Permit #**
$ -	0
$ -	0
$ -	0
$ -	0
$ -	

Prog Admin Expenditures	**Columns added as needed to provide detail**
$ -	
$ -	
$ -	
0	

As of 31-Oct-11

Program Admin % is: 0.00%

Exhibit 6: HCCC ILF Program Fee Ledger
_____Service Area Fee Ledger
Current Program Account balance is $0

_____ SERVICE AREA

MITIGATION PROJECT ACCOUNTS DATE **31-Oct-11**

Mitigation Project 1 Balance **$** -

Deposits	**Impact Permit #**
$ -	0
$ -	0
$ -	0
$ -	

Mitigation Project 1 Expenditures	**Additional columns as needed to provide detail**
$ -	
$ -	
$ -	
0	

Mitigation Project 2 Balance **$** -

Deposits	**Impact Permit #**
$ -	0
$ -	

Mitigation Project 1 Expenditures	**Additional columns as needed to provide detail**
$ -	
$ -	
$ -	
0	

Exhibit 7, Part 1: WETLAND LEDGER

_____ **Service Area Summary** *Current as of: 31-Oct-11*

Credits Balance Sheet

	Water Quality Credits	Hydrology Credits	Habitat Credits	Notes
Advance Credits	0	0	0	*(Date Advanced: xx-xx-xxxx)*
Debited Credits (sold to impacts)	0.00	0.00	0.00	
Credits pending (planned, proposed)	0	0	0	
Credits earned (Released)	0.00	0.00	0.00	
"No Net Loss Balance"	*0.00*	*0.00*	*0.00*	= Credits Earned - Debited Credits
Credits available to sell	*0.00*	*0.00*	*0.00*	= Advance - Debited + Released

Impact Site Details

Number of Impacts (Unique projects)	0
Acres of Impact	0.00

Mitigation Details

Projects	0
Acres	0

Exhibit 7, Part 1: HCCC ILF PROGRAM WETLAND LEDGER _____ SERVICE AREA [IMPACT SITES]

Note:

SITE DATA							MTIGATION DEBIT AND FEE ASSESSMENT DATA													FULFILLMENT DATA						
Impact Site Name	Impact Effective Date	Impact Site Fee Acct Project Number	WRIA	Impact Acreage	Type	Category	Water Quality Credits	$/ WQ Credit	WQ Cost	Hydrology Credits	$/ Hy Credit	Hy Cost	Habitat Credits	$/ Ha Credit	Ha Cost	Land Cost Area	Land Cost ($/acre)	HCCC ILF Prog Admin	Long-Term M & M Charges	TOTAL MITIGATION FEE CHARGED TO APPLICANT	Assigned to Mitigation Project	Mitigation Site Name	Design	Construction (Labor, Materials, Equipment)	Conting	Long-term M & M	Project Admin
TOTALS				0.00			0.00			0.00			0.00						$0	$0							
				Impact Acreage			Water Quality Credits			Hydrology Credits			Habitat Credits						Long-Term M & M Charges	TOTAL MITIGATION FEES CHARGED TO APPLICANTS							

"Universal Debits" (sum of Credits)	0.00

Exhibit 7, Part 1: HCCC ILF PROGRAM WETLAND LEDGER _____ SERVICE AREA [MITIGATION SITES]

Acre-Point Summary	WQ Credits	Hydrology Credits	Habitat Credits	Total
Proposed Credits	0	0	0	0
Pending Credits	0	0	0	0
Released Credits	0	0	0	0

MTIGATION SITE DETAILS - CREDITS AND ESTIMATED BUDGET

IMPACT SITE DETAILS AND BUDGET ALLOCATION

CARRY OVER

PROJECT 1

Mitigation Site Name	Proposed Project Acreage		WQ Credits	Hydrology Credits	Habitat Credits	Total
	0.0	Proposed	0	0	0	0
		Pending	0	0	0	0
		Released	0	0	0	0
Credits Sold (to Contributing Impact Projects):			0	0	0	0
Credits Still Available at Project:			0	0	0	
Estimated Budget Need:		$0				
Funds Allocated (from Contributing Impact Projects):		$0				
Remaining Budget Need:		$0				

Impact Site(s)	WQ Credits Needed	Hyrology Credits Needed	Habitat Credits Needed	Total Project Fees (excl LCS & LTMM)	Design	Construction (Labor, Materials, Equipment)	Conting.	LT M & M	Proj. Admin	% of Project Fees?	Impact Fees Allocated to Project	Remaining Funds for Other Project
0	0	0	0	$0				$0	$0	0%	$0	0
0	0	0	0	$0				$0	$0	0%	$0	$0
TOTALS	0	0	0	$0								

PROJECT 2

Mitigation Site Name	Proposed Project Acreage		WQ Credits	Hydrology Credits	Habitat Credits	Total
		Proposed	0	0	0	0
		Pending	0	0	0	0
		Released	0	0	0	0
Credits Sold (to Contributing Impact Projects):			0	0	0	0
Credits Still Available at Project:			0	0	0	
Estimated Budget Need:						
Funds Allocated (from Contributing Impact Projects):		$0				
Remaining Budget Need:		$0				

Impact Site(s)	WQ Credits Needed	Hyrology Credits Needed	Habitat Credits Needed	Total Project Fees (excl LCS & LTMM)	Design	Construction (Labor, Materials, Equipment)	Contingency	Long-term M & M	Project Admin	% of Project Fees?	Impact Fees Allocated to Project	Remaining Funds for Other Project
0	0	0	0	$0				$0	$0	0%	$0	0
0	0	0	0	$0				$0	$0	0%	$0	$0
TOTALS	0	0	0	$0								

Credit Calculation Worksheet

	Improving Water Quality	Hydrologic Functions	Habitat Functions
Increase in Score at mitigation site (**A – B) =**	0	0	0
Acres restored, created, or enhanced	0	0	0
Basic mitigation credit (BMC) = *Score x acres impacted*	0	0	0
Risk factor (RF) (see table)	0	0	0
Mitigation credits available for each area PMC = BMC x RF	0	0	0
TOTAL CREDITS AVAILABLE Add the credits from the different areas	**0**	**0**	**0**

Exhibit 7, Part 2: HCCC ILF PROGRAM MARINE/NEARSHORE LEDGER

Current as of: 31-Oct-11

Balance Sheet

	Aquatic Area Type 1 (E.g. Tidal Channel)	Aquatic Area Type 2 (E.g. Subtidal Vegetated)	Aquatic Area Type 3 (E.g. Intertidal Shore or Beach: Mud)	Notes
Area of Impacts				*(Date Advanced: xx-xx-xxxx)*
Mitigation Area pending (planned, proposed)				
Mitigation Complete earned (Released)				
"No Net Loss Balance"				

Impact Site Details

Number of Impacts (Unique projects)	0
Acres of Impact	0.00

Mitigation Details

Projects	0
Acres	0

Exhibit 7, Part 2: HCCC ILF PROGRAM MARINE/NEARSHORE LEDGER [IMPACT SITES]

Note:

SITE DATA						MTIGATION REQUIREMENTS AND FEE ASSESSMENT DATA								FULFILLMENT DATA						
Impact Site Name	**Impact Effective Date**	**Impact Site Fee Acct Project Number**	**Impact Acreage**	**Type**	**Detailed Description of Impact**	**Detailed Description of Mitigation Requirements**	**Area**	**Features**	**Land Cost Area**	**Land Cost ($/acre)**	**HCCC ILF Program Admin**	**Long-Term M & M Charges**	**TOTAL MITIGATION FEE CHARGED TO APPLICANT**	**Assigned to Mitigation Project**	**Mitigation Site Name**	**Design**	**Construction (Labor, Materials, Equipment) 003**	**Conting**	**Long-term M & M**	**Project Admin**
TOTALS			**0.00**									**$0**	**$0**							
			Impact Acreage									**Long-Term M & M Charges**	**TOTAL MITIGATION FEES CHARGED TO APPLICANTS**							

Exhibit 7, Part 2: HCCC ILF PROGRAM MARINE/NEARSHORE LEDGER

	MTIGATION SITE DETAILS - CREDITS AND ESTIMATED BUDGET				IMPACT SITE DETAILS AND BUDGET ALLOCATION								CARRY OVER		
	Mitigation Site Name	**Proposed Project Acreage**		**Detailed Description of Aquatic Area Lift**	**Impact Site(s)**	**Detailed Description of Aquatic Area Impacts (from Impact Ledger)**	Total Project Fees (excl LCS & LTMM)	**Design**	**Construction (Labor, Materials, Equipment)**	**Conting.**	**LT M & M**	**Proj. Admin**	% of Project Fees?	Impact Fees Allocated to Project	Remaining Funds for Other Project
PROJECT 1			Proposed												
			Pending												
			Completed												
		Estimated Budget Need:													
		Funds Allocated (from Contributing Impact Projects):	$0												
		Remaining Budget Need:	$0												
					TOTALS										

Exhibit 7, Part 3: HCCC ILF PROGRAM AQUATIC AREA LEDGER

_____ Service Area Summary *Current as of: 31-Oct-11*

Balance Sheet

	Aquatic Area Type 1 (E.g. Lake)	Aquatic Area Type 2 (E.g. Lake buffer)	Aquatic Area Type 3 (E.g. Stream)	Notes
Area of Impacts				*(Date Advanced: xx-xx-xxxx)*
Mitigation Area pending (planned, proposed)				
Mitigation Complete earned (Released)				
"No Net Loss Balance"				

Impact Site Details

Number of Impacts (Unique projects)	0
Acres of Impact	0.00

Mitigation Details

Projects	0
Acres	0

Exhibit 7, Part 3: HCCC ILF PROGRAM AQUATIC AREA LEDGER _____ SERVICE AREA [IMPACT SITES]

Note:

SITE DATA								MTIGATION REQUIREMENTS AND FEE ASSESSMENT DATA								FULFILLMENT DATA						
Impact Site Name	Impact Effective Date	Impact Site Fee Acct Project Number	WRIA	Impact Acreage	Type	Category	Detailed Description of Impact	Detailed Description of Mitigation Requirements	Area	Features	Land Cost Area	Land Cost ($/acre)	Land cost surcharge	HCCC ILF Program Admin	Long-Term M & M Charges	TOTAL MITIGATION FEE CHARGED TO APPLICANT	Assigned to Mitigation Project	Mitigation Site Name	Design	Construction (Labor, Materials, Equipment) 003	Conting	Long-term M & M	Project Admin
																						$0	
																						$0	
TOTALS				0.00 Impact Acreage									$0 Land cost surcharge		$0 Long-Term M & M Charges	$0 TOTAL MITIGATION FEES CHARGED TO APPLICANTS							

Exhibit 7, Part 3: HCCC ILF PROGRAM AQUATIC AREA LEDGER _____ SERVICE AREA

	MTIGATION SITE DETAILS - CREDITS AND ESTIMATED BUDGET			IMPACT SITE DETAILS AND BUDGET ALLOCATION								CARRY OVER		
	Mitigation Site Name	**Proposed Project Acreage**	**Detailed Description of Aquatic Area Lift**	**Impact Site(s)**	**Detailed Description of Aquatic Area Impacts (from Impact Ledger)**	Total Project Fees (excl LCS & LTMM)	**Design**	**Construction (Labor, Materials, Equipment)**	**Conting.**	**LT M & M**	**Proj. Admin**	% of Project Fees?	Impact Fees Allocated to Project	Remaining Funds for Other Project
PROJECT 1		Proposed												
		Pending												
		Completed												
		Estimated Budget Need:												
		Funds Allocated (from Contributing Impact Projects):	$0											
		Remaining Budget Need:	$0											
				TOTALS										

Exhibit 8: Credit Fulfillment Checklist

HCCC ILF Program: Credit Fulfillment Checklist

Proposed Mitigation Project Details

Impact(s) (Permit numbers, date) _____

Proposed Receiving Site: _____

Review process inception date _____

	Fulfillment Step	Responsible Party	Notes/Special conditions	Date completed	IRT Signoff
1	HCCC ILF Program selects preferred site	HCCC ILF Program			NA
2	IRT review and approval of proposed receiving site	IRT	__Legal for mitigation? __Appropriate functional match provided by receiving site? __Potential for lift at proposed receiving site?		
3	Single site selected	HCCC ILF Program/ IRT			
4	Draft Mitigation plan	HCCC ILF Program			
5	Rating of receiving site	HCCC ILF Program			
6	Baseline data collection at site	HCCC ILF Program	If necessary		
7	Final mitigation plan completed	HCCC ILF Program	Including proposed credit release schedule		
9	Site Protection instrument developed	HCCC ILF Program			
8	IRT review and approval of Mitigation Plan	IRT	__Proposed mitigation appropriate for original impacts(s)? __No net loss requirements met?		
10	IRT review and approval of site protection instrument				
11	Begin project implementation	HCCC ILF Program			
12	Project achievement of performance measures	HCCC ILF Program			

Exhibit 9: Statement of Sale Template

Hood Canal Coordinating Council In-Lieu Fee Program Statement of Sale

OFFICIAL RECORD OF SALE OF MITIGATION CREDITS PURSUANT TO THE TERMS AND CONDITIONS OF THE HOOD CANAL COORDINATING COUNCIL IN-LIEU FEE PROGRAM FINAL PROGRAM INSTRUMENT AND PROVISIONS CONTAINED IN 33 CFR PARTS 325 AND 332 AS REVISED EFFECTIVE JUNE 9, 2008 (FEDERAL MITIGATION RULE).

I. PURPOSE

This Statement of Sale confirms the sale of mitigation credits from the Hood Canal Coordinating Council In-Lieu Fee Program (hereinafter "Sponsor") to the Applicant listed in Article III below. This Statement of Sale does not constitute a permit or permission to proceed with any proposed action. The Applicant is responsible for obtaining all necessary permits for a proposed action.

II. TRANSFER OF PERMIT MITIGATION RESPONSIBILITY

The Sponsor agrees to accept full legal responsibility for satisfying the mitigation requirements for all Corps, State, and local permits for which mitigation fees from an Applicant have been accepted under the terms of this Statement of Sale. This responsibility includes compliance with 33 CFR 332, 40 CFR 230, and any applicable state and local jurisdictional laws, and the terms of the Program Instrument. In satisfaction of the compensatory mitigation requirements, the Sponsor shall provide compensatory mitigation of the type and in the amount necessary to meet applicable Federal, State, and local regulation requirements.

III. APPLICANT AND IMPACT PROJECT DETAILS

A. Applicant.

[Applicant Name](hereinafter "Applicant")

[Address and other Contact information]

B. Impact Project. The Sponsor has accepted mitigation fees in the amount of $_____ for the unavoidable impact to aquatic resources as described below. Upon acceptance of these fees from the Applicant, the Sponsor is agreeing to implement mitigation and assume all associated obligations and liabilities according to terms of the Final Program Instrument for the Hood Canal Coordinating Council In-Lieu Fee Program (HCCC ILF Program) certified on _____, 20XX.

HCCC ILF Program Service Area:_____

Description of impacts: [Provide details of project impact]

Permitting Agency:_____ Permit Number:_____

[Add additional agencies and permits as necessary]

Debits incurred_____

Description of debits: [Description of resource type, functional type, rationale, etc.]

IV. CREDITS PURCHASED AND MITIGATION FEES PAID

A. Credits Purchased. In exchange for the payment of mitigation fees, the Applicant receives _____mitigation credits. These credits have been withdrawn from the [Advance Credit pool or existing credit balance] in the [Service Area Name] service area.

B. Allocation to the HCCC ILF Program Account. The mitigation fees will be deposited into the following accounts within the Hood Canal Coordinating Council In-Lieu Fee Program Account (see Basic Agreement Article III.D and Appendix F):

Service Area:_____

Total Mitigation Fees Collected from Applicant: $_____

Land Fee Account: $_____ (____% of total mitigation fee)

Program Admin. Account: $_____ (____% of total mitigation fee)

Contingency Fee Account: $_____ (____% of total mitigation fee)

Long Term Management Fund: $_____ (____% of total mitigation fee)

Mitigation Project Accounts: $_____ (____% of total mitigation fee)

V. PROOF OF PURCHASE

This Statement of Sale shall serve as official proof that the Applicant has purchased mitigation credits from the Sponsor.

A. Signed Statement of Sale provided to Applicant. The Sponsor will provide a signed copy of this form to the Applicant within 15 days after receipt of funds from the Applicant. The Applicant is responsible for submitting copies of the signed Statement of Sale to appropriate regulatory agencies as proof of purchase of HCCC ILF Program mitigation credits.

B. Signed Statement of Sale provided to the Corps and Ecology. The Sponsor will provide a signed copy of this form to the Corps and Ecology within 15 days after receipt of funds from the Applicant.

C. Copies available to IRT members. Copies of this Statement of Sale will be made available any member of the IRT upon the IRT member's request.

VI. ADDITIONAL PROVISIONS

A. Allocation of Funds. The Sponsor will deposit the moneys listed above into the program account in the amounts listed in Article IV.B of this Statement of Sale. Record of these funds will also be added to the Program Account Ledger.

B. Spending Authorization. Upon initial receipt of mitigation fees, the Sponsor shall be authorized to spend up to 75 percent of funds allocated to Administrative Accounts according to the terms of the program instrument (see Appendix F). The District Engineer, after consultation with the IRT, must authorize all additional expenditures from the program account pursuant to 33 CFR 332.8(i)(2) and pursuant to the Basic Agreement Article III.B.

C. Reporting requirements unaffected. This agreement shall not affect reporting requirements outlined in the program instrument.

D. Effect of Agreement. This Agreement does not in any manner affect statutory authorities and responsibilities of the Sponsor. This Statement of Sale is not intended, nor may it be relied upon, to create any rights in third parties enforceable in litigation with the United States or the State of Washington. This Statement of Sale does not authorize, nor shall it be construed to permit, the establishment of any lien, encumbrance, or other claim with respect to the Hood Canal Coordinating Council In-Lieu Fee Program property, with the sole exception of the right on the part of the Corps to require the Sponsor to implement provisions of the Program Instrument, including recording conservation easements or similarly restrictive covenants, required as a condition of the issuance of permits for discharges of dredged and fill material into waters of the United States associated with construction and operation and maintenance of a Mitigation Site.

E. Attorneys' Fees. If any action at law or equity, including any action for declaratory relief, is brought to enforce or interpret the provisions of this Statement of Sale, each party to the litigation shall bear its own attorneys' fees and costs of litigation.

F. Headings and Captions. Any paragraph heading or caption contained in this Statement of Sale shall be for convenience of reference only and shall not affect the construction or interpretation of any provision of this Statement of Sale.

IN WITNESS WHEREOF, the Sponsor confirms the information contained in this Statement of Sale to be true as written.

SPONSOR

_____ _____

[Name] Date

Hood Canal Coordinating Council
Executive Director
11791 Fjord Drive NE, Suite 130/124
Poulsbo, WA 98370-8481

Exhibit 10: Spending Agreement Template

Hood Canal Coordinating Council In-Lieu Fee Program Mitigation Fee Spending Agreement

AN AGREEMENT REGARDING THE AUTHORIZATION TO SPEND MONEYS FROM THE HOOD CANAL COORDINATING COUCIL IN-LIEU FEE PROGRAM ACCOUNT PURSUANT TO THE FINAL HOOD CANAL COORDINATING COUCIL IN-LIEU FEE PROGRAM BASIC AGREEMENT AND PROVISIONS CONTAINED IN 33 CFR PARTS 325 AND 332 AS REVISED EFFECTIVE JUNE 9, 2008 (FEDERAL MITIGATION RULE).

I. PURPOSE

Under this agreement, the District Engineer of the US Army Corps of Engineers, Seattle District (hereinafter the "district engineer") and the Washington State Department of Ecology (hereinafter "Ecology") authorize Hood Canal Coordinating Council (hereinafter "HCCC") to spend a portion of mitigation fees collected through HCCC's federally-certified In-Lieu Fee Program (hereinafter "HCCC ILF Program"), an in-lieu fee mitigation program. The federal rule governing operations of mitigation banks and in-lieu fee programs used to satisfy mitigation requirements associated with Department of the Army permits (33 CFR Part 332) requires that, "Disbursements from the program account may only be made upon receipt of written authorization from the district engineer, after the district engineer has consulted with the IRT." [332.8(i)(2)]. This agreement pertains solely to activities conducted by the HCCC ILF Program pursuant to the Final Program Instrument signed into effect on _____.

This spending agreement shall supplement the spending authority provisions contained in the Final Program Instrument (see Basic Agreement Article III.B and Appendix F).

Hood Canal Coordinating Council ILF Program has accepted mitigation fees in the amount of $_____ for the unavoidable impacts to aquatic resources as described below. Hood Canal Coordinating Council has identified a Mitigation Site at which these fees will be used to implement mitigation as identified in Article IV below.

Upon acceptance of these fees HCCC is agreeing to implement mitigation and assume all associated obligations and liabilities according to terms of the Final Program Instrument for the HCCC ILF Program certified on _____, 2012.

II. IMPACT PROJECTS AND MITIGATION FEES COLLECTED

Service Area:_____

Applicant Name	Permit Number	Total Mitigation Fees Collected	Mitigation Site Where Funds Will be Used

Detailed descriptions of each impact are provided on attached sheets [describe attachments].

III. ALLOCATION INTO HCCC ILF PROGRAM ACCOUNTS

A. Total Mitigation Fees collected for impacts above: $_____

Land Fee: $ _____(_____% of total mitigation fees)

Program Administration Account: $ _____(_____% of total mitigation fees)

Contingency Fee Account: $ _____(_____% of total mitigation fees)

Long Term Management Fund: $ _____(_____% of total mitigation fees)

Mitigation Project Account: $ _____(_____% of total mitigation fees)

B. Total Mitigation Fees collected in the Service Area: $_____

Land Fee: $ _____(_____% of total mitigation fees)

Program Administration Account: $ _____(_____% of total mitigation fees)

Contingency Fee Account: $ _____(_____% of total mitigation fees)

Long Term Management Fund: $ _____(_____% of total mitigation fees)

Mitigation Project Account: $ _____(_____% of total mitigation fees)

IV. MITIGATION PROJECT DETAILS

Name of mitigation site:_____

Service Area: _____

Parcel Number(s): _____

[Insert other details as relevant, including description of IRT review process]

The IRT has reviewed the proposed site, and has approved the site and mitigation concept.

V. AUTHORIZATION FOR EXPENDITURE OF FUNDS FROM THE HCCC ILF PROGRAM ACCOUNT

Upon execution of this agreement, HCCC is authorized to spend the following moneys from the accounts listed below for the mitigation project described in Article IVabove:

Land Fee: ($_____)

Program Administration Account: ($_____)

Contingency Fee Account: ($_____)

Long Term Management Fund: ($_____)

Mitigation Project Accounts: ($_____)

VI. ADDITIONAL PROVISIONS

A. This Spending Agreement shall satisfy the federal rule requirement that, "Disbursements from the program account may only be made upon receipt of written authorization from the district engineer, after the district engineer has consulted with the IRT." [332.8(i)(2)].

B. Nothing in this agreement shall prevent HCCC from spending up to 75 percent of funds allocated to Administrative Accounts as authorized in the Program Instrument Appendix F.

C. Expenditure of funds authorized by this agreement shall pertain only to those accounts under the same service areas where impacts occurred.

D. Spending Authorization Provided: Only upon execution of this agreement is HCCC authorized to spend moneys allocated to the Accounts within each service area as noted above.

E. Limits: The authorization provided under this agreement shall not extend to expenditures from any other HCCC ILF Program account for any other purpose.

F. Reporting requirements unaffected: This agreement shall not affect reporting requirements outlined in the program instrument.

G. Duration: This agreement shall remain in effect until three (3) years from the most recent date in the signature block below.

1. For spending by the Sponsor after the first three (3) years, spending may be authorized by the Corps and/or Ecology's issuance of a letter approving a subsequent agreed-to spending plan for the remainder of the Establishment phase until all credits are released and the site enters Long Term Monitoring and Maintenance.

H. Additional Spending Authority Requests: Whether or not three (3) years have elapsed, the Sponsor may request subsequent releases of funds. Such subsequent releases of funds will require an additional approval by the District Engineer, using this template, and will supplement this agreement.

I. Revocation: In the event of default as defined in the Basic Agreement Article IV.R. and Appendix S, this spending agreement may be revoked.

J. Effect of Agreement: This Agreement does not in any manner affect statutory authorities and responsibilities of the signatory Parties. This Agreement is not intended, nor may it be relied upon, to create any rights in third parties enforceable in litigation with the United States or the State of Washington. This Agreement does not authorize, nor shall it be construed to permit, the establishment of any lien,

encumbrance, or other claim with respect to the HCCC ILF Program property, with the sole exception of the right on the part of the Corps to require the Sponsor to implement the provisions of this Agreement, including recording conservation easements or similarly restrictive covenants, required as a condition of the issuance of permits for discharges of dredged and fill material into waters of the United States associated with construction and operation and maintenance of a Mitigation Site.

K. Attorneys' Fees: If any action at law or equity, including any action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, each party to the litigation shall bear its own attorneys' fees and costs of litigation.

L. Availability of Funds: Implementation of this Agreement is subject to the requirements of the Anti-Deficiency Act, 32 U.S.C. § 1341, and the availability of appropriated funds. Nothing in this Agreement may be construed to require the obligation, appropriation, or expenditure of any money from the United States Treasury, in advance of an appropriation for that purpose.

M. Headings and Captions: Any paragraph heading or caption contained in this Agreement shall be for convenience of reference only and shall not affect the construction or interpretation of any provision of this Agreement.

N. Counterparts: This Agreement may be executed by the Parties in any combination, in one or more counterparts, all of which together shall constitute one and the same agreement.

O. Binding: This Agreement, pursuant to the program instrument, shall be immediately, automatically, and irrevocably binding upon the Sponsor and its heirs, successors, assigns and legal representatives upon execution by the Sponsor and the Corps.

IN WITNESS WHEREOF, the Parties hereto have executed this agreement on the date herein below last written.

UNITED STATES ARMY CORPS OF ENGINEERS:

_____ _____

[Name] Date

Mitigation Manager/Co-chair of the IRT

_____ _____

Bruce A. Estok Date

Colonel, Corps of Engineers Seattle District Engineer
U.S. Army Corps of Engineers, Seattle District
Regulatory Branch
Seattle District, Corps of Engineers
4735 E. Marginal Way South
P.O. Box 3755
Seattle, WA 98124-3755

WASHINGTON STATE DEPARTMENT OF ECOLOGY:

_____ _____

[Name] Date

Co-chair of the IRT
Shorelands and Environmental Assistance Program
P.O. Box 47600
300 Desmond Drive
Olympia, WA 98504-7600

SPONSOR:

_____ _____

[Name] Date

Hood Canal Coordinating Council
Executive Director
11791 Fjord Drive NE, Suite 130/124
Poulsbo, WA 98370-8481

Exhibit 11: Financial Assurances

Hood Canal Coordinating Council

Jefferson, Kitsap & Mason Counties;
Port Gamble S'Klallam & Skokomish Tribes
State & Federal Agencies

June 6, 2012

Ms. Gail Terzi, Co-Chair of the HCCC ILF IRT
Regulatory Branch, Seattle District, US Army Corps of Engineers
4735 E. Marginal Way South
P.O. Box 3755
Seattle, WA 98124-3755

Mr. Brad Murphy, Co-Chair of the HCCC ILF IRT
Shorelands and Environmental Assistance Program, Department of Ecology
300 Desmond Drive
P.O. Box 47600
Olympia, WA 98504-7600

Dear Ms. Terzi and Mr. Murphy:

I am writing to provide documentation of financial assurances the Hood Canal Coordinating Council (HCCC) proposes in support of our obligations as Program Sponsor for the proposed HCCC In-Lieu Fee Mitigation Program (ILF Program). It is our conclusion that the HCCC ILF Program already provides a robust set of financial assurances that would compare favorably to any across the United States in meeting the intent of the federal rules governing wetland banking, and are unlikely to require measures beyond those outlined by our full-cost accounting of mitigation expenses.

However, at your request, as the Executive Director of the HCCC, I am committing my organization's intent to provide additional assurances in the form of a promise to use any available discretionary funds not contractually obligated for other purposes to address outstanding mitigation obligations in the future. In the event these discretionary funds are insufficient to cover unforeseen obligations, I will brief the HCCC member governments and request input, in-kind support, or financial support to meet outstanding obligations.

Sincerely,

Scott Brewer
Executive Director
Hood Canal Coordinating Council