

Su-Knik Mitigation Bank
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December 2, 2017

Ms. Danielle Knight
Department of the Army
United State Army Engineer District, Alaska
Regulatory Division
P.O. Box 6898
Elmendorf AFB, Alaska 99506-0898

Re: **Su-Knik Mitigation Bank Sponsor Annual Report**

Dear Ms. Knight,

The Umbrella Mitigation Banking Instrument (UMBI), and the Big Lake South Individual Bank Plan (BLS IBP) require that Su-Knik Environments, LLC, as the Sponsor of the Su-Knik Mitigation Bank provide an annual report to the Interagency Review Team (delivered to the United States Army Corp of Engineers as the Chair of the IRT) on the anniversary of the first release of credits. This annual report on behalf of the Sponsor is to provide the IRT with two distinct pieces of information. The first is a summary credit ledger report of each individual bank parcel that has been fully certified and that has had credits released. The second is also from the Sponsor, but is on behalf of Su-Knik Environments, LLC, as the Long Term Manager, and is to provide an accounting of the financial assurances deposited into a Long Term Stewardship Account (LTSA).

Per the requirements outlined in the UMBI and the BLS IBP, this memo is to serve as the official Annual Report for the Su-Knik Mitigation Bank on behalf of Su-Knik Environments, LLC as the Sponsor as it regards the Credit Ledger(s), and on behalf of Su-Knik Environments, LLC as the Long Term Manager as it regards the LTSA.

Sponsor Annual Report (Credit Ledger)

Page 11 of the UMBI specifies, under the heading “Accounting Procedures,” that:

“Su-Knik Environments, LLC, will be responsible for developing and maintaining a ledger of all mitigation bank accounts under the umbrella program that must be approved by the IRT. This procedure is defined in the Federal Guidance. For each bank, the ledger will document debit and credit transactions for each wetland type (riverine, slope-flat, or lacustrine), credit balances, number of credits traded per

wetland type (riverine, slope-flat, or lacustrine), and track the banks' location and size. A statement of account for an individual bank will be provided to the IRT and the Matanuska-Susitna Borough after a debit or credit transaction occurs to that respective bank. In addition to the information identified above, this statement of account will include the transaction date, a project identifier such as the POA project number, and the specific impacts to be offset through the credit purchase. ***Su-Knik Environments, LLC, will also provide an annual compendium of individual bank accounting reports to the IRT and the Matanuska-Susitna Borough. [emphasis added]***”

In Appendix A, we have provided a summary Credit Ledger of the Fish Creek Parcel of the Big Lake South Individual Bank, which details all of the transactions that have taken place between December 4 2009 (the release date of the first credits) and December 1 2017. The Fish Creek Parcel is the only active parcel to date that has had credits released and available for transfer.

Long Term Stewardship Account Annual Report

As well as being the sponsor of the Su-Knik Mitigation Bank, Su-Knik Environments, LLC also acts as the Long Term Manager of the Su-Knik Mitigation Bank. As referenced above the Sponsor has specific annual reporting requirements outlined in the UMBI and the BLS IBP, as it relates to the setting up of and the funding of the LTSA by the Long Term Manager. The UMBI specifies on page 12, under the heading “Financial Assurances and Access Maintenance Plan”, that:

“The Su-Knik Environments, LLC, as the long term managers, will set-up a second endowment account from the revenues they receive from credit sales of the property that will be used for monitoring, enforcement, restoration, and protection purposes.

The sponsor will provide an annual report showing beginning and ending balances, including deposits into and any withdrawals from, the accounts providing funds for financial assurances and long-term management activities. [emphasis added]”

In Appendix B, we have provided the annual report as specified in the UMBI. In Appendix C we provide a scan of the October 2017 Trust Account showing a balance in excess of the required amount.

Please contact me immediately with any questions or concerns at (415)990-0525 or at Jerome_ryan@yahoo.com.

Very truly yours,

Jerome Ryan
For the Su-Knik Mitigation Bank

Cc:

Ray Nix

Borough Representative of the Su-Knik Mitigation Bank

350 Dahlia Avenue

Palmer, AK 99645

Appendix A

Sponsor Annual Report (Credit Ledger) Summary Credit Ledger

Su-Knik Mitigation Bank
DOA Permit: POA-2006-1608
Big Lake South, Fish Creek Parcel
1-Dec-17

Slope/Flat Freshwater Total = 780.5

Release Mod/ <u>Impact Permit</u>	Permit <u>Date</u>	Issuing <u>Agency</u>	Ledger <u>Modification</u>	Credits <u>Added</u>	Acres <u>Impacted</u>	Credits <u>Used</u>	<u>Balance</u>	<u>Notes</u>
Credit Release	12/4/2009	DOA	12/4/2009	780.5			780.5	Credit Release Fish Creek
POA-2010-124	7/23/2010	DOA	8/23/2010		3.46	7	773.5	Brandon Walker
POA-2005-280	9/29/2010	DOA	9/29/2010		0.62	1.24	772.26	ADOT Seward Meridian
POA-2009-1108	6/29/2010	DOA	10/4/2010		0.46	0.75	771.51	Mat Su Borough, Machen Road
POA-2009-130	8/19/2010	DOA	10/24/2010		2.1	3.2	768.31	Mat Su Borough, Bulk Facilities
POA-2004-867	8/16/2010	DOA	1/21/2011		0.63	1.26	767.05	Nugent Properties, LLC
POA-2010-182	1/18/2011	DOA	7/8/2011		2.23	3.35	763.7	Arcticorp
POA-2009-1281	8/11/2001	DOA	11/1/2011		1.5	2.2	761.5	Mat-Su Borough, Hatcher Pass
POA-2009-130-M1	8/25/2011	DOA	11/1/2001		0.85	1.3	760.2	Mat-Su Borough, Bulk Facilities M
POA-1996-534-M4	7/24/2011	DOA	1/10/2012		2.9	3.4	756.8	City of Wasilla, Airpot
POA-2006-1756	5/1/2012	DOA	7/8/2012		0.28	1	755.8	State DNR Rolly Lakes
POA-2007-1586	9/10/2010	DOA	9/10/2012		85.68	143.28	612.52	Alaska RR, Port Mac Rail Extension
POA-2012-326	5/3/2013	DOA	5/16/2013		1.26	1.89	610.63	OSC Group, Wasilla Creek
POA-1013-417	8/12/2013	DOA	9/23/2013		0.4	0.6	610.03	City of Wasilla, Lucile Creek
POA-2012-624	5/13/2013	DOA	2/25/2014		0.29	0.29	609.74	MSB, Big Lake Boat Launch
POA-2012-931	11/7/2013	DOA	3/30/2014		0.94	1.42	608.32	City of Wasilla, Mack/Goose Bay Road
POA-2013-613	4/27/2014	DOA	7/16/2014		0.59	0.59	607.73	MSB, Brun's Lake
Total Available=							607.73	

Riverine Freshwater Total = 14.3

Release Mod/ <u>Impact Permit</u>	Permit <u>Date</u>	Issuing <u>Agency</u>	Ledger <u>Modification</u>	Credits <u>Added</u>	Acres <u>Impacted</u>	Credits <u>Used</u>	<u>Balance</u>	<u>Notes</u>
Credit Release	12/4/2009	DOA	12/4/2009	14.30			14.30	Credit Release Fish Creek
POA-2012-931	11/7/2013	DOA	3/30/2014		0.27	1.11	13.19	City of Wasilla, Mack/Goose Bay Road
Total Available=							13.19	

Appendix B. Long Term Manager Annual Report, by Sponsor

(Long Term Stewardship Account)

As detailed in the report to which this Appendix is attached, Su-Knik Environments, LLC, is the Long Term Manager of the Su-Knik Mitigation Bank. The BLS IBP details the responsibilities of the Long Term Manager, including the setting up of, and the funding of the Long Term Stewardship Account (LTSA). The total funding amount required for the Fish Creek Parcel LTSA is \$265,000. The LTSA is to be funded from the revenues from credit sales on a per credit basis, upon the debit of a credit from the Federal Ledger. The Fish Creek Parcel had a total of 794.8 credits available, and all of these credits were officially released on December 4, 2009. In order for the LTSA to be fully funded as of the debit of the last credit we are funding the LTSA on an equal basis per credit. Therefore, the per-credit funding amount required is \$265,000 divided by 794.8 credits, or \$333.42. This per-credit amount is to be deposited into the LTSA upon debit of the credit from the Federal Ledger.

At the time of the first credit release, which took place on December 4, 2009, the account balance of the Long Term Stewardship Account was zero. During the 36 month period from December 4, 2009, through December 1, 2015, 173.88 credits, in seventeen separate transactions, were debited from the Federal Ledger (the current Federal Ledger is in Appendix A). Based on the per-credit funding requirement of \$333.42 per credit, a total of \$57,975.07 (credits times \$333.42 per credit) has been allocated to the LTSA. Below is a table that summarizes the LTSA activity, as required for this annual report, by the UMBI:

**Su-Knik Mitigation Bank, Fish Creek Parcel
Long Term Stewardship Account Summary**

<u>Release Mod/ Impact Permit</u>	<u>Ledger Modification</u>	<u>Credits Used</u>	<u>Funds Withdrawn</u>	<u>Balance</u>
				-
POA-2010-124	8/23/2010	7	0	\$ 2,333.94
POA-2005-280	9/29/2010	1.24	0	\$ 2,747.38
POA-2009-1108	10/4/2010	0.75	0	\$ 2,997.45
POA-2009-130	10/24/2010	3.2	0	\$ 4,064.39
POA-2004-867	1/21/2011	1.26	0	\$ 4,484.50
POA-2010-182	7/8/2011	3.35	0	\$ 5,601.46
POA-2009-1281	11/1/2011	2.2	0	\$ 6,334.98
POA-2009-130-M1	11/1/2001	1.3	0	\$ 6,768.43
POA-1996-534-M4	1/10/2012	3.4	0	\$ 7,902.05
POA-2006-1756	7/8/2012	1	0	\$ 8,235.47
POA-2007-1586	9/10/2012	143.28	0	\$56,007.89
POA-2012-326	5/16/2013	1.89	0	\$56,638.06
POA-1013-417	9/23/2013	0.6	0	\$56,838.11
POA-2012-624	2/25/2014	0.29	0	\$56,934.80
POA-2012-931	3/30/2014	1.42	0	\$57,408.26
POA-2013-613	7/16/2014	0.59	0	\$57,604.97
POA-2012-931	3/30/2014	1.11	0	\$57,975.07
	Account			
	Balance			
	Required:	\$ 57,975.07		