

HCCC IN-LIEU FEE MITIGATION
INTERAGENCY REVIEW TEAM (IRT) MEETING
April 13, 2015
10am – 3pm
HCCC Office - Poulsbo, WA

IRT Participants

Patricia Johnson, Department of Ecology
Gail Terzi, Army Corps of Engineers
Cyrilla Cook, Washington Department of Natural Resources (by phone)
Kathlene Barnhart, Kitsap County
Roma Call, Port Gamble S'Klallam Tribe
Steve Todd, Suquamish Tribe
Linda Storm, EPA
Randy Lumber, Skokomish Tribe
Zak Hughes, NOAA Fisheries
Chris Waldbillig, WDFW – could not attend, provided written comments on 30% design

Non-IRT Participants

Patty Michak, Hood Canal Coordinating Council - Sponsor
Celina Abercrombie, Ecology (by phone)

Review and approval of December 17, 2014 meeting notes – No additional review comments were made by the IRT. Notes will be finalized and posted to HCCC website.

30% design review Port Gamble Mill site and Design discussion

- narrow band of willows shown on sheet G-2 should be removed and willows dispersed in the low swale/onsite rainwater infiltration basins
- placement of a few key pieces of partially buried large wood within the intertidal/backbeach area needs to be added back into the design- needed to trap naturally available drift logs
- IRT expressed concerns with the upland soil placement against the hillslope and loss of hillslope vegetation and loss of seep spring collection
 - after review of site photos some concern diminished as photos showed that the hillslope was more sparsely vegetated than the aerial image on the design drawing indicated and the species composition appeared to be dominated by invasive species; Scotch Broom, blackberry, ivy
 - **ACTION:** HCCC will further investigate and characterize the vegetation present and determine if hillslopes springs are present
- IRT recommends increasing the riparian planting area to include at least 200ft from MHHW elevation and if funding available to plant the full area. Credits cannot be generated on area not planted.
 - **ACTION:** HCCC will request a cost estimate to plant the area from the currently shown riparian area to 200ft MHHW and a cost estimate to plant the area >200ft MHHW
- IRT stated that pulverizing and burial on-site of any asphalt is not acceptable
- if can't remove asphalt from the site then do not break-up and increase surface area
- would rather see shorter site to allow removal of asphalt from the site

- **ACTION:** HCCC will request a cost estimate to remove asphalt from the site
 - IRT asked about soil clean-up issues: Celina, Ecology, contributed that Ecology is in discussion this afternoon with OPG/Pope Resources concerning “hot Spot” clean-up actions; currently thinking that discrete spots will be removed and disposed of at an approved off-site facility
 - EPA requested a cross-section of the rock riprap bank protection and a narrative describing why the structure is needed, what the function and purpose is of the structure and stated that no credit could be generated in the footprint of the structure.
 - **ACTION:** HCCC will provide a description of the structure and will request a cross-section of the structure
 - EPA requested a write-up that discusses the context for all proposed projects at the mill site
 - **ACTION:** HCCC refers the IRT to the September 16, 2014 IRT meeting presentation on proposed actions at the mill site, review of proposed land uses and ecological resources of Port Gamble Bay. While the clean-up requirements and the southern mill site design details have advanced since September the overall actions for the mill site are the same.
<https://hcccwagov.box.com/s/t4y784cuquy7rjblrxxf>
 - IRT requested a narrative explanation of the cobble berms
 - **ACTION:** HCCC will provide a write-up describing the cobble berms
- Conservation Easement (CE) and Option Agreement update – HCCC is pursuing the conservation easement for the southern mill site and developing an Option Agreement to allow HCCC to acquire the CE. Kitsap County will be holding the CE for HCCC.
- Ecology has funding through a Legislative Proviso that could be utilized to acquire a portion of the development rights on the southern mill site. Ecology has requested that HCCC complete the Option Agreement with Pope Resources for the acquisition of the conservation easement in order for Ecology to preserve this funding for development right acquisition. The funding could be \$400-\$500K.
- COE legal counsel has reviewed the use of the Proviso funds from Ecology to acquire development rights. They feel that acquiring these rights is separate to the conservation easement which the Federal Rule requires on mitigation sites. So that use of the Proviso funding source to acquire development rights is not in conflict with Federal Rule requirements for ILF programs.
- Appraisal update – HCCC is anticipating a draft appraisal on the mill site by the end of April.
- Timing for next steps:
 - HCCC requesting decision from IRT on moving the Port Gamble mill site mitigation forward as the receiving site for the EHW2 credit sale
 - IRT to provide input to the co-chairs by **Monday April 20, 2015** on resource trade-off and credit fulfillment of the proposed southern mill site mitigation action for the EHW2 credit sale
 - HCCC Board of Directors need to approve entering into Option Agreement – end of April
 - Clean-up actions are planned to start mid-July and continue into the winter; dependent on permitting and work windows
 - mitigation project actions could begin ~ October or in the winter; dependent on permitting and work windows
 - need to enter into a new task order contract and Spending Agreement for final design and permitting as soon as possible

- Kitsap County stated that they will need 60% design for permitting

Credit generation based on the use of the interim nearshore credit tool

- the interim nearshore credit tool was reviewed by the IRT and a discussion of the habitats shown on the 'Habitat Areas Plan' sheet and correlation to the Excel interim tool spreadsheet was conducted
- the following changes were made to the credit spreadsheet
 - moved subtidal vegetated area (0.67 acres) to subtidal non-vegetated – area will not be actively planted with eelgrass and therefore should be accounted for as non-vegetated
 - moved riparian establishment (0.69 acres – shown as the hydroseeded area between the riparian area and 200ft MHHW) to riparian restoration assuming this area will be planted and not hydroseeded
 - added 0.40 acres of riparian area under preservation – from 200ft MHHW to extent of fill on bluff; assuming this area will be planted and not hydroseeded. Conversion factor was set at 5 as planting may be sparser and of low growing shrubs due to view issues; but preservation credit is still awarded as the area will provide improved ecological function and be protected through the conservation easement.
- the IRT discussed resource trade-off based on the interim credit tool spreadsheet for the 30% design Option A, as revised at the meeting
 - the Port Gamble mill site habitat areas, as run through the interim tool, do not full meet the credit sale to the Navy for EHW2; there is a shortfall in subtidal credits, but a surplus in intertidal and riparian
 - IRT discussed the trade-off between resources (subtidal, intertidal and riparian)
 - IRT discussed the difficulty in finding and completing subtidal project opportunities
 - IRT discussed other mitigation options within the Marine Service Areal to adequately compensate for EHW2 impacts to subtidal habitat. There are no other options available at this time.
 - concern that the interim nearshore tool calculator does not fully capture the resource gains
 - it was discussed that a revision to the conversion factors, such as a conversion factor of less than 1, could be considered to fully capture resource gains but no specific change was identified
 - any resource trade-off will need to be fully explained and documented identifying the ecological rationale
 - implications for future credit sales and projects involving subtidal habitat was discussed – concern with future sale of subtidal credits and the ability to directly mitigate that resource; need for resource trade-off and how/if that would be managed will require further review and discussion by the IRT
 - discussion on adjustment to credit fees and in particular land fee credit price which is likely low for marine/shoreline properties will require further discussion
- Additional information on Port Gamble
 - HCCC is working on an Option Agreement for acquisition of development rights on the mill site and mitigation easement(s) for the site
 - Appraisal of southern mill underway and draft appraisal report is anticipated by end of month
 - Ecology provided an update on legislative Proviso funds that Ecology has set aside for acquiring development rights on actively restored portions of the mill site

HCCC banking institution change request

- HCCC is requesting to change our banking institution from US Bank to Kitsap Bank. We feel that Kitsap Bank can provide HCCC with the customer support and fund investment opportunities that are needed for the ILF Program. Kitsap Bank has provided HCCC with investment and account management information that will support investment of the ILF funds within interest bearing accounts while lowering our banking fees.
 - **ACTION:** Co-chairs to send IRT a request to approve the banking institution change

WRIA 15 Wetland Receiving Sites – EHW2

- A much abbreviated review of 4 properties was conducted. HCCC brought forward 4 properties that had varying levels of mitigation opportunities and were dispersed geographically, but all within the WRIA 15 Service Area.
- 2 of the sites (Rendsland Creek and EF Union River) were quite distant from the EHW2 impact site and were not a good fit for mitigating the impact; IRT concurred and these properties will not be pursued further for this mitigation need
- The Laughing Dog Lane site appears to provide minimal lift but is much closer to the impact site; IRT concurred that lift potential is limited and did not see the need to further investigate
- The site on Stottlemeyer Road appears to have some potential to meet the mitigation need and should be further investigated
 - **ACTION:** HCCC to continue to investigate this property

Nearshore Tool

- Navy has requested a meeting with the IRT to review the Nearshore Tool development
 - IRT would be interested in a discussion with Navy staff on the Tool
 - **ACTION:** HCCC will add to next meeting agenda