

HCCC IN-LIEU FEE MITIGATION  
INTERAGENCY REVIEW TEAM (IRT) MEETING  
SEPTEMBER 16, 2014  
POULSBO, WA

In Attendance

Brad Murphy, Department of Ecology  
Cyrilla Cook, Washington Department of Natural Resources  
Chris Waldbillig, Washington Department of Fish and Wildlife  
Cynthia Rossi, Point No Point Treaty Council  
Donna Frosthalm, Jefferson County  
Gail Terzi, Army Corps of Engineers  
Gina Piazza, Washington Department of Fish and Wildlife  
Kathlene Barnhart, Kitsap County  
Linda Storm, U.S. Environmental Protection Agency  
Patty Michak, Hood Canal Coordinating Council (HCCC)  
Robin Lawlis, HCCC (meeting notes)  
Roma Call, Port Gamble S'Klallam Tribe  
Stacy Vynne, Puget Sound Partnership  
Steve Todd, Suquamish Tribe - field review only

Field visit to Port Gamble Mill site in morning

Office Discussion

WRIA 17 and Marine Boundary

The WRIA 17 Service Area boundary is shown in some of the exhibits as covering area to the north of Port Ludlow. Also, on some exhibits the Marine Service Area boundary is shown by a line from north of Mats Mats Bay to Foulweather Bluff. The description of the service area in the text of the instrument does not match the mapping on a number of exhibits. The IRT discussed the pros and cons of including the area as shown on the exhibits; and that there are at least 3 boundaries shown on the exhibits that need to be revised to be consistent. It was decided to revise the WRIA 17 Service Area boundary as proposed on the handout at the meeting (freshwater drainages into Port Ludlow and south) and to correct the exhibits to reflect the Marine Service Area Boundary to match the description in the text (Foulweather Bluff to Tala Point to just north of Port Ludlow. **ACTION: HCCC will revise the exhibits and provide the co-chairs with the revised exhibits and a letter requesting an amendment to the Instrument.**

December 2013 Meeting Notes Review

The last IRT meeting was December 13, 2013. Some members asked for clarification about information in the meeting summary and the status of some tasks:

- Dioxin testing (will be discussed later today).
- Kathlene Barnhart submitted this comment on the December 2013 meeting notes and today's discussion addressed most of these concerns: *In the restoration community, there has been a lot of frustration recently regarding dioxin testing. My understanding (and that is admittedly*

*limited) is that there appears to be no “standard” or acceptable background level by which to gauge the potential impacts of releasing dioxins. The requirement for testing and lack of a clear standard for the particular habitat has completely halted at least one major restoration project that I am aware of. Further, the Puget Sound study by which these tests are being compared to did not take embayments into account, nor does it attempt to balance what an acceptable amount would be with the benefits of restoration. This wasn’t discussed at our meeting, but I would like some clarification and background info on what our expected threshold is and what the criteria were in making that decision.*

- In the statement concerning DNR accepting donated tidelands, DNR cannot accept if contaminated and that should be added in the December 2013 minutes (this has been complete).
- Status of eelgrass discussion, action item for staff to follow up with DNR staff: HCCC has not done outreach yet pending a design, still on action list.
- Was there a consensus of the group as the notes seem to imply not to plant eelgrass? Preliminary design will consider planting as an option; need input from eelgrass experts.
- Status of Harding Creek, property under option agreement with Trust for Public Land and appraisal nearing completion.

#### Irene Pond

- Patty explained need for a buffer to protect the mitigation site (110 ft. suggested buffer based on category of wetland and surrounding land use) and proposal of methodology for Irene Pond. Reviewed map of wetland buffer.
- The credit is in the overall protected area as a synergy, both uplands and wetland protection. The buffer area indirectly generates credit because it’s adding to the function of wetlands. This is geared to site-specific protection and then we determine what generates credit after buffer.
- What is the nature of the creek? It’s a small salmon-bearing creek (coho) in forested area, a tributary to the Union River. The north east area is heavily forested.
- Brad murphy explained that indirectly we are giving credit for the buffer through the wetland credits. When the rule came out we coordinated that with Ecology. Wetland tools anticipate adequate buffers. To give credits for the buffer could be a double-credit. The wetland could be degraded by the road so we have to anticipate that with a buffer into the wetland.
- Brad explained that the buffer would be established from the property boundary onto the site; different from what Patty presented. Determination of buffer width would be dependent on potential land use or impairment to the wetland from off the property.
- Buffer area will be revised once wetland is mapped and adjoining land use is described in more detail.
- For the restoration actions (house in buffer), can those actions generate credit because they are sitting in the buffer? It is part of the overall package in how much credit this site generates. You get credit for that, it would be a buffer enhancement which would generate direct credit. Bringing the buffer up to a function standard and then utilize as the site protection buffer. If house is removed, then we’d get credit for its removal. If wetland restored/created in future, generate additional credit.

- HCCC's legal structure does not allow HCCC to own interest in real property; therefore, we needed to find someone to hold the title. HCCC is looking into our ability to hold an easement interest in real property but not outright ownership. In this case, the entity to hold the conservation easement was Great Peninsula Conservancy (GPC) however we needed an entity to own the property and GPC said they could do that. As the land owner, you can't also hold the conservation easement as it's a conflict of interest. Without a third party to hold the conservation easement we (Corps, Ecology, HCCC) agreed it could be a restrictive covenant, different than a deed, but the downfall is the Corps and Ecology are beneficiaries, along with HCCC, and all have the responsibility of enforcement. Corps and Ecology do not have resources for this.
- We are looking at program accounts to fund stewardship and encroachment enforcement and how that would work. Patty explained the GPC contract and endowment process and HCCC's need to do share the long-term stewardship responsibilities with GPC. GPC will only enforce encroachment. HCCC will take on site ecological stewardship.
- HCCC will work on draft mitigation plan with proposed buffers for full review and public comments. We are anxious to get that house off of the property. Gail corrected that we won't put a draft mitigation plan with proposed credit generation plan to the public. It is the IRT's job to determine that. The public notice is for the conceptual site plan and is mostly for adjacent property owners.  
**ACTION: Patty will provide adjacent landowners to Corps.**
- The money received from WSDOT will cover demolition/removal of house but not any wetland creation mainly due to the cost of hazardous material abatement.

**ACTION: Patty will get it to the IRT within 30 days for review (a 30% concept).** It is straight-forward and includes structure removal, abatement and removing invasive species, i.e. blackberries, and replanting in the disturbed area.

#### Port Gamble Mill Site Restoration

- Patty and Roma gave a [PowerPoint presentation](#) describing the site with various maps. The drift cell starts south of Bangor and goes up to the mill site jetty. Kitsap Forest and Bay (local partners' coalition) purchased 454 acres for uplands and tidelands protection. Future land acquisition targets include the Port Gamble block ~2,300 acres (which includes the West Shoreline Block 454 acres already purchased); and the Hansville Block ~1,800 acres. The PGST is contributing some of their Navy EHW2 mitigation money to the upland land acquisition.
- Ecological resources include, crab, oysters, geoduck, and forage fish. Current and historic maps were shown.
- MTCA cleanup and in-water work was discussed. In-water cleanup start date is July 2015 and we are looking at how our project will fit. Cleanup will remove pilings and overwater structures, excavate, dredge and cap in SMAs 1 and 2.
- Ecology Proviso funding - map showed bay-wide cleanup effort.
- The two cleanup areas (SMA 1 and 2) are the most intense. Cleanup is working on the detailed design to be completed by December 2014. Are caps permanent, can the cap be removed later? Yes, but caps would have to be replaced and we want to prevent going back and disturbing any

capping. We need to integrate the restoration designs to meet Ecology's Consent Decree schedule. The cleanup isn't touching the jetty; cleanup is removing pile (contaminants only) around the jetty. By end of December restoration and cleanup have to be integrated.

- Landowner is proposing a dock but it will be shorter than previously proposed, so PGST is looking at reduced the size or repositioned the jetty to restore coastal processes. This is part of the Tribe's restoration, not ILF's but it's all related. Jim Johansen, Coastal Geologic Services (CGS), is under contract with PGST and is looking at all proposed restoration including the southern mill site.
- The southern mill site map and actions were reviewed. We need to look at final elevation of cleanup and if that's a good target for eelgrass. Some areas will receive a cap and if not stable, there may need to be adjustments to the capping over time. Could this be incompatible for eelgrass? But eelgrass may stabilize the cap.
- Land deeds/easements will need to allow Ecology and HCCC to make changes.
- CGS's report will be important for informing technical design, initial draft due at the end of October 2014. The IRT review of report; Roma/Patty to present.
- HCCC needs to determine underlying land owner and easement holder for the southern mill site. HCCC will have contract with those entities. HCCC will place a conservation easement on the restoration footprint; and then on top is Ecology's restrictive covenant for the cleanup footprint.
- Clean-up will leave an armored shoreline with a 2:1 slope. The restoration proposed shoreline profile is ~8-1 slope, more natural, versus the cleanup profile of 2:1. Extent on the shoreline restoration lengthwise is undetermined at this time. We had targeted more intertidal work in the initial concept a year ago and will re-evaluate based on current cleanup design. We may have to armor the slope and then place beach material. We will also work with Ecology on requirements, both ecological and regulatory.
- Who pays for characterization of upland site? Currently, the PGST is asking Pope to pay for it. If not the Tribe, then ILF, joint partnership, or grants will all be considered. The landowner does not think it is their responsibility as they are not conducting the restoration. Contractor will put together a scope of work for the two areas (southern and eastern). No native soils, all fill.
- Dioxins were tested. The sampling map grid and high results were presented. Ecology is meeting with the landowner to determine land use and future actions. They released the sampling results report to the public. The highlighted areas shown are above threshold. A lot of mill site upland fill removal has already been done. Ecology will look at what the intended land use is and that will determine the cleanup standard/requirements. This will inform the restoration design.
- Ecology Proviso Funding was discussed which involves \$7 million – source control, habitat preservation, and cleanup sustainability. Proviso funding is money to take care of issues/actions as a result of community outreach and requests to legislators. It is a bay-wide cleanup – debris removal, derelict gear, vessel removal. Point Julia pier removal and beach restoration is being completed. Land acquisition—western shoreline and upland blocks. Involves habitat enhancement projects (1) riparian restoration, (2) Olympia oyster habitat enhancement, (3) eelgrass restoration, and (4) Pacific Herring studies. Consent decree is separate. A map showing the actions was presented.

- A map of proposed mill site redevelopment was explained, including commercial, residential and cottages with a 35-foot buffer. The alternate, preferred mill site redevelopment proposal had 9 acres of buffer. Port Gamble S'Klallam Tribe (PGST) and Pope Resources are in discussions; they agreed to protect 17 acres of mill site. Can it be restored to intertidal? Yes, as long as it integrates into MTCA cleanup. Liability for cleanup of materials in the uplands is a big consideration both legally and technically. Not answered at this time.
- Restoration alternatives include jetty removal, eastern fill removal, and southern fill removal and the number of acres removed and restored in each was reviewed. One concern is anytime you place beach material nature will adjust it. Ecology may require armor in the intertidal area to keep upland material from entering the marine water. These are part of the preliminary design questions we are asking. Our protection instrument will need to be written in a way that doesn't preclude future actions to expand the restoration area.
- By December 2014 cleanup design completed and 30% restoration design needed, with July 2015 as the cleanup start date.
- ESRP Grant application submitted by PGST for feasibility and design phase of restoration for eastern mill site and jetty removal. Grant would start July 2015 if approved. Roma distributed landowner willingness letter, and Ecology support letter and possibility for in-kind matching funds.
- ILF Program Schedule and Next Steps--September to December 2014:
  - IRT approval
  - HCCC Board of Directors' approval
  - Option agreement with landowner
  - Execute contract with Anchor QEA for conceptual design (10% and 30%) and cost including site characterization assessment (soils)
  - Identify entity to own mill site and and/or hold conservation easement, possibly Kitsap County to hold CE, unless HCCC can hold the easement (may be perceived as a conflict of interest). If PGST acquires mill site, HCCC will have an easement with them. Landowner cannot hold the easement.
  - Prepare draft conceptual design for IRT and public review (revised from PP slide)
  - Prepare spending agreement request for project
  - Prepare 30% design
- January to December 2015 complete land transaction, final design and conduct permitting.
- January to July 2016 finalize permitting, complete construction contracting and procurement.
- July to December 2016, mitigation project construction. This is outside of our target window of 3 years post credit sale by a couple of months.

### General Discussion

- The IRT needs to review a 10% design to move forward with the 30% in December. It's not a complicated design; it's more about footprint, soil characterization assessment (urgent), and costs. Jim Johansen will provide info in a couple of weeks and will continue with revisions along the way. Anchor QEA has most of this information and are ready to go.

- There is a gray line when you use administrative monies and as soon as we start dedicating time to that project, we can start using that mitigation program money.
- General opinion of the IRT members present is that this is an opportunity of a lifetime. Gail Terzi made a motion that the HCCC move forward with 10% and 30% design. The motion was approved by consensus of those present. Co-chairs will send an e-mail to the full IRT to get approval on moving forward with design.
- Stacy said the Puget Sound Partnership supports this project.
- The group suggests another meeting in November. **ACTION: Patty will send a Doodle poll.** HCCC will provide the design work prior to then with a window for review.
- IRT meeting with Ecology to understand cleanup; make sure they can attend so they can talk to the IRT.
- The IRT requested a link to the PowerPoint presentation.
- Kathlene said the interim tool is expiring in June 2015, and there is concern with the Navy's nearshore tool which is not a credit/debit. Need a new tool to utilize or extend our existing interim tool. It was decided to extend our existing interim nearshore tool for three years. IRT concern that the Navy's tool is not user friendly or a rapid assessment, problems with weights, areas not large enough, and doesn't work with this program. Was hoping that the interim tool would be put to use many times to test and calibrate but it's only been used once. However, it gives you currency to enter into the program. The pros and cons were discussed. Kitsap County wants support to provide a letter to the Navy about the work the Navy is asking their consultants to do and the problems with the tool development. Ecology/others have written letters of support for the Navy to continue, but another communication would need to address inadequacy for end users needs so a letter from the IRT or IRT members is needed. Tool needs to be refined but the Navy isn't listening. Address letter to the Navy directly since they are funding the tool. We should let them know now that our concerns have not been addressed and it's not a tool we see as valuable. IRT voted to extend use of the interim tool for 3 years. Patty suggested calling Chris first as a heads-up that the letter will be coming. Brad will take the lead on getting an e-mail out to the full IRT concerning this.