

HCCC IN-LIEU FEE MITIGATION
INTERAGENCY REVIEW TEAM (IRT) MEETING
August 6, 2015
9am – 10:30am
Conference call

IRT Participants

Patricia Johnson, Department of Ecology
Gail Terzi, Army Corps of Engineers
Kathlene Barnhart, Kitsap County
Steve Todd, Suquamish Tribe
Randy Lumber, Skokomish Tribe
Chris Waldbillig, WDFW

Non-IRT Participants

Patty Michak, Hood Canal Coordinating Council - Sponsor

Review and Update Port Gamble Mill site mitigation proposal

- HCCC provided progress update for moving the project forward:
 - Working with legal counsels (HCCC and Pope Resources) on the Purchase and Sale Agreement (PSA); set a due date of end of September/ first October for a signed PSA
 - Working on indemnification issue – pursuing three areas of coverage – indemnification from landowner, insurance, and covenant not to sue from Ecology
 - Will be initiating purchase valuation discussion with Pope; need HCCC Board review of appraisal
 - Working with Kitsap County and Ecology on funding, legal documents, MOA with Kitsap County
 - Schedule – met with Ecology toxic program staff on 8/5/14 to discuss integration of the mitigation project into clean-up schedule. HCCC requested that the construction scheduled for the portion of the clean-up footprint in the southern mill site intertidal area that overlaps with the mitigation project footprint (~1,000) be reconsidered to allow for the mitigation project and the clean-up actions to be integrated into one construction action. This would likely mean that this footprint would be constructed in 2016 versus the clean-up schedule of being completed in 2015. Ecology staff was not able to provide any relief to schedule. They have concerns that the mitigation project will not move forward and they cannot jeopardize or delay the clean-up as it has taken years to get the clean-up started.
- Ecology stated that the toxic program staff has issues with the landowner and that the schedule has to be maintained as negotiated. They think that the intertidal work can be completed during the clean-up by Pope through over-excavation of the area to achieve the mitigation project slope and depth. Ecology staff also stated that the SMA2 clean-up work could be completed north to south to provide some window for the mitigation project to be integrated.
- HCCC was told that the north to south approach would only provide a month or two of time, which is not enough for the HCCC project to be permitted.
- HCCC is looking at an independent 2016 construction action and will request a revised cost estimate from Anchor QEA utilizing newly available cost information from bids received for clean-up actions; and to include the cost of re-handling shoreline armoring and cap material placed during clean-up actions.

ACTION: HCCC to request revised cost estimate on the 30% design incorporating new quantity pricing and cost to complete project as a fully standalone action.

- Gail mentioned that there is a new template for Conservation Easements and she will provide.

ACTION: COE to provide Conservation Easement template

Review comment letter from Suquamish Tribe

- Asphalt removal from the property – HCCC stated that asphalt removal would be incorporated into the design and cost estimate. Preliminary updated information on material and soil handling costs indicate that the cost to remove the asphalt should be able to be incorporated in the project budget without reducing the scope of the project. Should the removal of the asphalt impact the scope the IRT will be consulted.

Credit generation interim nearshore credit tool – intertidal conversion factors

- Suquamish Tribe expressed the following concerns with utilizing the proposed conversion factor for intertidal habitat restoration:
 - justification for utilizing the lower end of the conversion range
 - potential to set a precedent for other sites
 - level of uncertainty for ecological benefits
 - risks – unknown materials / debris could be encountered
- Ecology stated that the Policy IRT discussed the conversion factors and felt that the lift from conversion of a heavily degraded upland to intertidal is much higher so conversion should be greater and use of the lower end of the conversion factor range is appropriate.
- COE – risk impact – consider how difficult to recreate habitat lost
 - subtidal difficult to impossible to create – should have higher impact risk
 - risk on difficulty to create intertidal/riparian habitat likely less
 - risk of site unknowns different – this is addressed with contingency
- Steve said he understood the discussion, though some uncertainty on how the beach may hold up; but acknowledged design features to help support.
- Kathlene – would have been nice to test interim- tool on small project first; document why decisions made and update tool.
- COE – will need documentation and rationale of why selecting conversion factors; specific to this project.

Next Steps of Program

- Port Gamble – acquire development rights / appraised value
- New site for wetland mitigation credit sale for EHW2 – review on 19th
- Irene Pond – revised mitigation plan underway
 - Need Public Notice excerpt
- Agenda elements for August 19th?
 - Instrument review – revisions
 - Cost of credits
 - Land fee prices and calculations
 - Land fee by development features