

THE TENNESSEE STREAM MITIGATION PROGRAM



2013 TSMP Annual Program Report

Reporting Period: January 1, 2013 through December 31, 2013



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Executive Summary

In August 2002, the Tennessee Stream Mitigation Program (TSMP) was established as Tennessee's first in-lieu-fee program. Administered by the Tennessee Wildlife Resources Foundation (TWRFF), a 501(c)(3) non-profit, the TSMP is one mitigation alternative for impacts associated with water quality permits authorized under §404/401 of the *Clean Water Act*. The TSMP's primary objective is to provide compensatory mitigation projects that sustain aquatic resource functions and services consistent with a watershed approach. Employing principles of natural channel design and process-based methodologies, the TSMP continues to identify and develop restoration and enhancement projects across the state.

As outlined in federal guidance and the TSMP In-Lieu Fee Operating Instrument, dated May 2013, basic program requirements include the implementation of compensatory mitigation projects in addition to maintaining accountability for all program transactions including mitigation obligations, fees collected, funds dispersed, advance credits and released credits by service area. The TSMP is required to submit an Annual Program Report to the US Army Corps of Engineers (USACE) and the Tennessee Department of Environment and Conservation (TDEC). As such, this report will provide the required program information from January 1, 2013 through December 31, 2013.

Financial Statement

Program Income

During the reporting period, the program account received income of \$3,175,960.00 exclusively from the sale of credits authorized under §404/401 of the *Clean Water Act* and earned an additional \$58,936.00 in interest from various short term investments.

The following table contains credit based income received by service area:

Service Area	Income
North Hatchie Obion	\$0.00
South Hatchie Obion	\$158,400.00
Lower Tennessee	\$289,600.00
Middle Tennessee Elk	\$781,400.00
West Lower Cumberland	\$574,200.00
East Lower Cumberland	\$361,400.00
Upper Cumberland	\$311,400.00
Middle Tennessee Hiwassee	\$43,000.00
Upper Tennessee	\$253,600.00
French Broad Holston	\$402,960.00

Accepted Permits

For 2013, the TSMP accepted the legal liability for 15,518 credits permitted under §404/401 of the *Clean Water Act*. These credits were purchased in nine of our ten service areas. The TSMP is required to track and report the following information by service area:

- Permit tracking number(s)
- Amount of authorized impacts
- Amount of required compensatory mitigation (credits sold)
- Amount paid to the in-lieu fee program
- Date the funds were received from the permittee

Credit transactions by service area are detailed below.

North Hatchie Obion Service Area

The North Hatchie Obion Service Area consists of the following 8 Digit HUC's:

- 08010205 South Fork Forked Deer River
- 08010206 Forked Deer River
- 08010204 North Fork Forked Deer River
- 08010203 South Fork Obion River
- 08010202 Obion River

The TSMP did not record any credit transactions in the North Hatchie Obion Service Area during this reporting period.

South Hatchie Obion Service Area

The South Hatchie Obion Service Area consists of the following 8 Digit HUC's:

- 08010211 Nonconnah Creek
- 08010210 Wolf River
- 08010209 Loosahatchie River
- 08010208 Hatchie River
- 08010207 Little Hatchie River
- 08010100 Mississippi River

The TSMP recorded the following credit transactions in the South Hatchie Obion Service Area during the reporting period.

TSMP ID	USACE ID	TDEC ID	Credits	Fee	Date Paid
13-003	MVM-2013-038(jme) NWP 14	12-226	40	\$8,000.00	05/09/2013
10-027	MVM-2009-214	09-144	347	\$69,400.00	11/26/2013
13-006		09-111	128	\$25,600.00	11/26/2013
13-009		12-131	277	\$55,400.00	11/26/2013
Total			792	158,400.00	

Lower Tennessee Service Area

The Lower Tennessee Service Area consists of the following 8 Digit HUC's:

- 06040005 Tennessee River (NW TN)
- 06040001 Tennessee River (SW TN)
- 06040004 Buffalo River
- 06040003 Lower Duck River
- 06040002 Upper Duck River

The TSMP recorded the following credit transactions in the Lower Tennessee Service Area during the reporting period.

TSMP ID	USACE ID	TDEC ID	Credits	Fee	Date Paid
13-001	LRN-2006-02108	07-076	350	\$70,000.00	02/22/2013
13-005	2011-00035	10-345	1,098	\$219,600.00	11/26/2013
Total			1,448	289,600.00	

Middle Tennessee Elk Service Area

The Middle Tennessee Elk Service Area consists of the following 8 Digit HUC's:

- 06030005 Pickwick Reservoir
- 06030002 Lower Elk River
- 06030004 Richland Creek
- 06030003 Upper Elk River
- 06030001 Battle Creek

The TSMP recorded the following credit transaction in the Middle Tennessee Elk Service Area during the reporting period.

TSMP ID	USACE ID	TDEC ID	Credits	Fee	Date Paid
13-013	2011-00220	11-049	3,907	\$781,400.00	11/26/2013
Total			3,907	\$781,400.00	

West Lower Cumberland Service Area

The West Lower Cumberland Service Area consists of the following 8 Digit HUC's:

- 05130205 Lake Barkley Reservoir
- 05130206 Red River
- 05130202 Cheatham Lake
- 05130204 Harpeth River

The TSMP recorded the following credit transactions in the West Lower Cumberland Service Area during the reporting period.

TSMP ID	USACE ID	TDEC ID	Credits	Fee	Date Paid
13-017	2008-015-50	11-005	1,660	\$332,000.00	09/05/2013
10-043		10-177	1,211	\$242,200.00	11/26/2013
Total			2,871	\$574,200.00	

East Lower Cumberland Service Area

The East Lower Cumberland Service Area consists of the following 8 Digit HUC's:

- 05110002 Barren River
- 05130201 Old Hickory
- 05130203 Stones River

The TSMP recorded the following credit transactions in the East Lower Cumberland Service Area during the reporting period.

TSMP ID	USACE ID	TDEC ID	Credits	Fee	Date Paid
12-010	2012-00511	12-090	345	\$69,000.00	01/22/2013
13-002	2012-01275	12-258	1,462	\$292,400.00	11/26/2013
Total			1,807	\$361,400.00	

Upper Cumberland Service Area

The Upper Cumberland Service Area consists of the following 8 Digit HUC's:

- 05130106 Cordell Hull
- 05130105 Obey River
- 05130104 Big South Fork
- 05130101 Clear Fork / Cumberland River
- 05130108 Caney Fork
- 05130107 Collins River

The TSMP recorded the following credit transaction in the Upper Cumberland Service Area during the reporting period.

TSMP ID	USACE ID	TDEC ID	Credits	Fee	Date Paid
13-014	2010-00368	10-155	1,557	\$311,400.00	11/26/2013
Total			1,557	\$311,400.00	

Middle Tennessee Hiwassee Service Area

The Middle Tennessee Hiwassee Service Area consists of the following 8 Digit HUC's:

- 06020004 Sequatchie River
- 06020001 Chickamauga Reservoir
- 06020002 Hiwassee River
- 03150101 Conasauga River
- 06020003 Ocoee River

The TSMP recorded the following credit transactions in the Middle Tennessee Hiwassee Service Area during the reporting period.

TSMP ID	USACE ID	TDEC ID	Credits	Fee	Date Paid
13-016	LRN-2008-00853	08-114	130	\$31,200.00	08/12/2013
13-011	2011-00279		59	\$11,800.00	11/26/2013
Total			189	\$43,000.00	

Upper Tennessee Service Area

The Upper Tennessee Service Area consists of the following 8 Digit HUC's:

- 06010208 Emory River
- 06010201 Fort Loudoun Reservoir
- 06010207 Clinch River
- 06010204 Little Tennessee River
- 06010205 Upper Clinch River
- 06010206 Powell River

The TSMP recorded the following credit transactions in the Upper Tennessee Service Area during the reporting period.

TSMP ID	USACE ID	TDEC ID	Credits	Fee	Date Paid
13-015	LRN-2012-01011	12-228	593	\$118,600.00	07/18/2013
13-004	201100745, 201100755	11-146	19	\$3,800.00	11/26/2013
13-010	2011-00416	11-103	465	\$93,000.00	11/26/2013
13-012	2011-00286	11-060	191	\$38,200.00	11/26/2013
Total			1,268	\$253,600.00	

French Broad - Holston Service Area

The French Broad - Holston Service Area consists of the following 8 Digit HUC's:

- 06010104 Holston River
- 06010107 Lower French Broad River
- 06010106 Pigeon River
- 06010105 Upper French Broad River
- 06010108 Nolichucky River
- 06010103 Watauga River
- 06010102 South Fork Holston River
- 06010101 North Fork Holston River

The TSMP recorded the following credit transaction for this service area during the reporting period.

TSMP ID	USACE ID	TDEC ID	Credits	Fee	Date Paid
13-018	2010-01403	10-283	1,679	\$402,960.00	11/26/2013
Total			1,679	\$402,960.00	

Program Expenditures

During the reporting period, the TSMP incurred expenses totaling \$2,491,381.00. Of this, \$133,604.00 was for general and administrative purposes and \$2,357,777.00 was for program support and project related expenditures that are detailed in the table below.

Program Support	\$556,448.00
Project Development	\$10,077.00
Project Design	\$192,437.00
Project Implementation	\$381,648.00
Project Maintenance	\$1,059,383.00
Project Monitoring	\$157,784.00

Credit Transactions

As of December 31, 2013, the TSMP had a total available credit balance of 168,277 credits while recording sales of 15,518 credits. The TSMP also had 141,869 credits released during this reporting period. These released credits were generated due to the execution of our new operating instrument in June 2013. As previously agreed, all credits generated by projects that had been approved prior to the execution of our new operating instrument would be

accounted for as released credits. The TSMP did not have any credit releases associated with newly approved projects. The table below contains credit transaction information by service area.

Service Area	Released Credits	Credits Sold	Advance Credits Balance as of 12/31/13
North Hatchie Obion	9,565	0	10,619
South Hatchie Obion	20,010	792	11,624
Lower Tennessee	38,179	1,448	42,939
Middle Tennessee Elk	3,363	3,907	2,607
West Lower Cumberland	33,613	2,871	34,449
East Lower Cumberland	0	1,807	10,560
Upper Cumberland	5,926	1,557	22,405
Middle Tennessee Hiwassee	5,242	189	10,291
Upper Tennessee	24,466	1,268	21,101
French Broad Holston	1,505	1,679	1,682

Financial Assurances & Long-Term Management

The TSMP does not have any information related to the beginning and ending balances of the accounts providing for financial assurances and long-term management to report on for the 2013 reporting period. This is due to the fact that the TSMP only operated under our new instrument for the last six months of the reporting year and did not have any new projects approved by the USACE or TDEC that required the establishment of such accounts. Beginning in 2014, the TSMP will be establishing a restricted account that will provide for future financial assurances and long-term management. The details and/or any transactions for this restricted account will be included in the 2014 Annual Program Report.