



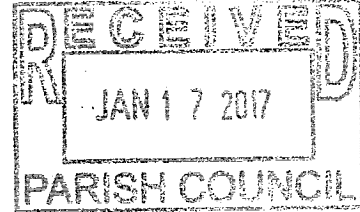
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SENT VIA FEDEX & EMAIL

January 16, 2017

St. Charles Parish Council
c/o Paul Hogan, Councilman at Large (B)
15045 River Road
Hahnville, LA 70057
phogan@stcharlesgov.net



Re: **Request for Letter of Support
Paradis Mitigation Bank
St. Charles Parish, Louisiana**

Councilmembers:

As you may be aware, Chevron U.S.A. Inc. (Chevron) and the United States Army Corps of Engineers, et al (Corps) entered into that certain Mitigation Banking Instrument dated effective June 2, 2005 (MBI) placing approximately 8,000 acres of land in St. Charles Parish adjacent to the town of Paradis into a wetlands mitigation bank commonly referred to as the Paradis Mitigation Bank (Bank).

Upon execution of the MBI in June of 2005 and as required by the MBI, Chevron and the Sunset Drainage District (District), the owner of the drainage canals within and on the perimeter of the Bank, which canals are now administered by St. Charles Parish, had entered into negotiations in order to execute a Water Management Agreement (WMA). The WMA, once executed, would ultimately provide for the installation and maintenance of hydrological structures "...along the various feeder canals to introduce and maintain wetter conditions within each cell..." of the Bank.

From the commencement of these negotiations, the District, and now the St. Charles Parish Council (the Council), expressed concerns about the effect that the proposed structures would have on the drainage of properties surrounding the Bank. The District operates over 10,000 acres of drainage canals and pump stations which protect thousands of people in the communities of Paradis, Des Allemands and Bayou Gauche.

In August of 2014, Chevron received notice from the Corps that it was suspending Chevron's ability to sell credits from the Bank until Chevron and the Council could come to an agreement as required by the MBI regarding the installation, operation and maintenance of the proposed hydrologic structures. Further discussions between the Council and Chevron throughout 2015 did not result in the execution of a WMA.

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Moving forward, Chevron intends to seek Corps approval to eliminate the requirement to install hydrologic structures on the District's levees. In furtherance of this request, Chevron provides the following information which supports elimination of this requirement:

- St. Charles Parish is now participating in the Federal Emergency Management Agency's Levee Analysis Mapping Procedure (LAMP), which may necessitate additional third party involvement as well as have an unknown impact on the intended purpose of the LAMP project and/or hydrologic structures.
- As intended by the MBI, wetland function has increased in the areas planted in Phase I and a portion of Phase II despite the absence of hydrologic structures. Passive drainage improvement activities, which include filling and grading of internal ditches and canals and plugging of culverts, has been completed in Phase I and a portion of Phase II, and in these areas, wetland acreage has increased by approximately 249 acres between the 2005 and 2014 wetland delineations (24.6% increase). Tree survivability of saplings planted in wetland areas is highly successful (86.1%), which demonstrates that wetland function has improved in the absence of hydrologic structures.
- Existing protection levees would not be affected because hydrologic structures would not be installed, and pumping rates and frequency would not require constant adjustment, i.e., active management. Also, by only performing passive drainage improvements, the Bank will have a self-sustaining drainage solution with a limited monitoring requirement.
- As originally envisioned under the MBI, the objective of the hydrologic structures was to increase water delivered to wetland acres and effectively transform upland areas into wetland. Because upland buffer areas have important benefits to adjacent wetlands, such as increased habitat variety, pollution filtration, sediment trapping and increase biodiversity, Chevron believes that there will be an increased net benefit to overall wetland function by retaining and restoring these upland buffer areas.

For these reasons, Chevron respectfully requests that the St. Charles Parish Council issue a Letter of Support for Chevron's request to the Corps to eliminate the requirement to install hydrologic structures on the District's levees.

Should you have any questions, please do not hesitate to contact Danielle Brocato at 985-773-6161 or Danielle.Brocato@Chevron.com.

Sincerely,



Carl R. Rewerts

Land Manager, Gulf of Mexico Business Unit
Chevron North America Exploration and Production Co.