



THRIVING TOGETHER

National Waterways Conference

September 2019



THRIVING TOGETHER

RES is the nation's only fully scaled operating company providing ecological restoration and water resource solutions to the public and private sector.

We deliver turnkey, land-based projects that build and sustain natural resiliency in our ecosystems.






We work every day to protect the essential elements of nature while promoting responsible human progress.

RES Solution Lines



Who We Serve

- Roads & Tollways
- Municipal Public Works
- Oil & Gas
- Renewable Energy
- Power & Utilities
- Manufacturing & Heavy Industry
- Commercial Development

-  Wetland & Stream Mitigation
-  Species Habitat Mitigation
-  Stormwater Management & Nutrient Reduction
-  Corporate Sustainability Initiatives
-  Public Works & Coastal Resiliency

Key Outcomes

- Predictable Costs, Fixed-Price Contracts
- Cost Savings
- Streamlined Permits
- Measurable, Verifiable Metrics
- Transfer of Regulatory Burden
- Self-Sustaining Ecosystems

Restoration drivers



Compensatory Mitigation Requirements

National and state regulations requiring the protection, restoration, improvement, and/or offsetting negative impacts on critical natural resources, i.e. compliance with Clean Water Act, Endangered Species Act, Natural Resource Damages, etc.



Environmental Lawsuits

Administrative settlement requiring private companies to perform some form of restoration-based injunctive relief, i.e. restoration of watershed to resolve criminal settlement of oil spill



Non-Compliance by State & Local Governments

Environmental recompense actions enforced on state and local governments by the federal government because of non-compliance with varying regulations, i.e. pollution of Chesapeake Bay



Corporate Social Responsibility

Programs instituted by private organizations to contribute to the greater good by creating positive environmental impacts, i.e. Amazon builds wind farm to offset energy consumption

Near-term Impacts - Long-term Performance

Permits requiring an ecological offset go beyond the old as-built restoration project

Restoration projects require long-term success criteria to truly restore / replace the impact – performance requirements can stretch to 10-25 years

Creates a long tail liability that must be managed by a Project Steward:

- ✓ Long-term Maintenance & Monitoring - Annual Progress Reporting
- ✓ Adaptive Management Program – Insuring Successful Outcomes
- ✓ Financial Assurances / Endowments – Ecological Performance Bonds



Foundations of a Restoration Partner

Under One Roof



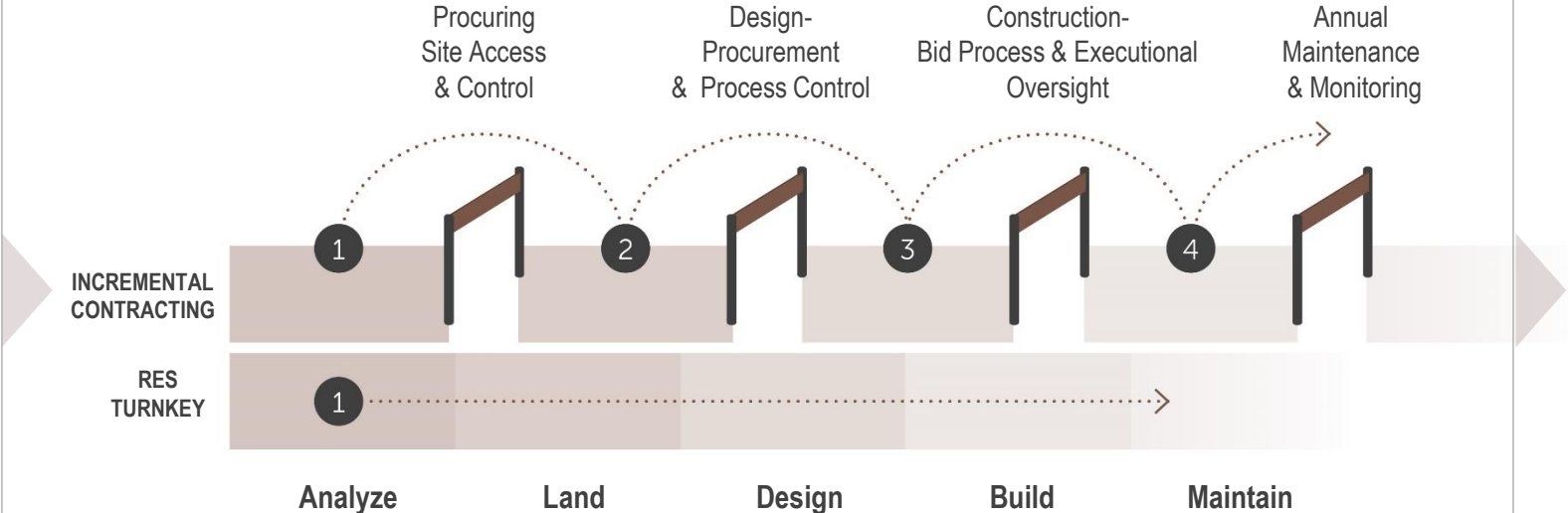
On the Ground

- Rosgen IV certified stream designers
- Wetland scientists
- Engineers
- Hydrologists
- Field ecologists
- Certified foresters
- Landscape architects
- Construction managers
- Superintendents
- Field crew members
- QA/QC oversight teams
- Nursery managers

Behind the Scenes

- Land acquisition
- GIS specialists
- Environmental, health, safety, and security
- Regulatory project managers
- Project controls
- Government affairs
- Public relations
- Financial
- Legal

RES Turnkey | Full Delivery



Transfer of Financial and Regulatory Risk

- Single contract makes RES responsible for all phases
- Streamlined planning and handoffs reduce timelines
- Performance guarantee backed by surety bonding if desired

RES' Approach to Liability

- **Key factors that allow RES to evaluate the long-term risk associated with complicated restoration projects:**
 - Implementation experience: RES has construction teams and nurseries
 - Early and collaborative integration with designers (may be RES or third parties)
 - Extensive experience working with methodologies and regulators, and translating the experience into design and implementation guidance
 - Management team that has manages assets – RES' projects often have 20-40 year tail liabilities
 - RES has worked on the largest and most complicated restoration projects in the nation
- **Each project is different, and requires a different approach, requiring a team effort with RES ultimately owning the restoration project**
 - Permitting and design support
 - Modeling / hydrology / fisheries / water resource teams
 - Outside counsel support as needed
 - Assistance from KKR and Zurich in the case of Bois d'Arc Lake

The Path to a Bond for Bois d'Arc Lake

RES Surety Bonding Experience

- Ability to bond projects of scale



Backing from KKR

- Financial reputation and industry resources
- Green investment/ESG commitment via Impact Fund, Green Solutions Platform



Secured in Zurich

- Worked with Aon and KKR to come up with a bonding solution



Risk Management

A+ Rated surety underwriters



Financial
assurances
(per agency)

Performance
bond
(per client needs)

Regulatory Risk

Performance Risk

- We maintain a **strong balance sheet** and **excellent ecological performance at all restoration sites**, uniquely enabling a **surety bonding program**
- Surety bonding program allows RES to **protect our clients and guarantee performance**
- Underwriters **address risk for both agencies and permittees**
- Bonding capacity
 - **\$100M per project**
 - **\$500M aggregate**



Visualizing Long-term Stewardship

BEFORE



CONSTRUCTION



TREES



MARSH GRASSES



DESIGN | CONCEPTS



BUILD | CONSTRUCTION



BUILD | PLANTINGS





THRIVING TOGETHER

Baltimore Baton Rouge Bay Area Charleston Charlottesville Chicago Columbus
Fairfax Houston Indianapolis Lafayette Nashville Oak Hill Odenton Philadelphia
Pittsburgh Raleigh Richmond Sacramento St. Louis Warrenton