

THE TENNESSEE STREAM MITIGATION PROGRAM



2015 TSMP Annual Program Report

Reporting Period: January 1, 2015 through December 31, 2015



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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 (TWRWF), 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, 2015 through December 31, 2015.

Financial Statement

Program Income

During the reporting period, the program account received income of \$4,568,000 exclusively from the sale of credits authorized under §404/401 of the *Clean Water Act* and earned an additional \$46,878 in interest from various short term investments.

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

Service Area	Income
North Hatchie Obion	\$0
South Hatchie Obion	\$39,600
Lower Tennessee	\$1,142,820
Middle Tennessee Elk	\$0
West Lower Cumberland	\$296,400
East Lower Cumberland	\$826,560
Upper Cumberland	\$1,919,360
Middle Tennessee Hiwassee	\$9,120
Upper Tennessee	\$169,040
French Broad Holston	\$165,100

Accepted Permits

For 2015, the TSMP accepted the legal liability for 20,512.25 credits permitted under §404/401 of the *Clean Water Act*. These debits were purchased in eight 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 (debits sold)
- Amount paid to the in-lieu fee program
- Date the funds were received from the permittee

Debit 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 debit 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 debit transactions in the South Hatchie Obion Service Area during the reporting period.

TSMP ID	USACE ID	TDEC ID	Debits	Fee	Date Paid
14-039	MVM-2007-556	07-051	60	\$14,400	08/14/2015
14-040	MVM-2005-630-RSA	05-340	105	\$25,200	08/14/2015
Total			165	\$39,600	

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 debit transaction in the Lower Tennessee Service Area during the reporting period.

TSMP ID	USACE ID	TDEC ID	Debits	Fee	Date Paid
13-022	LRN-2013-01271	13-232	4,761.75	\$1,142,820	08/14/2015
Total			4,761.75	\$1,142,820	

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 did not record any debit transactions in the Middle Tennessee Elk Service Area during the reporting period.

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 debit transactions in the West Lower Cumberland Service Area during the reporting period.

TSMP ID	USACE ID	TDEC ID	Debits	Fee	Date Paid
14-044	LRN-2014-00289	NA	528	\$126,720	09/21/2015
15-016	LRN-2015-00255	15-056	310	\$74,400	09/01/2015
14-030	2014-00264	14-074	205	\$49,200	01/07/2015
14-025	LRN-2014-00234	NA	137	\$32,880	07/15/2015
14-038	200400747	06-132	55	\$13,200	06/02/2015
Total			1,235	\$296,400	

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 debit transactions in the East Lower Cumberland Service Area during the reporting period.

TSMP ID	USACE ID	TDEC ID	Debit	Fee	Date Paid
14-012	LRN-2013-01286	13-240	998	\$239,520	08/14/2015
14-032	LRN-2015-00171	NA	855	\$205,200	06/09/2015
15-018	LRN-2014-01251	15-121	846	\$203,040	11/02/2015
15-008	LRN-2014-00814	15-006	405	\$97,200	05/22/2015
14-003	LRN-2013-00330	13-198	340	\$81,600	09/17/2015
Total			3,444	\$826,560	

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 debit transactions in the Upper Cumberland Service Area during the reporting period.

TSMP ID	USACE ID	TDEC ID	Debit	Fee	Date Paid
10-034	201000023	09-309	8,512	\$1,702,400	08/14/2015
14-046	NA	13-029	599	\$143,760	08/14/2015
14-037	200601432	06-222	210	\$50,400	08/14/2015
14-036	200600447	06-054	95	\$22,800	08/14/2015
Total			9,416	\$1,919,360	

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 debit transactions in the Middle Tennessee Hiwassee Service Area during the reporting period.

TSMP ID	USACE ID	TDEC ID	Debits	Fee	Date Paid
14-047	NA	14-246	38	\$9,120	02/03/2015
Total			38	\$9,120	

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 debit transactions in the Upper Tennessee Service Area during the reporting period.

TSMP ID	USACE ID	TDEC ID	Debits	Fee	Date Paid
14-009	NA	14-049	563	\$135,120	08/14/2015
14-016	LRN-2013-01028	13-170	128	\$30,720	08/14/2015
15-020	990019650	NA	16	\$3,200	08/14/2015
Total			707	\$169,040	

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 debit transactions in the French Broad Holston Service Area during the reporting period.

TSMP ID	USACE ID	TDEC ID	Credits	Fee	Date Paid
15-012	LRN-2015-00151	15-098	400	\$96,000	08/19/2015
15-024	201000682	10-154	345.5	\$69,100	11/10/2015
Total			745.5	\$165,100	

Program Expenditures

During the reporting period, the TSMP incurred expenses totaling \$1,505,033. Of this, \$72,608 was for general and administrative purposes and \$1,432,425 was for program support and project related expenditures that are listed in the table below.

Program Support	\$632,378
Project Development	\$4,248
Project Design	\$82,255
Project Implementation	\$318,122
Project Maintenance	\$228,662
Project Monitoring	\$166,760

Credit Transactions

As of December 31, 2015, the TSMP had a total available credit balance of 132,729.75 credits while recording sales of 20,512.25 credits. The TSMP also had no credits released during this reporting period. The table below contains credit transaction information by service area.

Service Area	Released Credits	Debits	Available Credit Balance as of 12/31/15
North Hatchie Obion	0	0.00	10,619.00
South Hatchie Obion	0	165.00	11,177.00
Lower Tennessee	0	4,761.75	38,125.25
Middle Tennessee Elk	0	0.00	727.00
West Lower Cumberland	0	1,235.00	31,670.00
East Lower Cumberland	0	3,444.00	1,635.00
Upper Cumberland	0	9,416.00	8,413.00
Middle Tennessee Hiwassee	0	38.00	7,916.00
Upper Tennessee	0	707.00	21,725.00
French Broad Holston	0	745.50	722.50

Financial Assurances & Long-Term Management

The TSMP has been operating as an In-Lieu-Fee program in Tennessee since 2003. With more than a decade of experience in stream restoration, the TSMP has completed 28 stream restoration/enhancement projects, totaling more than 248,000 linear feet, and producing more than 149,000 stream mitigation credits. The TSMP's rigorous project management process was developed based on the program's experience in the identification, development and implementation of stream mitigation projects. As a result, the TSMP builds project-specific budgets that include realistic costs for project development, design, implementation, maintenance, monitoring, long-term management, as well as a contingency based on uncertainties and risk analysis. In accordance with the TSMP In-Lieu-Fee Instrument, the TSMP commits to fund approved mitigation projects until performance standards are satisfied and credits have been released. Should projects exceed anticipated costs, the TSMP has the ability to adjust the credit fee schedule for future impacts to ensure that sufficient funding is available to fulfill its mitigation obligation.