

**Mitigation Monitoring Report Cover Sheet
Oregon Department of State Lands**

Block 1: Report Information

DSL Permit Number: 446225	COE Permit Number: NWP-1999-1585	Permittee: <i>Knaupp</i>
County: <i>Polk</i>	Report Date: <i>2/20/17</i>	Monitoring Year 1 2 3 4 5
Date Removal-Fill Activity Completed:		
Date mitigation was completed Grading: <i>11/2010</i> Planting: <i>10/2010</i> and <i>2/2011</i>		
Report submitted by: <i>Mark Knaupp</i>		

Block 2: Monitoring Report Purpose

This monitoring report is for monitoring a project that includes: (check all that apply):

- G Compensatory **freshwater** wetland mitigation for permanent wetland impacts.
- G Compensatory **estuarine** wetland mitigation for permanent wetland impacts.
- G **Only non-wetland** compensatory mitigation.
- G **Only mitigation for temporary** impacts that has a monitoring requirement.
- G Voluntary wetland enhancement, creation or restoration (General authorization or individual permit) not funded with money from our wetland mitigation revolving fund.
- G Voluntary wetland enhancement, creation or restoration (General authorization or individual permit) funded with money from **our wetland mitigation revolving fund**.
- G **Mitigation Bank** Report
- G Other: *Phase 4 Annual Report – February, 2018*

Block 3: Results

	Success Criteria	Met? (Y/N)	Comments/Reasons for Failure*
1.			
2.			

Remedial work recommended Yes No X

Deed Restriction or other protection instrument attached (noted: if a filed deed restriction was a required as a permit condition, please attach a copy: Yes No X

**The Conservation Easement is in review. We are waiting for official approval from DSL and the ACOE and will then submit a signed copy.*

Final Detailed Monitoring Report? Yes COMPLETED 2016 No

Requesting release or partial release of bond? NA Credits? Yes No X

Mud Slough Wetland Mitigation Bank

Phases 3 & 4 – 2017 Annual Report

Submitted by:
Mark Knaupp and Carla Cudmore

February, 2018

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1.0 REGULATORY BACKGROUND

The purpose of this report is to provide photo point monitoring, summary of management, maintenance, or remedial actions and cumulative credit ledger for Phase 4 and credit ledger for Phase 3 of the Mud Slough Wetland Mitigation Bank (Bank) located at 1875 N. Greenwood Road, Rickreall, Polk County, Oregon. With this report, Phase 3 credits are sold out, thus future Annual Reports will represent Phase 4 only, until the Phase 4 credits are sold out.

Phase 3 of the Bank is located in Township 7S, Range 4W, Section 20, Tax Lot 300. Phase 3 occupies 81.5 acres of the 413 acre tax lot. The MOA for Phase 3 was approved in July 2008. All 41.5 Phase 3 credits have been released for sale. The last annual monitoring report for Phase 3 was submitted in 2013. The credit sales for Phase 3 are reported on in Section 6.0.

The MOA for Phase 4 was approved in June 2011. Phase 4 of the Bank includes 47.2 acres in Township 7S, Range 4W, Section 17, portions of Tax Lots 400 and 500. The primary goals for Phase 4 are to create 1.77 acres, enhance 1.24 acres and restore 40.1 acres of wet prairie and emergent wetland habitat. The Bank also includes a 4.09 acre upland knoll to provide varied wildlife habitat within the Bank.

	<u>Acres</u>	<u>Mitigation Type</u>	<u>Credit Ratio</u>	<u>Credits Earned</u>
40.10		Restoration of cropped wetland	1:1	40.10
1.77		Creation	1 ½:1	1.18
1.24		Enhancement of cropped wetland	2:1	0.62
4.09		Upland knoll	6:1	0.68
47.20		Total Site		42.58

2.0 2017 WORK SUMMARY

Manual removal of weeds along with spot spraying of weeds continues on Phase 4. The targeted species includes tansy ragwort (*Senecio jacobea*), Himalayan blackberry (*Rubus discolor*), velvet grass (*Holcus lanatus*), Canadian thistle (*Cirsium arvense*), and black hawthorn (*Crataegus douglasii*).

No additional maintenance activities have been necessary. Normal spot spraying and hand plant removal will continue. Due to the continued success of the site, no additional plantings are planned.

3.0 MONITORING RESULTS

The five years of vegetation monitoring for Phase 4 were completed and reported in the 2015 Monitoring Report. All Performance Standards have been met. Photo monitoring will continue until all credits have been sold.

4.0 POST FUNCTION AND VALUE VERIFICATION

A function and value assessment of Phase 4 as described in “Exhibit C - Phase 4 Mitigation Plan, Section 7, Annual Reports”, was conducted by Pat Thompson and Allen Martin in July 2017. The report should be completed soon and will be submitted under separate cover.

5.0 PHOTO POINT MONITORING

Photos from each of the established six photo points Phase 4 are included as Attachment 1. Photos were taken in June, 2017.

6.0 CREDIT SALES SUMMARY

Table 1 – Phase 3 Credit Sales Summary

Date	Name	DSL Permit #	ACOE Permit #	Credits Purchased
11/20/09	Advantage Precast, Inc	ENF6899	NA	1.567
12/1/09	State of Oregon	34119-FP	2004-803	0.40
12/14/09	Central School District	42503-RF	2009-00253	1.70
12/14/09	GreenTree, LLC	39251	2007-842	0.44
12/23/09	ODOT	10008-RF	1996-00016	1.46
12/23/09	Pfeiffer Roofing, Inc.	ENF-6902	NA	0.19
2/3/10	Windigo Properties, LLC	42654	2009-302	0.89
4/5/10	State of Oregon	43698-RF	2009-337	0.27
8/3/10	3510 Lancaster LLC	4145552-RF	2008-586	0.057
8/10/10	City of Salem	4925-ENF 4926-ENF 4927-ENF 4928-ENF 4929-ENF	NA	0.22
8/19/10	Troy and Gina Bundy	7014-ENF	NA	0.03
8/12/10	Les Toth dba Kathleen Manor	6994-ENF	NA	0.64
11/22/10	City of Dundee	45474-RF	2010-154	0.64
12/14/10	City of Oregon City	44900	2010-32	0.24
12/28/10	Eyvette & Loran Davidson	6612-ENF	NA	0.07
2/12/11	The Lenity Group	45110	2009-654	1.65
6/6/11	City of Salem	46640-GP	2011-98	0.14
6/23/11	Investors Brokerage, Inc.	46715-RF	2006-348	0.29
Total Phase 3 Credit Sales in Nov. 2009 thru June 2011				10.894
7/5/11	City of Salem	46653-GP	2010-129	0.166
7/14/11	City of Wilsonville	45448-FP	2010- 40	0.40
10/17/11	Eyvette and Loran Davidson	ENF6612	N/A	0.25
10/11-3/12	Sean Tyler Keys LLC	35920-RF	2010-402	0.34
11/14/11	Brian Sparks	47906 RF	2011-348	0.17
12/16/11	ODOT	48315	2011-487	0.042

3/31/12	ODOT	48392	2011-466	0.05
5/28/12	Pac Trust	49112	2012-48	0.41
6/11/12	MWSH Salem, LLC	48938-RF	2012-37	0.05
Total Phase 3 Credit Sales in July 2011 thru June 25, 2012				1.878
6/27/12	NorPac Foods	50096-FP	NA	0.33
8/3/12	NorPac Foods	50096-FP	2011-373	0.50
8/20/12	City of Wilsonville	49456-RF	2012-68	.033
8/31/13	NW Freedom Corp	7125-ENF	NA	0.14
10/1/12	Wells Fargo Bank	50180-RF	2010-402	0.165
10/16/12	Eyvelle Davidson	ENF6612	NA	0.25
11/21/12	City of Salem	51517	2012-458	.31
4/27/13	City of Wilsonville	52665-RF	2013	.01
Total Phase 3 Credit Sales June 27, 2012 thru July 1, 2013				1.738
7/16/13	Chehalem Park & Rec	7275-ENF	NA	0.14
10/15/13	Eyvette Davidson	6612-ENF	NA	0.25
12/26/13	Meriwether Farms	25566-RP	NA	0.75
3/20/14	Baker Rock	14933-RP, 16275-PR	98-1454	0.99
4/3/14	J.C. Compton Co.	7395-ENF	NA	2.40
4/9/14	Mt. West Investment	54536-RF	2013-295	0.063
4/17/14	OR Pride Nurseries	25818-RF	NA	0.14
8/12/14	Eyvette Davidson	6612-ENF	NA	0.25
8/23/14	Calais at Villebois	55979-FP	NA	0.37
Total Phase 3 Credit Sales July 1, 2013 – August 31, 2014				5.353
9/4/14	Polygon at Villebois	56185-FP	2014-153	0.03
9/4/14	Polygon at Villebois	56009-FP	2014-133	0.82
10/17/14	City of Salem	56309	2014-195	0.02
11/21/14	City of Wilsonville	56093	2014-134	4.45
11/21/14	ODOT	50098-RF	2012-145	0.841
3/4/15	Kashmir Business Park	56812-RF	2014-339	0.212
4/2/15	Fife Group	56149-RF	2014-288	0.79
4/2/15	Fife Group	56688-RF	2014-288	0.29
7/29/15	Washington County	57032	2014-462	1.11
10/30/15	City of Salem	59016-RF	2015-230	0.472
Total Phase 3 Credit Sales September 1, 2014 – December 31, 2015				9.035
2/12/16	Bonneville Power	57063-RF	NWP-2014-201	.26
3/29/16	JC Compton	56827-RF	MWP-1995-847-1	3.36
4/11/16	City of Newberg	58811-GP	2015-493	.144
6/8/16	West Hill Properties	58441-RF	NWP-2015-00387	.016
10/17/16	AER Spada Farms LLC	35470-FP	NA	.21
11/4/16	Windsor Rock Products	26629-RF	2013-252	.14
Total Phase 3 Credit Sales December 31, 2015 – December 31, 2016				4.13
1/13/17	Springbrook Properties	39467-RF	2007-935	.21
1/31/17	Bonneville Power	58763-RF	2016-57	4.05
2/7/17	Meadows Project II	59446-RF	2008-627-1	.91

7/11/17	City of Canby	60222	2017-232	0.011
7/27/17	City of McMinnville	60050-RF	2017-156	.71
8/3/17	Cypress Creek Renewables	60111-RF	2017-158	.29
8/23/17	Peter Barram	60134-RF	2016-181	.05
8/23/17	Montagne Development	57509	2015-252	2.241
Total Phase 3 Credit Sales January 1, 2017 – August 23, 2017				8.472
Total Phase 3 Credits Sold				41.5

There are 41.5 credits available for Phase 3, all of which have been released and sold.

Table 2 – Phase 4 Credit Sales Summary

Date	Name	DSL Permit #	ACOE Permit #	Credits Purchased
Initial Credit Release (75%) + Credit Adjustment = 33.155				
8/23/17	Montagne Development	57509	2015-252	.239
12/7/17	Oregon Military Department	60517	2017-378	.024
12/11/17	Salem Hotel Investors II	60106	2017-152	.23
12/22/17	Howard Commons, LLC	60519-RF	2017-430	.25
Total Phase 4 Credit Sales August 23, 2017 – December 31, 2017				.743

There are 42.58 original credits available for Phase 4. Seventy-five percent of these original credits have been released (31.935 credits). However, an acreage adjustment of 1.22 credits from Phases 1 & 2 were released with the first credit release for Phase 4 (see Attachment 2). This brings the total credits released and available for Phase 4 at:

31.935 (75% of the original Phase 4 credits)
 + 1.220 (Phases 1 & 2 credit adjustment)
33.155 credits.

To date 0.743 credits have been sold leaving 32.412 released and available for sale. The remaining 25% of the original credits in Phase 4 (10.645) can be released with the signing of the conservation easement.

7.0 CREDIT RELEASE SUMMARY

The requirements for the final 25% credit release (10.645 credits) include signing the conservation easement and adding Phase 4 to the long term management plan. The Wetlands Conservancy has agreed to act as the long-term steward for Phase 4. We will sign the approved conservation easement for Phase 4 upon approval by all parties. Hopefully this will occur in 2018.

8.0 Phase 3 Bank Closure

With all of the Phase 3 credits now sold, we are requesting Phase 3 Bank Closure documents.

9.0 PHASE 4 – MONITORING REPORT SUMMARY

All performance standards have been met for Phase 4. This less detailed report as defined in the Phase 4 Banking Instrument will continue to be submitted until the last credit is sold.



PHOTO POINT #1 Facing North (June 2017)

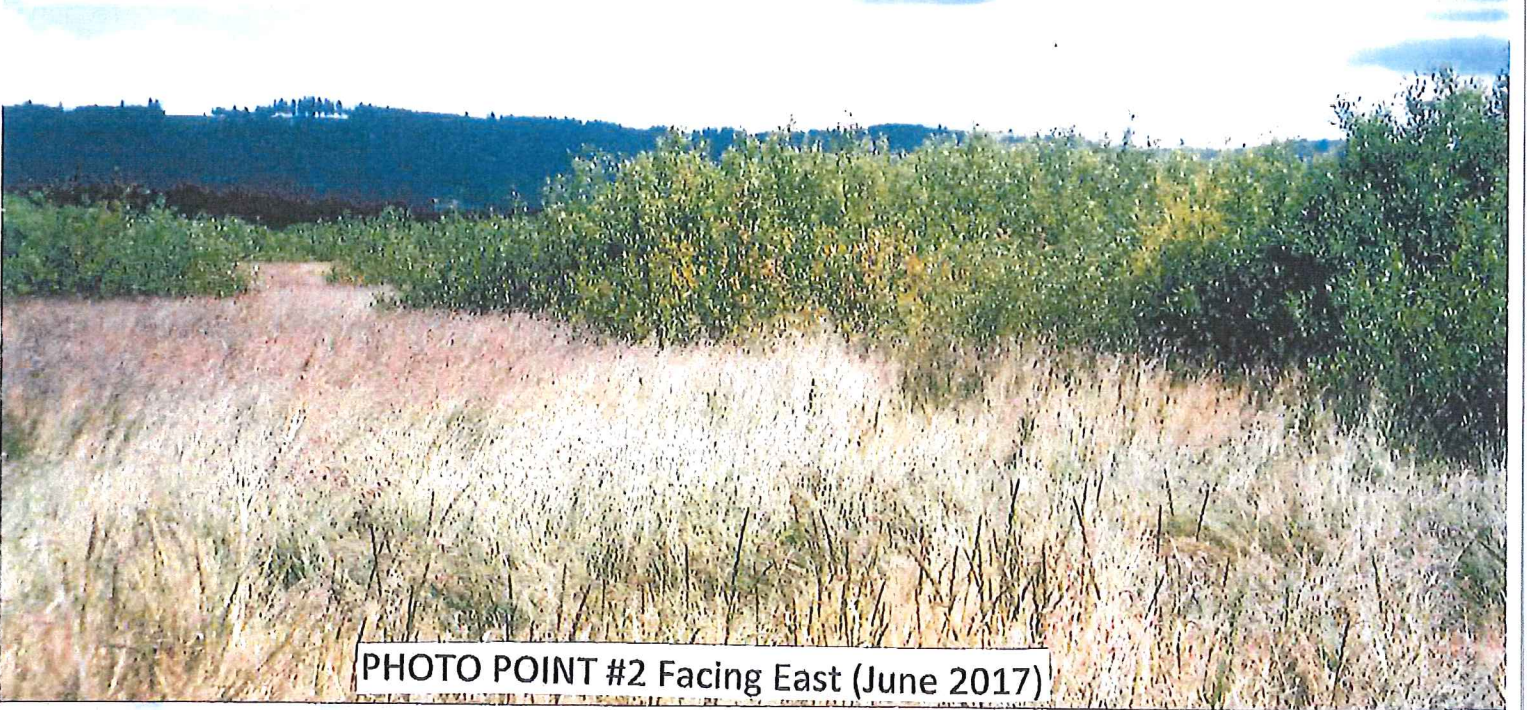


PHOTO POINT #2 Facing East (June 2017)

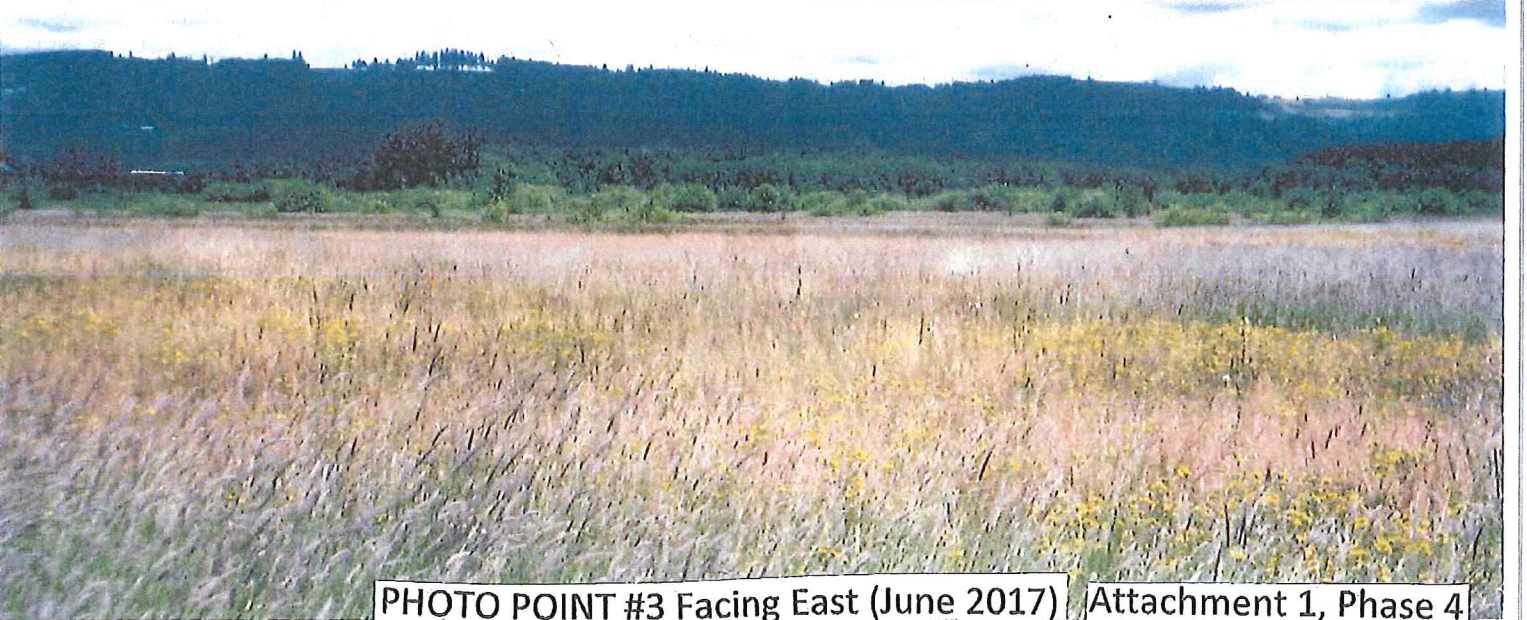


PHOTO POINT #3 Facing East (June 2017) Attachment 1, Phase 4



PHOTO POINT #4 Facing West (June 2017)

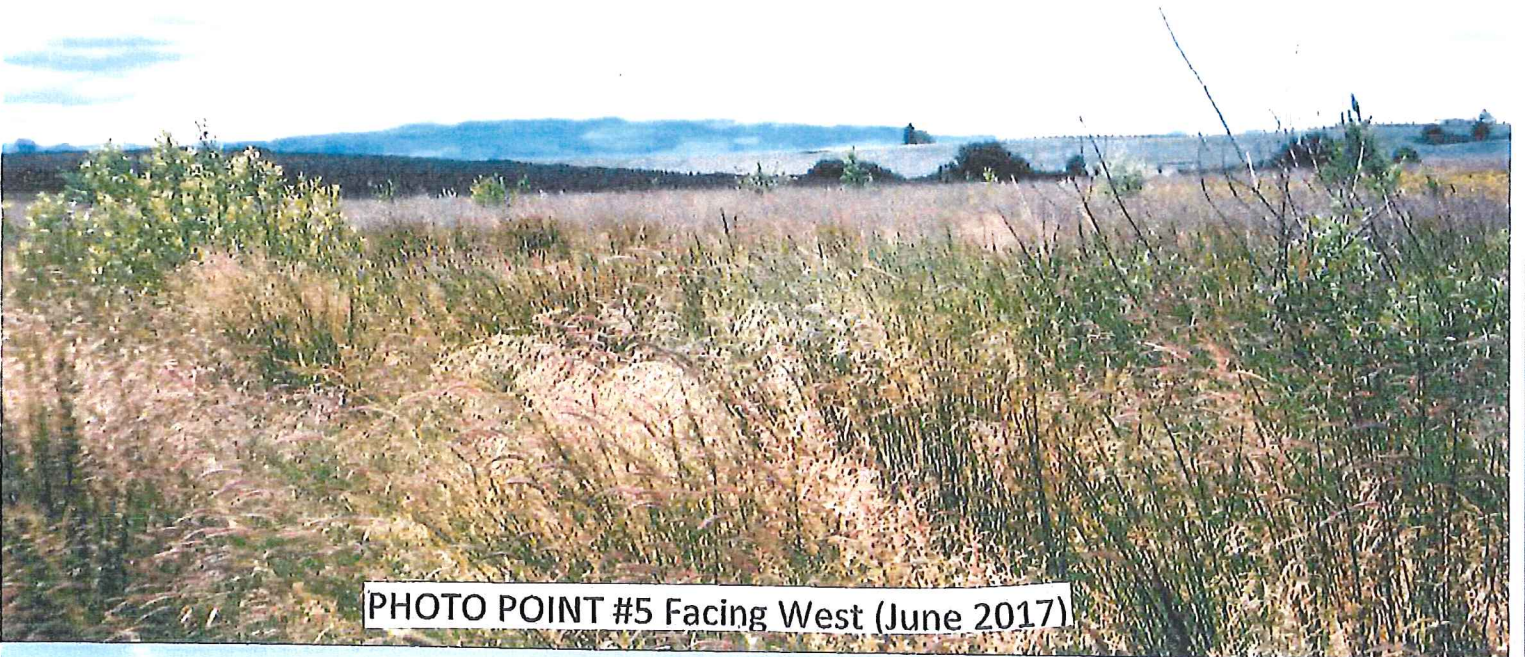


PHOTO POINT #5 Facing West (June 2017)

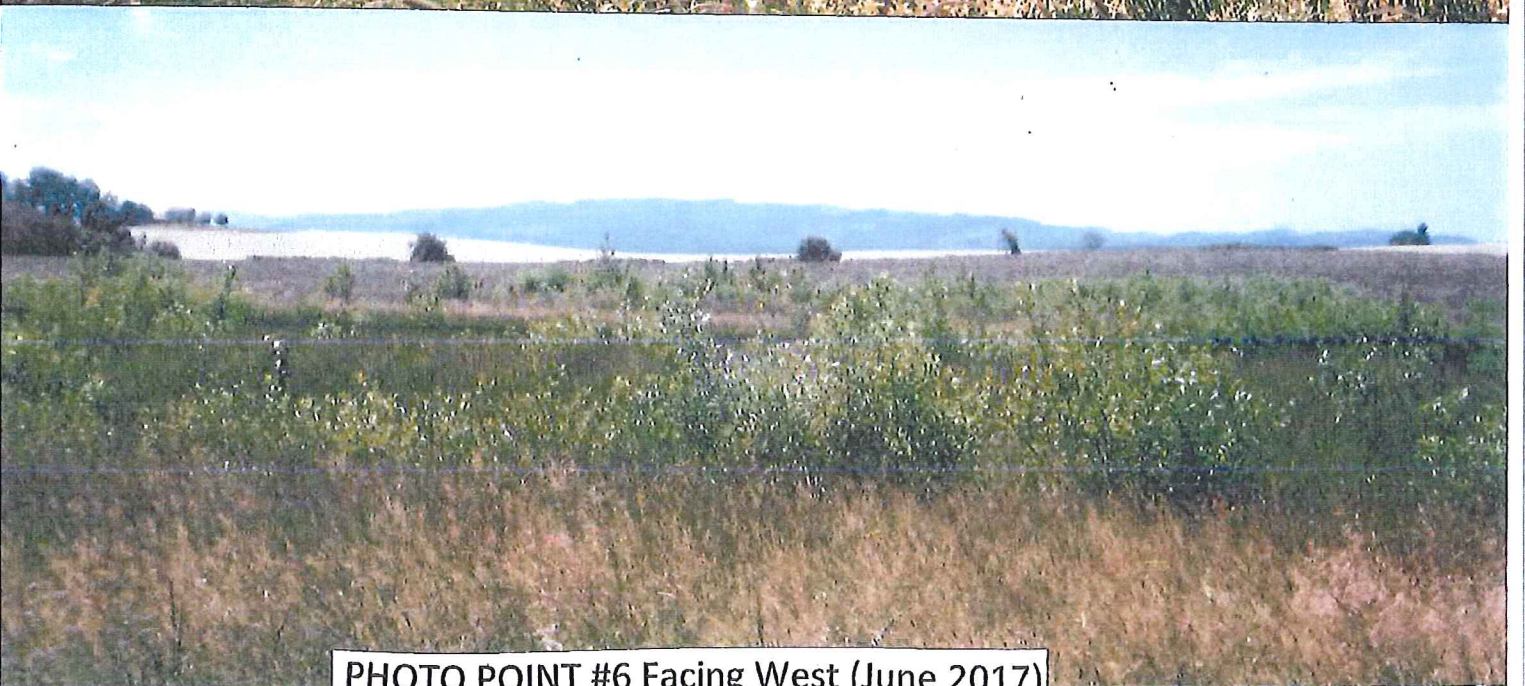


PHOTO POINT #6 Facing West (June 2017)



Oregon

John A. Kitzhaber, MD, Governor

Department of State Lands

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March 19, 2014

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MARK KNAUPP

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RICKREALL OR 97371

State Land Board

John A. Kitzhaber, MD

Governor

RE: Mud Slough Mitigation Bank:
Completion and Bank Closure Certification for phases 1, 2 and 3.

Kate Brown
Secretary of State

Dear Mark;

I have reviewed the monitoring reports for the 2013 growing season and am pleased to confirm that the expectations for the performance of the bank have been met. The Bank Instrument for phase 3 provides the bank may be closed at the end of the formal monitoring period and satisfaction of all standards. Phases 1 and 2 met their standards previously.

Ted Wheeler
State Treasurer

I understand that a Conservation easement and endowment were established voluntarily for phases 1 and 2 of the bank, and that an easement and endowment consistent with the bank Instrument has been established for phase 3. The Wetlands Conservancy has accepted stewardship of these 3 phases of the bank. Today we received an update from the Wetlands Conservancy stating that the endowment account has grown sufficiently to meet the expected maintenance costs for phase 1, 2, and 3 as identified in the Long Term Plan approved by DSL in 2012. Therefore, DSL hereby certifies that Phases 1, 2, and 3 of the bank are closed. DSL will release the financial surety via separate letter.

Please note that the Bank Instrument for Phase 3 calls for annual reporting sufficient to verify that performance standards continue to be met until 5 years after the last credit is sold.

*
Acreage adjustments to phases 1 and 2 were noted in the phase 4 bank Instrument. These adjustments revise upward the acres and credits due for phases 1 and 2. These additional 1.22 credits (noted * below) will be released with the first release for phase 4. They will not trigger further monitoring.

Credit summary:

Phase 1 was approved in 2000 and sold out all 28.12* credits in 2005.

Phase 2 was approved in 2004 and sold out all 45.7* credits in 2009.

Phase 3 was approved in 2008 and earned 41.5 credits; sales are still in progress.

Acreage summary:

Phase 1 enhanced 57.6 acres of cropped wetland, total adjusted 57.6 acres

Phase 2 enhanced 8 ac cropland, restored 41.7ac, total adjusted 50.3 acres


Phase 3 enhanced 77.4 ac cropland, restored 1.5 ac, total 81.5 acres.

Attachment 2

Phase 4 of the Bank has been underway since approval in 2011, but at your request none of the expected 42.58 credits have yet been released. Phase 4 will enhance 1.24 ac cropland, restore 40.1 ac, create 1.77 ac, and manage 4.09 ac of upland buffer, for a total of 47.2 acres. We understand a similar conservation easement will be prepared and an appropriate endowment amount will be proposed for agency approval when Phase 4 is ready to begin long-term stewardship.

Congratulations on completing another phase of your bank. We look forward to further successes in phase 4. You may choose to inquire whether the Corps concurs with DSL findings in these matters. Please contact me if there are any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Dana Field", written over a horizontal dashed line.

Dana Field
Mitigation Specialist

CC: IRT
Esther Lev, The Wetlands Conservancy
Dan Cary, DSL