

## **Puget Sound Partnership In-Lieu-Fee IRT Meeting**

**December 1, 2010; 12:30-3:30pm**

Center for Urban Waters, Commencement Bay, North Conference room

**Attendees:** Yolanda Holder, Kim Harper, Karen Walter, Rich Doenges, Bob Warriner, Hans Hunger, Ann Boeholt, Annette Pearson, Dave Risvold, Alison O'Sullivan, Chris Townsend, Patricia Johnson, Michael Murphy, and Brad Murphy

### **Follow-up from November Mtg**

- Reviewed last month's meeting minutes – Patricia received some comments/edits and will make the necessary changes to the minutes prior to finalizing.
- Contract language – As PSP develops language and/or makes changes to their contract language, Patricia will continue to send updates to the IRT.
- Instrument - At the last mtg, it was discussed that the IRT like would to see an outline for the instrument. Patricia provided the outline to the group at this meeting. The outline was based on King County's ILF instrument provided by Michael Murphy, which was based on the wetland mitigation banking instrument template.

### **Instrument**

Patricia provided the group the outline for PSP's ILF instrument (Appendix A). Patricia expects having a complete draft instrument within 4 mos. She will send the IRT the pieces/sections of the instrument for review as they're completed.

- Selecting mitigation sites  
Since the last two meetings have been close together, there are numerous areas within the text which contain "blanks". The blanks have been left to insert information from our IRT discussions. Again, as text is completed, she'll send to the IRT for review and comment. The less surprises on receipt of the draft Instrument, the better. An ILF web page is almost ready. Patricia will review the site first to ensure it is working properly. Once complete and tested, she hopes to post documents to the site. She would then send an e-mail to the IRT with a link to see, review, and comment on the documents.
- Difference between Mitigation fee vs. cost  
The mitigation fee will be the amount that the applicant will pay. This fee would be based on a portion of the total cost to implement the mitigation. A credit will not be based on an acre on the ground, but possibly a few acres.
- Amendment process  
Once the instrument is signed by all parties the instrument is governed by the federal and state rules. Any amendments or modifications to the instrument will go through

the processes specified in the rule including IRT review. Amendments or modifications may go through the full public notice process and/or a streamlined process – depending on the change.

The current instrument contains the Pierce County service area and adding more sites (i.e., Thurston Co.) would need to be an amendment to the instrument. This type of change would be considered major and needs to go back out for the full public notice process. The same length for the public notice (PN) would be used; however, discussions prior to the PN and after may take less time on future sites. Chris thinks that the Compensation Planning Framework (CPF) for Thurston Co. may be able to go out on PN with Pierce. Would adding the Thurston County side of the Nisqually be considered a minor or major change? Kim thinks that adding a larger territory should probably go through the full PN process. Having the Thurston Co. CPF in the original PN would be a good idea.

- Signatories  
Does the county need to sign the instrument? If the county is the co-sponsor, you'd need to decide their participation level. PSP is currently discussing the ILF program with local jurisdictions. It may be good to discuss with Rich (Thurston Co.) & Hans (Pierce Co.) whether their counties should be signing the instrument or not. It may make using the ILF program easier down the road. However, a city or county doesn't necessarily have to sign the instrument to actually use the ILF program. Each jurisdiction should consider: Why are they signing the ILF instrument?

It has been beneficial for the local jurisdictions to sign the mitigation banking instruments (MBIs). There is no state rule for the local jurisdictions regarding ILFs.

**DECISION:** WDFW will want to sign the instrument.

King Co. will create a Memorandum of Agreement (MOA) between itself and a city, if the city decides it wants to use the ILF program. King Co. will not have every city sign the instrument.

**ACTION:** Dave Risvold will discuss with the County's lawyers whether Pierce County needs to sign the instrument or not and inform PSP and the IRT.

Different Signatories with Banking: "Parties" (sign the MBI and have responsibilities), other members of the IRT (sign the MBI to show agreement of the MBI).

*Chris left the meeting.*

## **Service area**

Patricia previously e-mailed the Service Area (SA) description. The text primarily came from the PSP ILF prospectus. See Appendix B.

The watersheds progressively change as they go from the mountains to the sound. It was mentioned that it would be good to have more information regarding the areas within WRIA. The additional information/description should be included to ensure a proposed impact is sufficiently mitigated.

The idea of the ILF is to focus the restoration where it is needed instead of keeping it within a specific area. The ILF program isn't a guarantee that any/every impact project can use the ILF Program even if it's in the SA. Sufficient rationale must be supplied for use of the ILF. What is the point of the SA? – to define the largest/broadest area or is it to explain the most commonly used area. It's up to the regulatory agency to determine whether the ILF project is able to mitigate for the impact. If the SA is the whole watershed, the regulator can still review the specific project to determine the mitigation on a case-by-case basis.

King Co. will review the functions lost in the sub-basin. Is it pertinent to replace the functions within the sub-basin and then review timing (3 yrs)? If the function is critical to the sub-basin then we should do what we can to replace it there. If it isn't critical or if the mitigation can't be completed within 3 yrs then they would look farther out, but still within the SA. The process for determining the approval of the ILF is specified within the instrument.

A SA could be based on where restoration would be good, but not necessarily on what/where the impacts are or have occurred in the past - depending on the number and type of impacts that may be happening. PSP can then focus future funds on where mitigation sites should be located in the future, not just where property happens to be available.

**PARKING LOT:** Pierce County will need to discuss this topic with PSP in the future... it's not just property that's available, but where sites should be located. Those unavailable properties may cost more.

Karen is concerned about the terms mitigation and restoration sites being lumped together. These are mitigation sites. You need to be very clear on what this program is trying to do. PSP should show which areas are restoration vs. mitigation. If sites have already been specified as restoration sites, they can't also be identified as mitigation sites.

If the identified restoration sites haven't been completed yet, can't we do mitigation there? Restoration grant funds should not be used for mitigation. Restoration has no strings attached; it's done to improve a site. Mitigation is to get to no net loss of wetlands. Sites that have been identified as needing restoration but haven't been done yet can be used as mitigation – but they need to be removed from the appropriate restoration recovery plan. Whatever chunks of the restoration recovery plan that are completed by the ILF program should be removed from

the plan and tracked elsewhere. There are some clear tradeoffs once restoration is switched to mitigation. Mitigation is getting to no net loss; it isn't restoration which is a net gain. You can't 'double-dip' the same area for restoration and mitigation. Basically, you can't check off that your restoration project is complete, if it was used to mitigate for an impact project that is done elsewhere. The financial accounting for ILF grants must be very clear. The instrument should be very clear on the SA and the uses, especially when it comes to restoration and mitigation. Kim sees the site as needing to be separated out between restoration and mitigation. PSP and the IRT can specify what is expected, needed, etc. from the mitigation site. Any restoration that comes in on top of what is specified – we can't refuse that. If you use the credit/debit tool – can credits be divided proportionally based on the amount of funding provided to the project? This may be more difficult than separating the site geographically. Kim would be hesitant to say that restoration and mitigation can never be done on the same site.

Policy question: restoration vs. mitigation – how are they going to handle accounting or should it even be allowed. Hopefully, the site selection group should be able to help determine this.

Patricia stated that it's good to hear a variety of voices and that this may not be acceptable to some members of the IRT. She has been asked, "If I have a list of sites for the salmon recovery plan – can't we use those for mitigation sites?" What types of projects do you not want to see go into the ILF program? We should be using the site selection guidance as a tool to determine future sites. Brad thinks it will be easy to identify sites using those methods, and if it's identified for the ILF as mitigation – then they should be removed from the specified salmon recovery plans.

Patricia created a draft process to identify future ILF project sites and displayed the document for the group. The site selection committee may be a sub-set of the IRT. She has a list of existing documents that already specify priority sites. If ILF sites are selected from any of these 'lists', that selected site should be removed from that other list.

The proposed SA map should show that Muck Creek is included.

The Muckelshoot Tribe reiterated to remove WRIA 10. They will continue to disagree with having WRIA 10 listed in the prospectus or the instrument. Start the program where it's needed and then add the other areas. Prove the program works and then come back and add/request to add WRIA 10. Patricia asked if they would support including WRIA 10 if PSP did not request advance credits for that WRIA? It might be fine, but it may be a matter of semantics. If you want to frame some text and submit to the tribe for discussion – we are open to reviewing and discussing it.

The Muckelshoot Tribe is not happy that the document doesn't specify freshwater wetlands only. We have the credit/debit tool for freshwater and that's what we're currently proposing. And, the only sites we have are freshwater sites. If other methods are approved, we want to be able to allow those methods and expand. The Muckelshoot Tribe will not agree to the

instrument if the language is too broad. PSP needs to have demonstrated success prior to moving forward and expanding. A cautionary approach should be used.

*Ann, Hans, and Dave left the meeting*

The Muckelshoot Tribe suggested moving forward with Chambers-Clover area. Once it's proven that it works – then come back and request adding our U & A. Show that the ILF program in WA is better than banking or better than concurrent mitigation.

This process seems to be going too fast and they feel as if they're being pushed to approve.

If the title states "intent of program" and not "program scope" – the Muckelshoot Tribe would be more accepting of that term. The prospectus should be narrowly scoped.

Patricia's intent is having a focused instrument. It was discussed at the last meeting that some portions of the instrument can be listed as 'durable' and used for all sites. And some items can/should be listed as needing to change with each service area, county, or resource type. The "Program overview" and "intent" type language is fine for future text and locations. The Muckelshoot Tribe has no objection to the ILF program in Thurston County.

If WRIA 10 is removed from this list, would the Muckelshoot Tribe attend the IRT meetings? No, Karen doesn't have the time to attend the meetings if WRIA 10 is removed; however, she will continue to review the documents that are e-mailed to her. It's better to have a separate meeting just with the tribes. PSP may receive more tribal attendees with that approach.

What happens between the King Co. ILF and the tribes will influence future ILF programs/projects.

The word "other" (regarding resource types) is too broad (does "other" mean "buffer"?). Provide some details i.e. this doesn't mitigate for Cat I wetlands. There needs to be more conversation that includes Chris, since he specified in the last meeting that he wants to keep text broad.

Remember that just because someone proposes ILF use, it doesn't mean the regulatory agencies will approve it. These credits will not be cheap, so we don't see a lot of impacts proposing use. The ILF program won't be influencing the regulatory agencies decision whether an impact is approved or not. The ILF program is just a tool to provide mitigation for the approved impact projects. PSP doesn't have authority on the permitting end.

If the county were the sponsor, they would still need to prove their mitigation track record. Credits would not be released prior to showing the mitigation works.

There are some big differences between the upper and lower Puyallup, as well as the Nisqually. We should run the watershed characterization (?) again on these areas to determine if these

watersheds should be narrowed. The difficulty in separating large WRIAs is that you don't know where the impacts are coming from. It may be difficult to find one site to mitigate for numerous impact projects. If you separate the WRIAs, you may not collect enough fees to mitigate within that smaller area.

King Co. separated WRIAs into sub-basins by regional differences, drainage, etc. They decreased their request for advance credits recognizing that they had to prove their success prior to requesting more. The amount of credits requested equals to less than 10 acres. The cost will be approx. \$30K per credit. A credit equals ~267 square feet on the ground. King Co. is ensuring they have enough advance credits to sell and be able to build a new project site. They are keeping track of the credits in separate buckets. This method may be more time consuming, but it will show what they're getting for those credits.

If WRIA 10 is removed, Kim would be less concerned with the size of the SA and the types of impacts that you'd be compensating for i.e., Nisqually area has a lot that is federally run. There is currently a lot of work going on in WRIA 12.

**ACTION:** IRT members please supply any edits or suggestions on the SA text to Patricia.

### **Site selection discussion**

See Appendix C.

1. Create a site selection advisory team comprised of:
  - a. Local integrating org reps
  - b. Tribal reps
  - c. Lead entity coordinators
  - d. Ecosystem recovery coordinators
  - e. Fish & wildlife habitat biologists
  - f. Local govt reps
  - g. Ecy watershed leads
  - h. Corps project leads
2. Create a Citizen Site Selection Advisory Group.

Alison would like to have two separate site selection groups.

Create a volunteer subcommittee for site selection review team

The IRT will have a separate say over the site selection.

**ACTION:** Karen will discuss SA and site selection further with the tribes, once she receives the information from Patricia.

**ACTION:** A meeting should be scheduled with the tribes, PSP, and Corps prior to further IRT meetings. Karen will discuss with the tribes if Ecology should sit at the meeting.

*Annette left the meeting.*

You may have 3-4 impact projects and then need to mitigate for those with one ILF project site. Allison feels that square footage still means something. She has reviewed the credit/debit tool and supplied her comments.

Patricia has one site which she has baseline information. She could provide a presentation in the future and run the site through the credit/debit tool to show the amount of credits received and what could/would be done at the site for functional lift. It might be good to add the watershed characterization over the potential site selection too. The watershed characterization will help show which sites should be placed as a priority on the roster. On finalization, the credit/debit tool will be guidance and not adopted in rule. Why not look and see who has what tools that can be used? (i.e., Pierce County has a great watershed analysis). Provide the tools to help attendees be of beneficial use for these site selection committees.

#### **Next steps/Action Items**

- Schedule a meeting with the tribes through the Fisheries Commission and include PSP, Corps, Tribes, (maybe Ecology). Invite all tribes (not just the pilot areas). Muckelshoot and Puyallup may need a separate and additional meeting.
- Patricia will send the text provided at the meeting today and the two lists
- Patricia will provide a presentation on WRIA 12 with the credit/debit tool at a future IRT mtg. She'll see if Stephen Stanley could also do a presentation on the watershed characterization.
- Patricia will ask Linda to send the information that she stated she would supply at the last meeting.
- Brad will see if Stephen has completed the watershed characterization on WRIA 12 specifically.
- Bob will supply a draft document to Karen and Patricia for their comment.

A future PSP IRT meeting will be scheduled after the meeting with the tribes.

## PSP ILF Program IRT Meeting Participants – December 1, 2010

Name	Agency Representing	Email	Phone
Patricia Johnson	Puget Sound Partnership	<a href="mailto:patricia.johnson@psp.wa.gov">patricia.johnson@psp.wa.gov</a>	360.464.1225
Brad Murphy	Ecology	<a href="mailto:bmur461@ecy.wa.gov">bmur461@ecy.wa.gov</a>	360.407.6861
Yolanda Holder	Ecology	<a href="mailto:yhol461@ecy.wa.gov">yhol461@ecy.wa.gov</a>	360.407.7186
Kim Harper	Corps	<a href="mailto:kimberly.a.harper@usace.army.mil">kimberly.a.harper@usace.army.mil</a>	260.764.3659
Karen Walter	Muckleshoot Indian Tribe Fisheries Division	<a href="mailto:karen.walter@muckleshoot.nsn.us">karen.walter@muckleshoot.nsn.us</a>	253.876.3116
Rich Doenges	Thurston County	<a href="mailto:doenges@co.Thurston.wa.us">doenges@co.Thurston.wa.us</a>	360.754.4106
Bob Warinner	WDFW	<a href="mailto:robert.warinner@dfw.wa.gov">robert.warinner@dfw.wa.gov</a>	360.466.4345x252
Hans Hunger	Pierce County Surface Water Management	<a href="mailto:hhunger@co.pierce.wa.us">hhunger@co.pierce.wa.us</a>	253.798.6162
Ann Boeholt	Pierce Co. SWM	<a href="mailto:aboehol@co.pierce.wa.us">aboehol@co.pierce.wa.us</a>	253.798.4694
Dave Risvold	Pierce Co.	<a href="mailto:drisvol@co.pierce.wa.us">drisvol@co.pierce.wa.us</a>	253.798.7036
Annette Pearson	Pierce Co. PW&U – Transportation	<a href="mailto:apears1@co.pierce.wa.us">apears1@co.pierce.wa.us</a>	253.798.2159
Alison O’Sullivan	Suquamish Tribe	<a href="mailto:aosullivan@suquamish.nsn.us">aosullivan@suquamish.nsn.us</a>	360.394.8447
Chris Townsend	PSP	<a href="mailto:chris.townsend@psp.wa.gov">chris.townsend@psp.wa.gov</a>	360.628.2427
Michael Murphy	King County MRP	<a href="mailto:michael.murphy@kingcounty.gov">michael.murphy@kingcounty.gov</a>	206.296.8008

**Pierce County Pilot In-Lieu-Fee Program  
Interagency Review Team Meeting Agenda**

December 1, 2010, 12:30 – 3:30 pm

Center for Urban Waters, Commencement Bay North Conference Room  
326 East D Street, Tacoma

- Introductions
  
- Follow-up from November Meeting
  - Meeting notes
  - Program Scope Language
  - IRT Review of contract language for “administrative agent”
  
- Instrument Outline/Timeline (identify durable sections)
  
- Service Area language discussion
  - WRIA 10
  - WRIA 11
  - WRIA 12
  
- Site Selection discussion
  - Who will be involved?
  - What will the process be?
  - What criteria will be used?

## **Appendix A:**

### **PSP ILF Basic Agreement and Instrument Outlines**

1  
2  
3  
4  
5  
6  
7  
8

# Puget Sound Partnership In-Lieu Fee Program Instrument

9 AN AGREEMENT REGARDING THE OPERATION OF THE PUGET SOUND  
10 PARTNERSHIP IN-LIEU FEE PROGRAM PURSUANT TO 33 CFR PARTS 325 AND  
11 332 AS REVISED EFFECTIVE JUNE 9, 2008 (FEDERAL MITIGATION RULE)

12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32

In consideration of the mutual promises and covenants contained herein, the Puget Sound Partnership (the "Sponsor"), the Washington State Department of Ecology, and the U.S. Army Corps of Engineers, as Parties to this Instrument hereby agree as follows:

## INTRODUCTION

- A. Purpose:
- B. Puget Sound Partnership In-Lieu Fee Program Mission and Objectives:
- C. Puget Sound Partnership In-Lieu Fee Program Interagency Review Team:
- D. The Role of the IRT:

## BASIC TERMS OF AGREEMENT

### I. TRANSFER OF PERMIT MITIGATION RESPONSIBILITY

- A. Transfer of Permit Mitigation Responsibility:

### II. LEGAL AUTHORITIES

The establishment, use, operation, and management of the Puget Sound Partnership In-Lieu Fee Program shall be carried out in accordance with the following principal authorities.

- A. Federal:
- B. State of Washington:
- C. Local and Tribal Authorities:

### III. FUNDING PROVISIONS

- A. Fee Collection:

- 1 B. Spending Authority and Disbursement.
- 2 1. Administrative Costs:
- 3 2. Spending Agreement:
- 4 *i. Statement of current account balances for the Service Area*
- 5 *ii. Statement of anticipated mitigation-receiving site project cost*
- 6 *iii. Allocation of percentages for project operation*
- 7 *iv. Signature of the District Engineer.*

8 C. Mitigation Fees:

9 D. Program Account:

- 10 1. Program Administration Account:
- 11 2. Contingency Fee Account:
- 12 3. Long Term Management Fund:
- 13 4. Individual Mitigation Project Accounts:

14 E. Ability to Direct Funds:

15 F. Financial Assurance Requirements.

- 16 1. Mitigation Fees collected based on full cost accounting.
- 17 2. Fully Funded Mitigation Projects:
- 18 3. Contingency Accounts for each service area.
- 19 4. Long Term Management Accounts for each service area.
- 20 5. Accrual of interest earnings.
- 21 6. Funding deficiency:

22

23 **IV. OPERATION OF THE PUGET SOUND PARTNERSHIP IN-LIEU FEE**  
24 **PROGRAM**

25 A. Service Areas:

26 B. Advanced Credit Allocation to Sponsor:

27 C. Credit Deficit or Fraudulent Transactions:

28 D. Permits:

29 E. Permittee Use of Program:

- 1 F. Approval of Mitigation-Receiving Sites:
- 2 G. Compensation Planning Framework:
- 3 H. Mitigation-Receiving Site Operational Phases:
- 4 1. The Establishment Phase
- 5 2. The Long Term Management Phase
- 6 I. Deviation from Mitigation-Receiving Site Plans:
- 7 J. Credit Release schedule:
- 8 K. Modification of Credits:
- 9 L. Monitoring Provisions:
- 10 M. Maintenance Provisions:
- 11 N. Contingency Plans/Remedial Actions:
- 12 O. Availability of Credits in the Event Contingencies or Financial Assurances are  
13 Accessed:
- 14 P. Force Majeure:
- 15 Q. Noncompliance:
- 16 R. Default:
- 17 S. Notification of Credit Suspension or Program Suspension:
- 18 T. Sponsor's Failure to Correct Default:
- 19 U. Unavoidable Delays:
- 20 V. Site Closure:
- 21 W. Service Area Closure.
- 22 X. Program Closure:
- 23 Y. Closure Provisions:
- 24 Z. Closure Provisions Regarding Funding:
- 25 AA. Mitigation-Receiving Site Protections:

- 1 BB. Mitigation-Receiving Site Restrictions on Use:
- 2 CC. Inspection of Mitigation-Receiving Sites:
- 3 DD. Accomplishment of Sponsor Responsibilities:
- 4 EE. Transfer of Long Term Management Responsibilities:
- 5 FF. Relieved of All Further Long-Term Management Responsibilities:

1 **V. RESPONSIBILITIES OF THE CORPS AND ECOLOGY AS CO-CHAIRS OF THE**  
2 **INTERAGENCY REVIEW TEAM**

3 **Paragraphs A - F**

4 **VI. GENERAL PROVISIONS**

5 A. Effect of the Puget Sound Partnership In-Lieu Fee Program on Federal, State, and  
6 Local Permitting Requirements:

7 B. Decision Making by Consensus:

8 C. Entry into Effect, Modification or Amendment, and Termination of the  
9 Instrument:

10 D. Assignment of Obligations under this Instrument:

11 E. Specific Language of this Basic Agreement Shall Be Controlling:

12 F. Notice:

13

14 G. Entire Agreement:

15 H. Invalid Provisions:

16 I. Effect of Agreement:

17 J. Attorneys' Fees:

18 K. Availability of Funds:

19 L. Headings and Captions:

20 M. Counterparts:

21 N. Binding:

1 IN WITNESS WHEREOF, the Parties hereto have executed this Instrument on the date herein  
2 below last written.

3

# **Puget Sound Partnership In-Lieu Fee Program**

## **A. PROGRAM OVERVIEW**

- 1.0 Introduction
- 2.0 Objectives
- 3.0 History/Need for Program

## **C. MITIGATION SEQUENCING AND PARTICIPATING AGENCIES**

- 1.0 Mitigation Sequencing
- 2.0 Permitting Agencies

## **D. CREDITS AND DEBITS**

- 1.0 Debits and Credits – Other Resource Types (PLACEHOLDER)
- 2.0 Wetland Debits and Credits – Functional Types
- 3.0 Quantifying Debits and Credits
  - 3.1 Mitigation Assessment Method (“The Tool”)
  - 3.2 Wetland Determinations
  - 3.3 Buffers and Non-Wetland Area Determinations
  - 3.2 Maximum and Minimum Area of Debits and Credits
  - 3.3 Public Rights of Way and Existing Easement Exclusions
  - 3.4 How Mitigation Relates to Restoration Projects

## **E. ADVANCE CREDITS**

- 1.0 Advance Credit Request and Rationale
- 2.0 How Advance Credits Relate to Amount of Allowed Impacts
- 3.0 Advance Credit for Other Resource Types (PLACEHOLDER)

## **F. PROGRAM ACCOUNT**

- 1.0 Investment of Funds
- 2.0 Mitigation Fees
- 3.0 Allocation of Mitigation Fees
  - 3.1 Service Area Accounts
  - 3.2 Mitigation-Receiving Site Project Accounts
- 4.0 Spending Authorization by the District Engineer
- 5.0 Program Account Reporting
- 6.0 Fee Ledger
- 7.0 Calculation of Credit Fee
  - 7.1 Explanation of Credit Fee Determination for Wetland Mitigation
  - 7.2 Explanation of Credit Fee Determination for Aquatic Area Mitigation

## **G. CREDIT ACCOUNTING**

- 1.0 Balancing Credits by Functional Type
- 2.0 Wetland Credit/Debit Ledger
- 3.0 Aquatic Areas Ledger
- 4.0 Credit Ledger Reporting
- 5.0 IRT Concerns with Use of Credits
- 6.0 MRP Database
  - 6.1 Impact Site Data
  - 6.2 Mitigation Site Data

## **COMPENSATION PLANNING FRAMEWORK**

## H. MITIGATION IN A WATERSHED APPROACH

- 1.0 Ecological Condition and Watershed Needs
- 2.0 Other Resources for Decision-Making

## I. SERVICE AREAS

- 1.0 PUYALLUP/WHITE WATERSHED (WRIA 10)
  - 1.1 Service Area Overview
  - 1.2 Physical Description and Current Aquatic Resources Conditions
  - 1.3 Historic Aquatic Resource Losses
  - 1.4 Threats
  - 1.5 Advance Credits
  - 1.6 Goals for Mitigation in a Watershed Context
  
- 2.0 CHAMBERS-CLOVER CREEK WATERSHED (WRIA 12)
  - 2.1 Service Area Overview
  - 2.2 Physical Description and Current Aquatic Resources Conditions
  - 2.3 Historic Aquatic Resource Losses
  - 2.4 Threats
  - 2.5 Advance Credits
  - 2.6 Goals for Mitigation in a Watershed Context
  
- 3.0 NISQUALLY RIVER WATERSHED (WRIA 11)
  - 3.1 Service Area Overview
  - 3.2 Physical Description and Current Aquatic Resources Conditions
  - 3.3 Historic Aquatic Resource Losses
  - 3.4 Threats
  - 3.5 Advance Credits
  - 3.6 Goals for Mitigation in a Watershed Context
  
- 4.0 DOCUMENTS USED IN DETERMINING WATERSHED NEEDS FOR EACH SERVICE AREA
  - 4.1 Countywide Documents
  - 4.2 Puyallup/White River Watershed Service Area
  - 4.3 Chambers-Clover Creek Watershed Service Area
  - 4.4 Nisqually River Watershed Service Area

## J. MITIGATION-RECEIVING SITE SELECTION PROCESS

- 1.0 Development of an Inventory of Candidate Sites
- 2.0 Site Selection Advisory Team
- 3.0 Site Selection Criteria
- 4.0 Prioritization Strategy for Selecting and Implementing Mitigation-Receiving Sites
  - 4.1 Credit Allocation Team
  - 4.2 Choosing the Best Site
- 5.0 IRT Approval

## K. CREDIT FULFILLMENT

- 1.0 Implementation Groups
- 2.0 Mitigation Plans
- 3.0 The Credit Fulfillment Process
- 4.0 Credit Fulfillment Schedule
- 5.0 Preservation as a Mitigation Strategy

6.0 Credit Release Schedule

L. MITIGATION SITE MAINTENANCE

M. ECOLOGICAL PERFORMANCE STANDARDS

N. MONITORING AND REPORTING

- 1.0 Monitoring
- 2.0 Reporting

O. ADAPTIVE MANAGEMENT AND CONTINGENCIES PLANNING

P. SITE PROTECTION AND LONG-TERM MANAGEMENT

Q. IMPLEMENTATION OF APPROVED PLANS

R. FINANCIAL ASSURANCES

- 1.0 Direction of Funds/ Use of Financial Assurances

S. NONCOMPLIANCE, FORCE MAJEURE, AND PROGRAM CLOSURE

- 1.0 Site Noncompliance
  - 1.1 Site Performance Failure
  - 1.2 Site Delinquency
  - 1.3 Site Default
- 2.0 Service Area Noncompliance
  - 2.1 Service Area Delinquency
  - 2.2 Service Area Default
- 3.0 Program Noncompliance
  - 3.1 Program Delinquency
  - 3.2 Program Default
- 4.0 Force Majeure
- 5.0 Closure Provisions

T. MRP INTERACTION WITH OTHER JURISDICTIONS

U. TRACKING PROGRAM PERFORMANCE

V. PROGRAM AND SCIENTIFIC GUIDANCE

- 1.0 Program guidance
- 2.0 Scientific and Technical Basis

W. MITIGATION PLANS

## **Appendix B:**

### **Description of Service Areas**

## **Descriptions of Service Areas**

The federal rule defines a service area as “the geographic area within which impacts can be mitigated at a specific mitigation bank or an in-lieu-fee program, as designated in its instrument,” (33 CFR 332.2). In order to be potentially eligible to use the ILF program, an authorized, unavoidable impact must occur within the boundaries of a service area. The mitigation-receiving site for an impact must be accounted for by service area.

For the purposes of the Partnership’s ILF Program, service areas are defined by Water Resource Inventory Area (WRIA) boundaries. Ecology and other state natural resource agencies developed the WRIAs as way to delineate the state’s major watersheds. A watershed is the geographic region that drains water (and everything water carries) into a river, stream, or body of water. In the state of Washington, the WRIA provides a common denominator for natural resource planning. Watershed goals and objectives and watershed plans for improving water quality and water quantity/in-stream flows and recovering salmon are based on WRIAs.

The Partnership proposes three broad service areas, which align with the Water Resource Inventory Areas (WRIAs) in the Pierce County pilot area (Figure 1):

- Puyallup/White Watershed – WRIA 10
- Chambers/Clover Watershed – WRIA 12
- Nisqually Watershed – WRIA 11

Figure 2 shows the service area boundaries in the Pierce County pilot area.

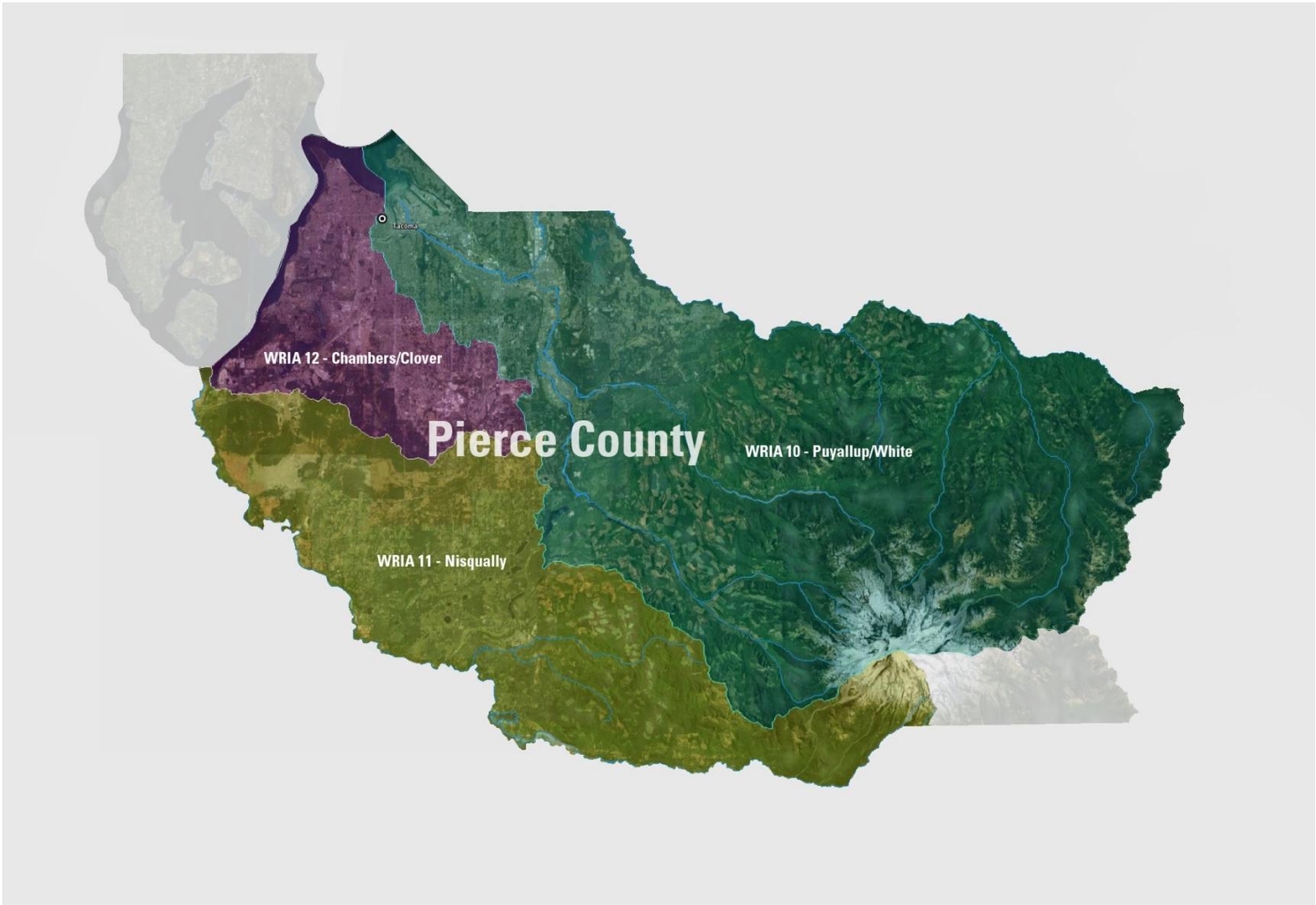


Figure 1.

## **Puyallup/White Watershed – WRIA 10**

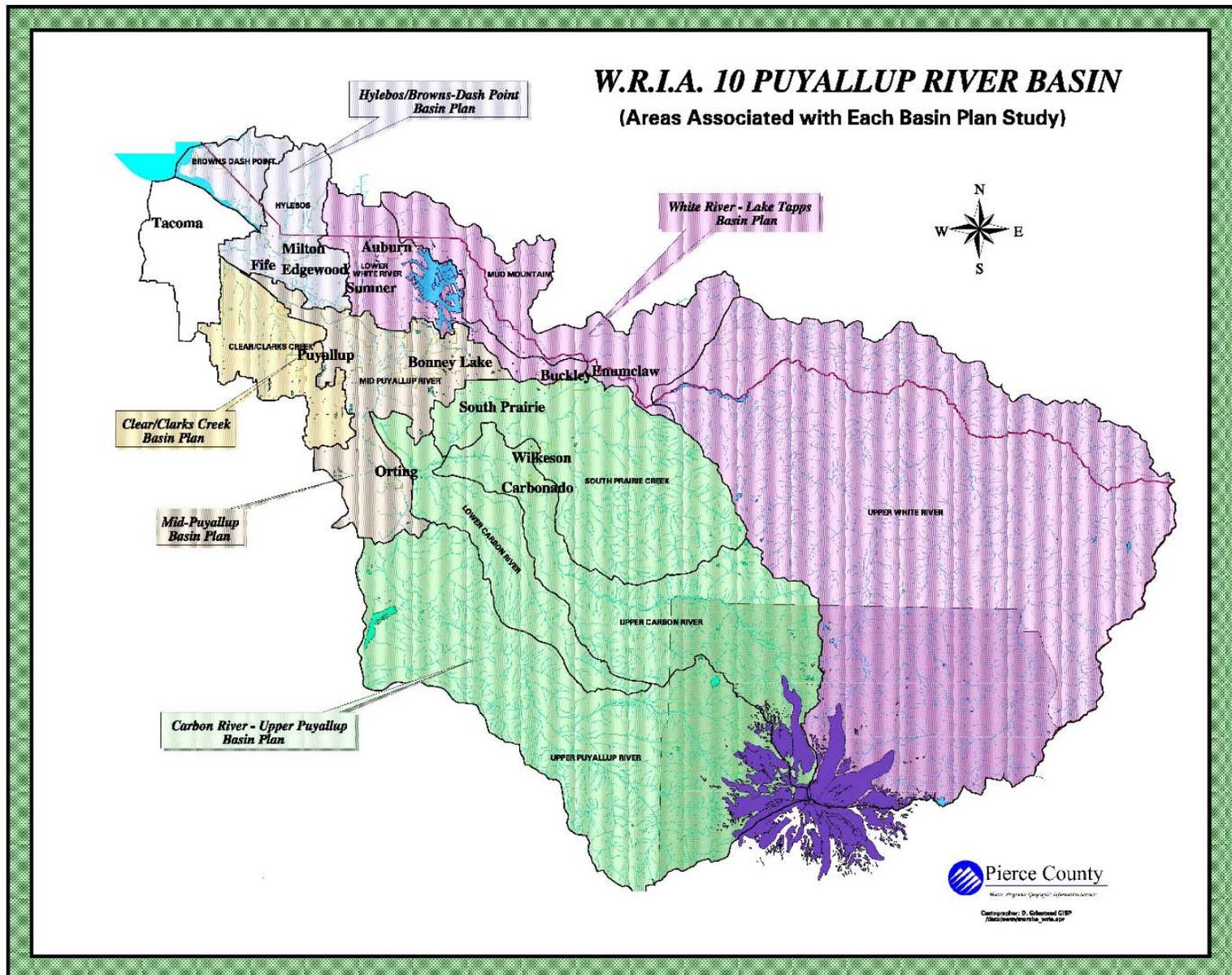
The Puyallup/White watershed drains approximately 1052 square miles. The headwaters of the watershed begin on the glaciers of Mt. Rainier in eastern Pierce County. As the water moves downstream, tributaries merge with the Puyallup or White rivers. Further downstream the White River merges with the Puyallup River and eventually flows into Commencement Bay and Puget Sound in western Pierce County.

The Puyallup/White watershed is part of the Usual and Accustomed Area for the Puyallup Tribe of Indians and the Muckleshoot Indian Tribe.

Much of the upper watershed is protected as National Park or Wilderness Area or managed for timber production. The remainder is rural and agricultural. The lower watershed is highly urbanized. It includes the cities of Puyallup, Fife, Milton, Sumner, Bonney Lake, Buckley, and Orting as well as portions of Tacoma, Auburn, Federal Way, and Enumclaw. The White River demarcates the jurisdictional line between Pierce and King County for much of its course. Here the watershed extends into King County to the north to include the tributaries of the White River. However, the vast majority of this watershed lies within Pierce County.

Pierce County has divided the Puyallup/White watershed into several basins, which are smaller drainage areas. See Figure 2. The 11 basins of the Puyallup/White watershed include the following:

- Browns/Dash Point
- Clear Clarks Creek
- Hylebos
- Lower White River
- Mud Mountain
- Mid-Puyallup River
- South Prairie
- Lower Carbon River
- Upper Carbon River
- Upper Puyallup River
- Upper White River



## **The Chambers-Clover Creek Watershed – WRIA 12**

The Chambers-Clover Creek Watershed extends from the Puget Sound east to Graham and from Point Defiance on the north to DuPont at the south boundary. It has a drainage basin of about 180 square miles. It includes Fircrest, Ruston, University Place, Lakewood, DuPont, Steilacoom, Frederickson, Parkland, Spanaway, and portions of Tacoma and Joint Base Lewis-McChord.

The Chambers-Clover watershed is part of the Usual and Accustomed Area for the Puyallup Tribe of Indians. The marine shorelines along the Chambers-Clover watershed are part of the Squaxin Island Tribe's Usual and Accustomed Area.

Clover Creek emerges from the ground near the town of Frederickson. It flows northwest through the communities of Spanaway and Parkland and the city of Lakewood before flowing into Lake Steilacoom. Chambers Creek flows out of the north end of Lake Steilacoom, and approximately five miles later it discharges into Chambers Bay of the Puget Sound. Pierce County has divided this watershed into the following four basins (See Figure 3):

- Chambers Bay
- Clover Creek/Steilacoom
- American Lake (no surface water connection to Chambers or Clover Creek, but all lakes within the watershed have the same groundwater source)
- Tacoma West (short watersheds which drain directly to Puget Sound)

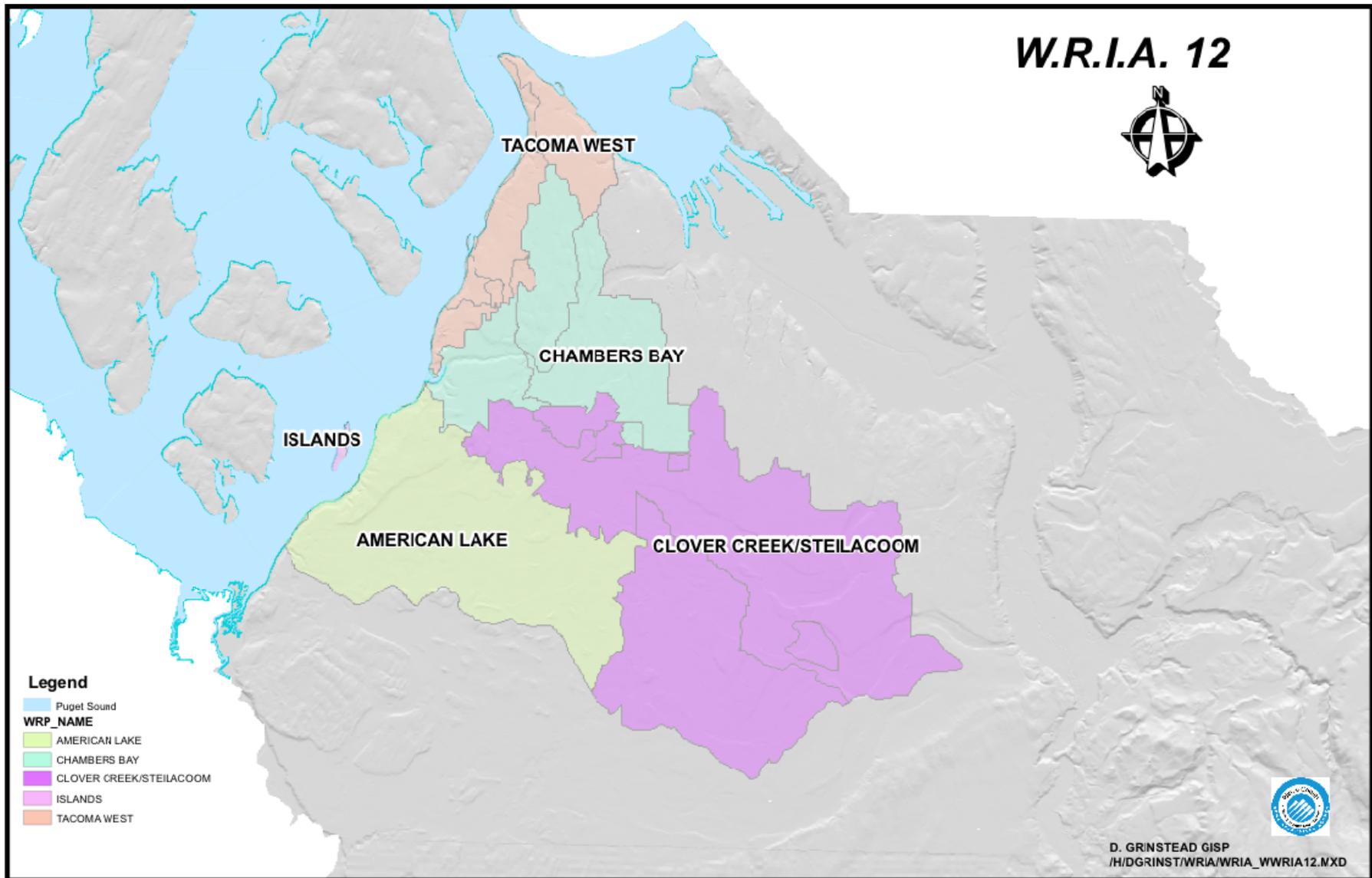


Figure 3.

## **The Nisqually River Watershed – WRIA 11**

The Nisqually River originates from the Nisqually Glacier on the south slope of Mount Rainier. It flows northwest approximately 78 miles to the Nisqually Estuary, where it discharges into the Puget Sound. The watershed encompasses about 768 square miles (see Figure 5). The La Grande Canyon provides a natural break between two physiographic areas in the watershed. Downstream of the canyon the Nisqually watershed consists of low hills and prairie plains of glacial outwash. Upstream of the canyon volcanic rock and steeper mountainous terrain dominate the area. The canyon itself contains 200-foot sheer cliffs. Major tributaries include Mineral Creek, Little Nisqually River, Mashel River, Ohop Creek, Tanwax Creek, and Muck Creek.

The Nisqually watershed is part of the Nisqually Indian Tribe's Usual and Accustomed Area.

The Nisqually River straddles the Thurston-Pierce County line, while the southern portion of the watershed lies within Lewis County. The western portion of the watershed lies in Thurston County and encompasses the cities of Yelm, and portions of Lacey. The eastern portion lies in Pierce County and contains the cities of Roy, and Eatonville. The lower watershed is predominately under federal management. The Nisqually National Wildlife Refuge manages the delta and estuary and the lower reaches are on the Fort Lewis Military Installation. The Nisqually Indian Tribe also manages a portion of the lower reaches of the Nisqually Valley as Reservation land. Much of the upper watershed is federally managed as either National Park or National Forest

Pierce County Surface Water Management has divided the portion of the watershed that lies within Pierce County into the following six basins:

- Upper Nisqually
- Mashel River
- Ohop Creek
- Mid-Nisqually
- Muck Creek
- Lower Nisqually

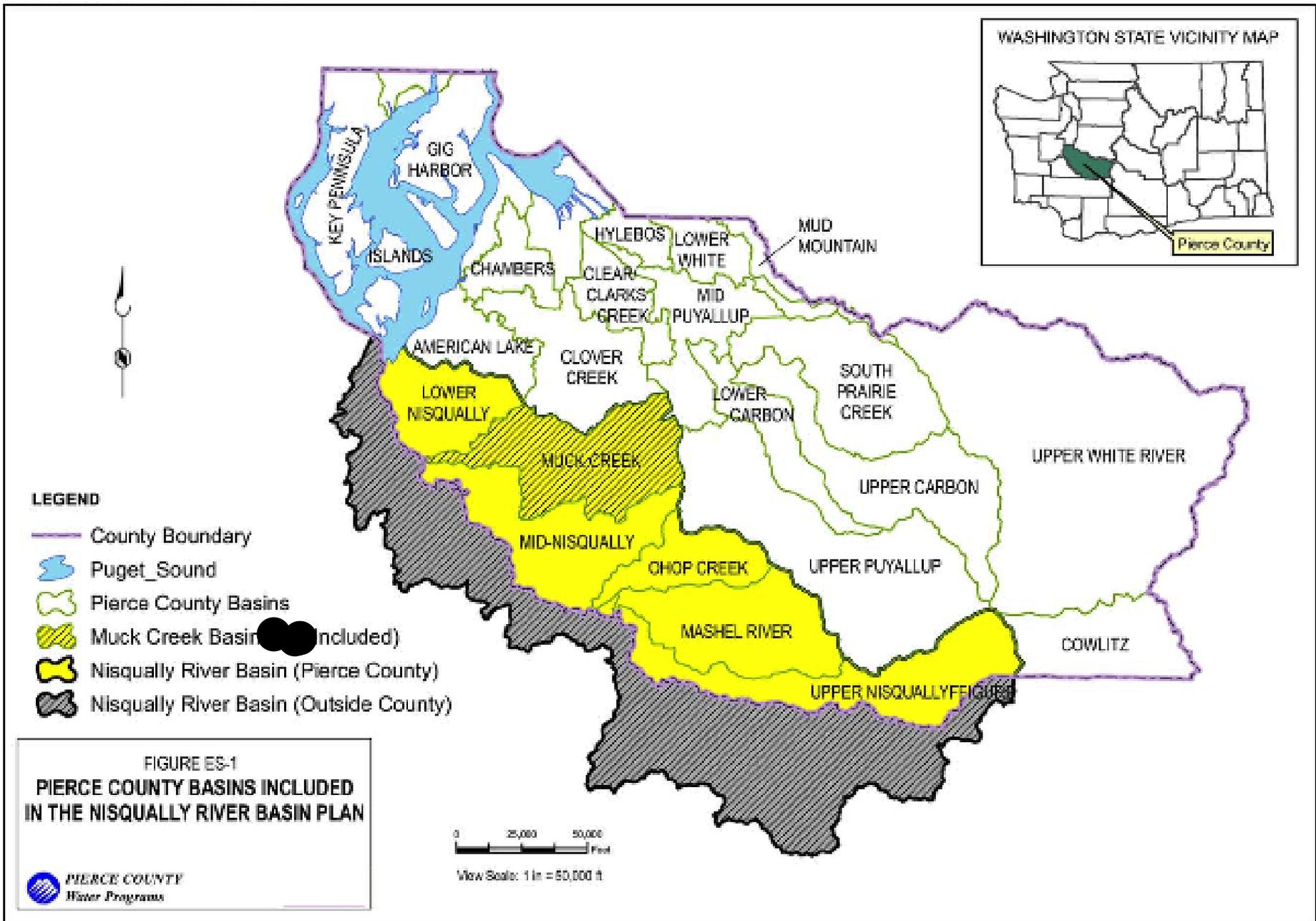


Figure 4.

## **Appendix C:**

### **Site Selection Process**

## Site Selection Process

### 1. Convene Site Selection Advisory Group

The sponsor will generate an initial list of candidate sites from the inventory. When creating the initial list of candidate sites, the sponsor will consider the aquatic resource goals and what processes and functions have been prioritized for restoration or protection within the service area. The ILF Program Sponsor will convene and facilitate meetings with Site Selection Advisory Team for that watershed (service area) to help identify and prioritize the most suitable candidate sites for further analysis.

- a. Determine “where” we should focus (Priority Area) – Watershed Characterization as initial sieve
- b. Determine “what” we should focus on (Priority Qualities or Functions)
- c. Review Candidate Sites from Inventory to determine if any are in Priority Area and match Priority Functions
- d. Suggest additional sites (?)
- e. Identify top sites for further analysis
- f.

If no sites appear to meet needs may use competitive process to seek proposals.

### 2. Subcommittee volunteer for Site Selection Review Team

- a. Score potential sites based on agreed upon criteria
- b. Visit top scoring sites to confirm suitability
- c. Recommend a site to Sponsor

### 3. Sponsor selects site to pursue

### 4. Sponsor submits proposed site to IRT for approval

## Development of an Inventory of Candidate Sites – resources that will help identify specific sites

- Existing Documents
  - Watershed Recovery 3-year work plans – if used for mitigation remove from recovery plan
  - Levee Setback Feasibility Analysis
  - Watershed characterization plans, data or both
  - Salmon Conservation and Recovery Plans
  - Watershed Action Plans, developed through Chapter 400-12 WAC

- Watershed Plans, developed through RCW 90.82
- County Basin Plans
- County Rivers Flood Hazard Management Plans
- Pierce County Biodiversity Network Plans
- Ecoregional Assessments: Willamette Valley/Puget Trough/Georgia Basin (Nature Conservancy, 2004)
- Staff resources: PSP Ecosystem Recovery Coordinators, Ecology Watershed leads, Tribal Biologists
- Comprehensive Land Use Plans
- 
- Fine scale inventories or analyses:
  - Watershed characterizations
  - Squaxin Island Habitat Restoration Landscape Analysis
  - Pierce County – County View (database with drainages, wetlands, sensitive areas)
  - Shoreline Master Programs
  - TMDLs
- 

#### Site Selection Advisory Group

- Local integrating organization representatives
- Tribal representatives
- Lead entity coordinators
- Ecosystem recovery coordinators
- Fish and wildlife habitat biologists
- Local government representatives
- Ecology watershed leads
- 

#### Citizen Site Selection Advisory Group

#### Site Selection Criteria

- Contain aquatic resources, aquatic resource buffers, or areas that could likely become aquatic resources through re-establishment or creation. The intent is to find sites with potential for restoration, creation, and enhancement that will provide important long-term environmental benefits for the watershed.
- Exhibit potential for ecological improvement of aquatic resources as a result of restoration, creation, enhancement, or some combination. The intent is to find sites where constraints exist that have altered hydrologic or other processes, and one or more of the constraints on the site can be removed. However, properties in pristine condition under threat of

development could be protected with a conservation easement to generate preservation credit [33 CFR Part 332.3(h)].

- Accommodate project implementation. The site must be situated such that a restoration project could be completed with a minimum of collateral environmental damage, and at a reasonable cost.
- Watershed-scale characteristics, such as aquatic habitat diversity, habitat connectivity, surface water areas (wetlands and streams), ground water flow patterns (including recharge, discharge, and storage areas), other landscape scale functions, and the degree of impairment of these characteristics
- Extent to which the mitigation-receiving site has potential to contribute to the restoration or protection of watershed processes
- Potential of the mitigation-receiving site to successfully contribute to a gain in functions as a result of site restoration
- Hydrologic conditions, soil characteristics, and other physical and chemical characteristics
- The size and location of the compensatory mitigation-receiving site relative to hydrologic sources (including availability of water rights) and other ecological features
- Compatibility with adjacent land uses and watershed management plans
- Reasonably foreseeable effects the compensatory mitigation project will have on ecologically important aquatic or terrestrial resources (e.g., shallow sub-tidal habitat, mature forests), cultural sites, or habitat for federally- or state listed threatened or endangered species
- Other relevant factors including but not limited to:
  - Development trends
  - Anticipated land use changes
  - Habitat status and trends
  - Local or regional goals for the restoration or protection of particular habitat types or functions (e.g., re-establishment of habitat corridors or habitat for species of concern)
  - Water quality goals
  - Floodplain management goals
  - The relative potential for chemical contamination of the aquatic resources.
  - The relative locations of the impact and mitigation receiving sites in the stream network
  - Cost of acquisition and implementation