



Chesapeake Bay Wetland Mitigation Bank Prospectus

SPONSOR:

CHESBAY CONSERVATION LLC
762 HUNTS ROAD
PORT HAYWOOD, VA 23138

PREPARED BY:

VIRGINIA WETLAND CONSULTING LC
PO BOX 206
QUINTON, VIRGINIA 23141

September 8, 2015

Revised : October 27, 2015

I. Introduction

A. Summary

ChesBay Conservation, LLC, (hereinafter, the “Sponsor”) hereby proposes to establish and sponsor the Chesapeake Bay Wetland Mitigation Bank “CBWMB” (hereinafter the “Bank”) located in Mathews County, Virginia. The proposed Bank consists of 96+/- acres situated in the upper watershed of the East River within the Chesapeake Bay watershed.

The purpose of the Bank will be to provide compensatory wetland mitigation credits to offset the unavoidable loss of wetlands as a result of impacts from development projects authorized under Section 401 and 404 of the Clean Water Act, Section 10 of the River and Harbors Act and Section 62.1-44.15:20 of the Code of Virginia provided such impacts have met all applicable requirement and are approved by the permitting agencies. This will be accomplished by restoring hydrology to wetland areas historically ditched.

B. Sponsor and Agent Qualifications

Virginia Wetland Consulting LC (hereinafter the “Agent”), currently manages 6 mitigation banks within Virginia. Virginia Wetland Consulting LC has key personnel responsible for the development, design, and permitting of 4 mitigation banks, including White Oak Landing Mitigation Bank, Ragland Farm Mitigation Bank, Weatherbury Mitigation Bank, and Little Georgia Creek Mitigation Bank. The Agent is working with the Bank Sponsor to ensure success of restoration and protection of aquatic resources on site.

C. Contact Information

Sponsor and Property Owner: ChesBay Conservation, LLC
762 Hunts Road
Port Haywood, VA 23138
Contact: Mr. Joseph Perdue

Agent: Virginia Wetland Consulting LC
PO Box 206
Quinton, Virginia 23141
Contact: James Hudson
(804) 932-3135
ajh@vawetlandconsulting.com

II. Site Description

A. Location and Current Use

Chesapeake Bay Wetland Mitigation Bank (CBWMB) is approximately 96.75 acres and is located in Mathews County, Virginia. The property borders Route 14 to the north, and is

located just 0.10 miles from the tidal East River to the southwest, continuing to Mobjack Bay to the Chesapeake Bay. (USGS Map). The property includes approximately 40 acres of open land, which includes agricultural fields, fallow fields, a single family dwelling, several outbuildings, and a network of ditches currently creating a disconnect of hydrology to historic wetland areas. The existing property owner prior to selling to the Bank Sponsor, timbered the remaining 50 acres of recently forested land in the summer of 2013. The timbered area also includes a network of ditches disconnecting hydrology in some of those areas as well. The historic use of the property includes agricultural and silvicultural activities, along with passive recreation including dog training areas, and currently a sportsman club with a clay target range. For lead management, please see attached, "Environmental Stewardship Plan For Management of Lead at Mathews Conservation Club Shooting Ranges," dated September 1, 2014.

The existing open land has a network of maintained ditches which have created a hydrologic disconnect from the historic wetlands. The USDA Soil Survey Map has most of the property shown consisting of Fallingston fine sandy loam. Soil samples taken throughout the open field areas confirm they consist of hydric soils. Although due to the ditches the majority of the open fields have a hydrologic disconnect.

We are currently working through the Bureau of Land Management (BLM) in order to acquire the mineral rights that were severed by deed in 1935. At that time, the Federal Government transferred the property to a private owner but reserved mineral rights. It has been determined that there is very little value to the minerals (eg. Sand) that may exist and even less demand. The public notice to transfer the mineral rights to the bank sponsor was published in the federal register on September 9, 2015. It has since expired and the BLM is in the process of preparing a quitclaim deed to transfer the mineral rights to the bank sponsor.

A portion of Phase III is currently leased by a skeet and trap shooting club. The club has an existing lease through 2018. A lead remediation plan is attached that discusses current practices, treatment measures and future clean up details. We have worked with members of the IRT to develop a plan that will provide clean up and restoration of the site.

Attached is the County soils map and comprehensive plan map. It shows the current land use for the bank property is Rural Agricultural / Forestal as is most of the surrounding property. There is some residential which is located on the upper reaches of the East River. As shown on the soils map, most of the surrounding property has Fallsington Soils, which are not suitable for drainfields. The likelihood of development around the property is very low.

B. Threatened and Endangered Species

The Virginia Department of Game and Inland Fisheries "Fish and Wildlife Information Services" was used to detect any species known to be threatened or endangered within the vicinity of the Bank location. A study may be performed prior to submittal of a Banking Instrument to determine the occurrence of any State Endangered, State Threatened, or Federal Species of Concern existing on site or providing suitable habitat, which will be further assessed to determine the occurrence of these species (Attached).

C. Historic/Archaeological Resources

There are no known historic resources located on or near the Bank site. We would anticipate low probability of historic or archaeological resources due to the property historically being mostly wetlands.

D. Preliminary Wetland Delineation

A jurisdictional determination for Waters of the U.S. and wetlands will be completed on the entire project area prior to submittal of a Banking Instrument. The proposed wetland restoration areas were flagged and a site visit was conducted with Mr. Keith Goodwin, with a verbal approval of what was delineated as flagged in the field. A completed survey of those wetlands along with the additional wetlands within Phase II will be completed together for the final Jurisdictional Determination.

E. Feasibility

The Sponsor has made an evaluation of the need for compensatory mitigation of aquatic resources in the immediate and adjacent Hydrologic Unit Codes, and found sufficient need to justify the bank development. The preservation of the Bank is crucial to conserving additional lands located within the Chesapeake Bay Watershed, therefore improving water quality.

The area surrounding the Bank property is rural and has very low development potential. Surrounding land use consist of mostly silvicultural practices, and is limited to any other uses due to the expanse of wetlands within the area.

In order to develop the CBWMB the proposed work consists of low risk construction, therefore allowing the Bank to achieve success. The proposed work consists of minor grading, blocking existing ditches, and planting the mitigation area as required by the MBI.

III. Bank Service Area:

Chesapeake Bay Wetland Mitigation Bank is proposed to provide mitigation to compensate for impacts to waters of the United states and/or State Waters, including wetlands, within the bank service area depicted on the excerpt of the USGS Hydrologic Unit Map as shown attached. CBWMB is located within Hydrologic Unit Code (HUC) 02080102, and the adjoining Hydrologic Units 02080108 and 02080109 within Essex County, Gloucester County King and Queen County, Lancaster County, Mathews County, Middlesex County, Northumberland County Richmond County York County, Accomack County, and Northhampton County, and the City of Hampton, City of Newport News, City of Norfolk, City of Poqouson, and City of Virginia Beach. (Attached)

IV. Ownership and Long Term Management

Ownership of the CBWMB property, including the Bank and other conservation lands will reside with the Sponsor. The Sponsor will continue to own the property beyond the time all of the credits have been sold and the mitigation monitoring period has expired. Also, both the COE and the DEQ must approve the bank's success prior to expiration of the monitoring period. Once the credits have been sold and the monitoring is complete, the

property contained within the bank and the upland buffers will be protected by a conservation easement or deed restrictions within the chain of title. Its use as a private property will be limited to hunting, fishing, and other appropriate passive recreation.

V. Bank Establishment

Goals and Objectives

CBWMB primary goals are to Preserve, Enhance, Create, and Restore approximately 86 acres of wetlands and riparian buffer habitat by restoring hydrology to the historic wetland areas, minor grading to create wetlands, constructing berms to retain hydrology, filling existing ditches restoring hydrology, planting native trees and shrubs, remove agricultural practices reducing nutrient runoff, and protection of the riparian areas and constructed/existing wetlands with a conservation easement or deed restrictions within the chain of title. The protection of the wetlands and riparian buffer will assist in improving water quality within the Chesapeake Bay.

| | | <u>Area</u> | <u>Ratio</u> | <u>Credits</u> |
|----------------------------------|---|-------------|--------------|----------------|
| <u>Wetland Credit Breakdown:</u> | Restoration (Phase I): | 25.75 acres | 1:1 | 25.75 |
| | Restoration/Enhancement (Phase II): | 35 acres | | |
| | Restoration/Enhancement (Phase III): | 25 acres | | |
| | Total: | | | 25.75 |

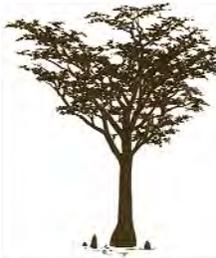
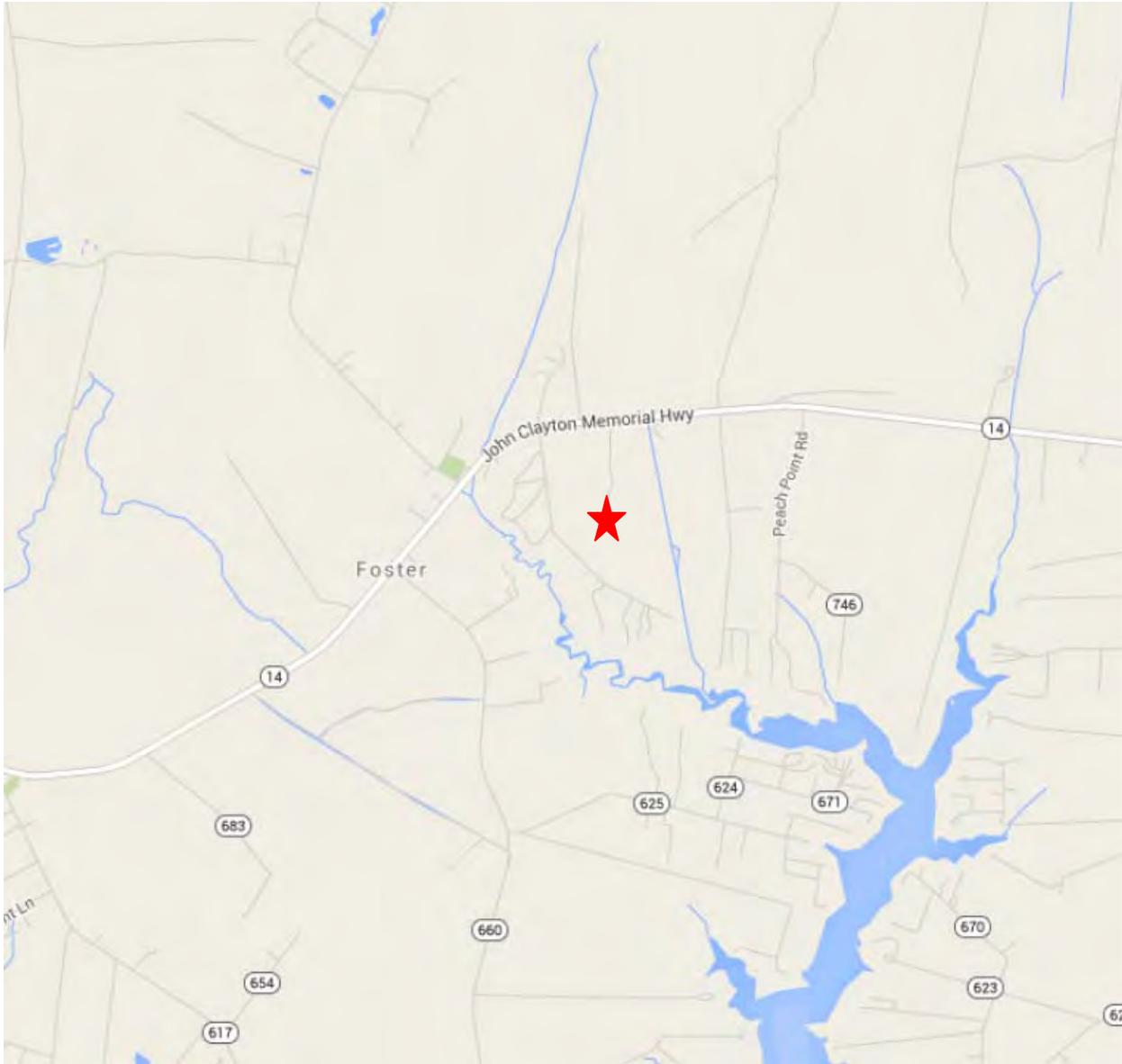
Phase 1 of the restoration has been delineated as discussed. The fields include approximately 1 acre of farmed wetlands. Although these areas do have wetland hydrology the areas have been significantly altered by draining and farming. Due to small percentage of wetlands in the overall field (less than %10) we are proposing 1:1 credit for the entire portion of Phase I. The restoration/enhancement acreage and credit ratios for Phase II & III will be determined following an approved Jurisdictional Determination. We will be proposing ratios within the typical guidelines.

The protection of the wetlands and riparian buffer will assist in improving water quality within the Chesapeake Bay. The restored wetlands and riparian areas will create additional wildlife and aquatic habitat within the Chesapeake Bay watershed. While there are no known Endangered or Threatened Species within the Bank property, further studies may reveal an occurrence.

Precipitation and lateral groundwater movement primarily feed the site from the adjacent properties. There are no hydrologic disturbances on or adjacent to the site and they are primarily forested wetlands. Historically the subject property was likely similar. Installing plugs with liners in the existing ditches will restore the wetland hydrology. Berms with liners will be used to move surface water where needed. This will likely be required to ensure additional water is not routed to the VDOT site. The goal is to have a consistent groundwater level within 6" or higher during the wet part of the growing season. During the dryer part of the growing season groundwater should maintain a level within 12" of the

surface. The groundwater level should only fall below 12” during drought periods. In order to assure wetland hydrologic success, there will be no temporary or long term structural management requirements.

The Bank Sponsor is expecting adequate return to guarantee the mitigation bank and provide a reasonable rate of return on investment. As required by the MBI, the appropriate escrow accounts will be established to maintain the wetlands and cure any associated problems through the monitoring phase. The maintenance of the property in its natural state, in perpetuity, will be insured by deed restrictions within the chain of title.



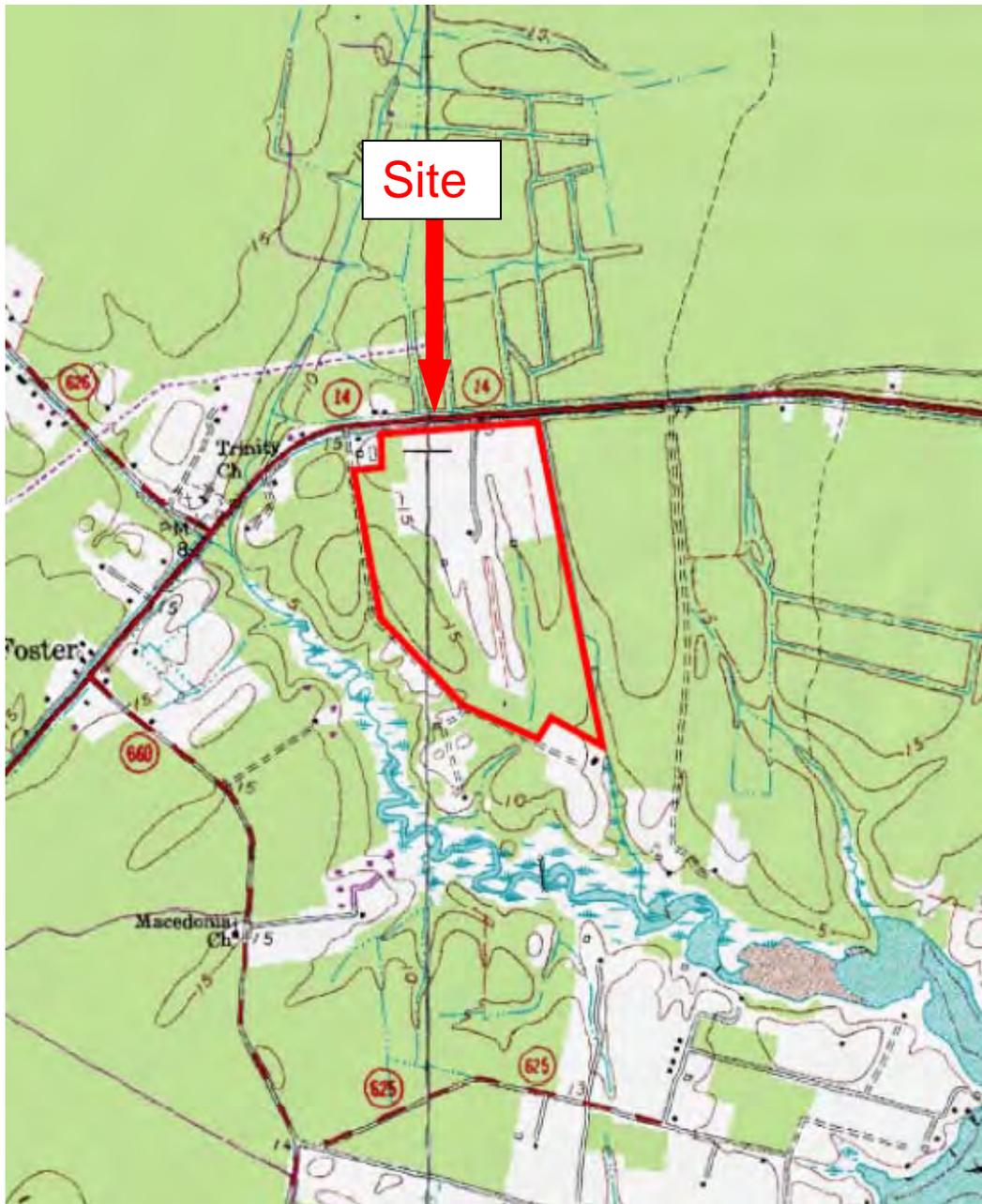
Virginia Wetland Consulting LC

Chesapeake Bay Wetland Mitigation Bank – Location Map

Mathews, VA

LAT/LONG: 37° 27' 22" N 76° 22' 23" W

Date: September 8, 2014



Virginia Wetland Consulting LC

Chesapeake Bay Wetland Mitigation Bank – USGS Map

Mathews, VA

LAT/LONG: 37° 27' 22" N 76° 22' 23" W

Date: September 8, 2014

Chesapeake Bay Wetland Mitigation Bank - Mathews County, VA

Overview - Proposed Wetland Restoration/Creation Areas



Bank Property Boundary
(96.75 acres)

Wetland Creation/Restoration
Area Phase I
(Approximately 24.75 acres)

Phase II Restoration/Enhancement
(Approximately 35 acres)

Phase III Restoration/Enhancement
(Approximately 26 acres)

Existing Wetland Ditch

September 8, 2015

Image USDA Farm Service Agency

Google earth

Imagery Date: 6/20/2011 lat 37.454334° lon -76.372776° elev 13 ft eye alt 3901 ft



Virginia Wetland Consulting LC

Lead Remediation Plan

Background

The Mathews Conservation Club (MCC) was formed in the Spring of 2014 and obtained a 5 year lease on the 97 acre parcel located off Route 14 in Mathews County, VA. Upon construction of the shooting range, an Environmental Stewardship Plan was prepared to manage lead shot on the property. The range includes trap, 5-stand and a skeet course. The ranges are all located in the southern field on the property. The fallout area, as shown on the attached drawing, is approximately 14 acres and includes field and some cutover areas. MCC is a private shooting club with approximately 60 members. All rounds are logged in accordance with the stewardship plan. Approximately 35,000 rounds of 1 ounce shot is fired annually equating to 175,000 rounds or 10,938 pounds of lead shot. Through consultation with an outside consultant, we have determined that this is a relatively small amount of lead for a shooting range. It has generally been agreed to that terminating shooting or switching to non-toxic shot following the removal of lead at the end of the five year period is acceptable. This plan will detail the clean up methods and acceptable testing levels following removal of the lead shot.

Removal

At the end of the five year period in Spring of 2018, testing will be conducted to determine the area and depth of lead shot in the fallout zone. For any sampling on the site, a plan showing the location of the sample sites will be submitted to the IRT for review and approval prior to sampling. It is anticipated, through researching material, that a 14 acre fallout zone will need remediation, the fallout zone is depicted on the attached aerial. All of the fallout zone is located on the MCC property so access will not be an issue. In order to determine the depth of excavation required, 10 test plots will be dug in the area expected to have the most shot pellets. This area is the fallout zone between 375' and 600'. Test pits will be 12"x12" squares at random locations in this area and will be hand dug at 3" increments to a depth of 12". Soil will be passed through a #4 mesh and #16 mesh sieve as detailed in the EPA manual. We anticipate the large majority of shot pellets will be located within the top 3" given the relatively small amount of shooting, the short time period and little disturbance of the soil. Survey results and a plan showing the location of where soils will be removed will be submitted to the IRT for review and approval prior to any soil removal. Assuming the majority of the shot is within the top three inches approximately 6" of soil will be removed. All necessary permits from Federal, State and Mathews County agencies will be obtained prior to land disturbance. Once removed the soil will be tested using the TCLP methodology to determine the level of lead contained in each load. The soil will be disposed of according to all applicable laws. All clay targets/fragments will be removed from the site.

Testing

Following removal of the soil, one random sample per acre within the area 375' to 600' will be collected and tested by an approved testing lab. Test results should not exceed 400 ppm, the level EPA cites for children play areas in federally funded clean up projects. If any tests come back with greater than 400 ppm, further testing and clean up will be required and a plan of how to proceed will be submitted to the IRT for review and approval. This scenario is not anticipated due to the extensive removal of soil proposed.

Reclamation

The goal for the remediation of the shooting range is to restore the area to a clean forested wetland. This area will be phase III of the Chesapeake Bay Mitigation Bank. As such, the area will be restored to an appropriate elevation with appropriate material to support forested wetland species. If additional material is needed to achieve this elevation, it will be borrowed from a non-wetland area on site. The borrow site will be identified on the plans and evaluated for any contaminant risks. There will likely be clean material that needs to be cut to restore and create wetland area on other parts of the property.

This plan is intended to become a part of the Mitigation Banking Instrument and will be binding with signatures by the agencies and bank sponsor.

Attachments

Topographic Map

Location Map

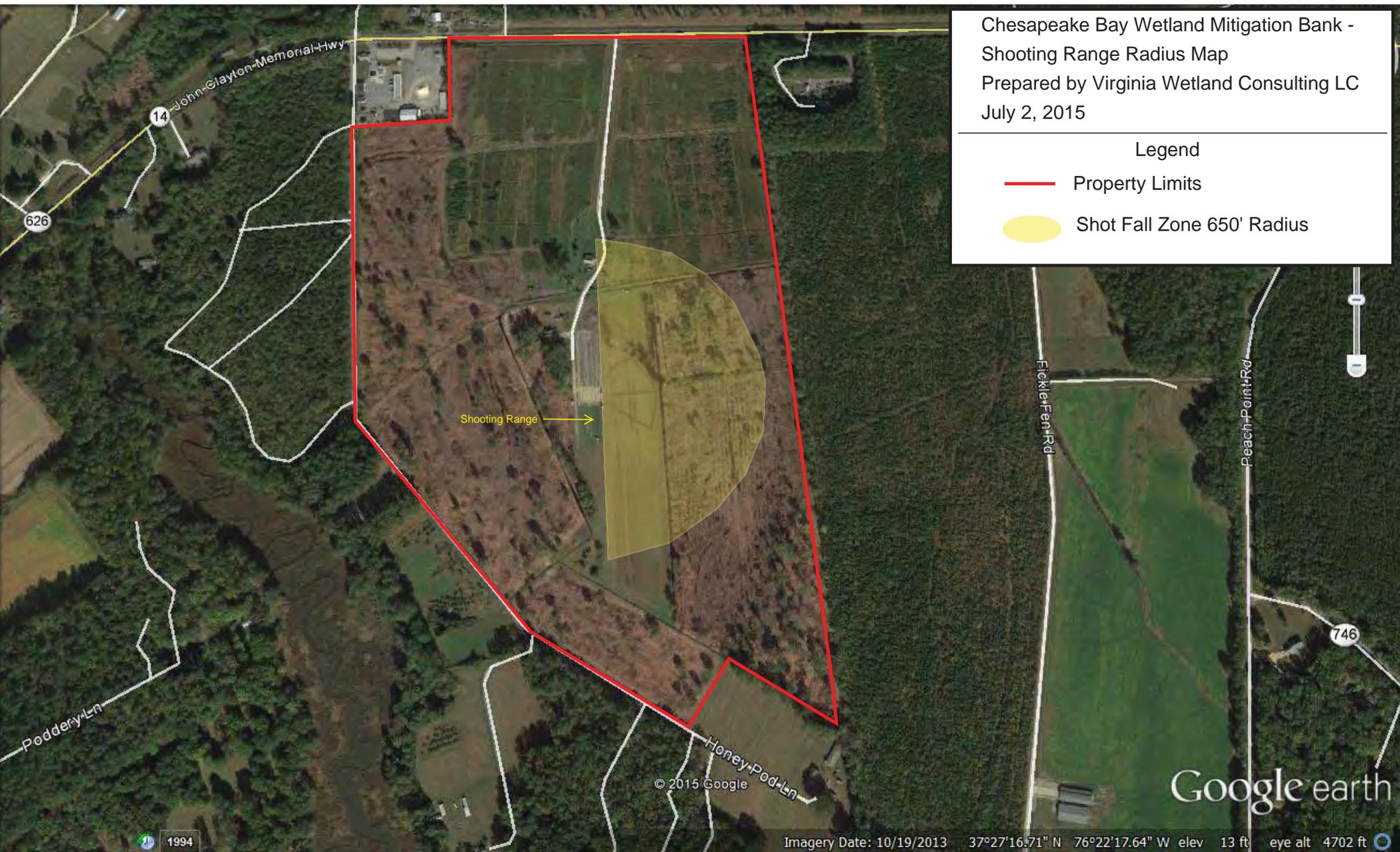
Fallout Area Map

Area for shot depth testing

Chesapeake Bay Wetland Mitigation Bank -
Shooting Range Radius Map
Prepared by Virginia Wetland Consulting LC
July 2, 2015

Legend

- Property Limits
- Shot Fall Zone 650' Radius



Virginia Off-site Mitigation Location Guidelines Checklist

A. General regulatory requirements and practices:

Project within same 8 digit HUC as impact: Yes No

Project within same physiographic province as impact:
Yes No

Project within an adjoining HUC in same river basin Yes No

Project outside of this area Yes No

(If "Yes" then provide documentation that no suitable sites are available in area)

Mitigation is in-kind: Yes No

B. Evaluate & Document whether project meets the following criteria

1. Wetland restoration: Yes No

Wetland creation: Yes No

2. Stream restoration/enhancement: Yes No

Stream Preservation: Yes No

If stream preservation is proposed, is the preservation area exemplary and/or under threat?

Yes No *N/A*

3. Mitigation sites contiguous or connected to other aquatic areas

Yes No

4. Current, planned, or foreseeable activities upstream or upgradient of project that may adversely affect mitigation project:

Yes No Uncertain

Is there an existing or proposed development upstream of, upslope of, or adjacent to the mitigation project? Yes No Uncertain

Are there areas upstream of, upslope of, or adjacent to the mitigation project that are zoned or identified for future development in the comprehensive plan, long-range plan, or zoning overlay?

Yes No

5. Does proposed riparian buffer protection provide greater protection than state or local requirements? Yes No

Is proposed riparian buffer a minimum of 100 feet wide on each side of the channel? Yes No *N/A*

6. Are there any easements, liens, rights of way, reserved timber or mineral rights on project site or adjoining lands? Yes No

If Yes, describe WORKING W/ BLM TO OBTAIN MINERAL RIGHTS

7. Is mitigation site consistent with local planning requirements?

Yes No Describe _____

8. Describe order(s) of streams on project site N/A

9. Is recordation of a third party conservation easement proposed for the project? Yes ___ No If No, please explain NOT CURRENTLY PROPOSED COULD BE A POSSIBILITY

C. Does the project satisfy one or more of the following criteria? If the answer is "Yes" then describe.

1. Does it abut or adjoin an existing reserve or conservation area or create or contribute to a corridor linking existing reserves, conservation areas, or large aquatic systems?

Yes No ___ Describe PROVIDES A CONNECTION TO THE EAST RIVER

2. Conserve or restore habitat for one or more state or federal-listed species, including critical habitat or Threatened/Endangered Species Waters? Yes ___ No Describe _____

3. Conserve or restore habitat for species identified as rare by DCR- Division of Natural Heritage or Species of Greatest Conservation Need in the Virginia Wildlife Action Plan? Yes ___ No Describe _____

4. Conserve or restore aquatic resources or buffers areas identified by DCR- Division of Natural Heritage as rare or imperiled natural communities? Yes ___ No Describe _____

5. Contribute to improved water quality for identified/designated impaired waters? Yes No ___ Describe SHELLFISH / NOT SUPPORTING

6. Remove barriers to fish passage in areas identified by VDGIF as meriting improvement? Yes ___ No Describe _____

7. Restore, enhance, preserve aquatic resources and/or riparian areas identified as meriting conservation in an approved watershed management plan or conservation plan? Yes ___ No Describe _____

8. Conserve/restore the entire watershed upstream of the project site? Yes ___ No Describe AT THE TOP OF THE WATERSHED

9. Remediate inputs of substantial amounts of sediments or remove other pollutants to downstream waters? Yes No ___ Describe NO FURTHER FARMING

10. Conserve or restore areas designated by VDGIF as wild trout streams or Anadromous Fish Use Areas?

Yes ___ No Describe _____